ANNUAL REPORT 2021



Ensuring Consistency
Exploring Possibilities

Shahjalal Islami Bank
LIMITED
Committed to Cordial Service

MESSAGES FROM THE HOLY QUR'AN

Those who take Riba (usury) will not stand (on the day of Resurrection) except like the standing of a person beaten by Shaitan (Satan) leading him to insanity. That is because they say: "Trading is only like Riba (usury)," whereas Allah has permitted trading and forbidden Riba (usury). So whosoever receives an admonition from his Lord and stops eating Riba (usury) shall not be punished for the past; his case is for Allah (to judge); but whoever returns [to Riba (usury)], such are the dwellers of the Fire they will abide therein forever.

Surah Al-Baqarah, verse-275

Allah will destroy Riba (usury) and will give increase for Sadaqaat (deeds of charity, alms, etc.) And Allah likes not the disbelievers, sinners.

Surah Al-Baqarah, verse-276

O you who believe! Be afraid of Allah and give up what remains (due to you) from Riba [(usury) (from now onward)], if you are (really) believers.

Surah Al-Baqarah, verse-278

And if you do not do it then take a notice of war from Allah and His Messenger; but if you repent, you shall have your capital sums. Deal not unjustly (by asking more than your capital sums), and you shall not be dealt with unjustly (by receiving less than your capital sums).

Surah Al-Baqarah, verse-279



ENSURING CONSISTENCY
EXPLORING POSSIBILITIES

Banking industry serves as the backbone of the country's economy and its success is critical for the economy to thrive. Shahjalal Islami Bank Limited, a leading Islamic bank, plays a vital role in the economy. The bank maintained its success unabated during the year by providing sound banking services and upholding the best interests of the stakeholders. Regardless of the pandemic and prolonged downturns in the global financial scenario, the bank was able to sustain and ensure robust growth through appropriate policy measures and rewarding strategies that were best suited in the face of the challenging banking environment in Bangladesh.

Indeed, the bank's foresight and focused endeavors have allowed it to stay afloat despite market upheavals while simultaneously maintaining a continuous level of service excellence for its customers, stakeholders and patrons. The bank was able to build on its success and continue on its path to constant expansion, achieving even more progress by pursuing new business prospects. Opportunities co-exist with adversities and we have reaped the benefits from these, which resulted in consolidating the bank's position in the industry. Shajalal Islami Bank's focus is, and will continue to be, to remain consistent while exploring every opportunity.

CONTENT



INTRODUCTION

Letter of Transmittal	6
Notice of the 21st Annual General Meeting	7
Awards and Recognitions	8
Key Financial and Non Financial Highlights	10
Vision	12
Motto	12
Mission	12
Our Core Values	13
Our Strategy	14
Code of Conducts	16
Profile of the Bank	17
Corporate structure	18
Milestones	20
Forward Looking Statement	22
Outlook of SJIBL 2022	23
Board of Directors	24
Committees of Board of Directors	25
Brief Profile of Board of Directors	28
Media Highlights 2021	40
Key Events 2021	42

DIRECTORS' REPORT

Chairman's Message	53
Review from the Desk of Managing Director & CEO	59
Report of the Board of Directors'	65

MANAGEMENT REVIEW AND ANALYSIS

Senior Management	94
Committees of Management	96
Organogram	104
Products and Services	106
Overview of Divisions	108
Review of SJIBL Subsidiary	129
Initiatives of Management	131
Report on Going Concern	133

SUSTAINABILITY REPORTING

Message from the Managing Director & CEO on Sustainability	137
About Sustainability Reporting	139
National Sustainable Development Strategy (NSDS)	145
Corporate Social Responsibility	149
Environment Related Initiatives	162
Environmental and Social Obligations	181

INTEGRATED REPORTING

Our Approach to Integrated Report	196
Our Material Topics	199
Strategic Framework	202
Strategic Focus Areas	204
Strategy & Resource Allocation	205
Our Integrated Business Model	208
Our Value Creation Model	210
How SJIBL Creates value through Business Operations	212
Our Value Chain Activities Model	214
Our Capitals	216
Stakeholders' Engagement	229
SWOT Analysis	232
Macroeconomic Factors and their Impacts	234
Competitive Intensity and our Strategic Responses	237
ESG Approach and Focus Areas	238
Entity Analysis	243
Value Added Statement	245
Economic Value Added Statement	246
Market Value Added Statements	247

E N T S

RISK MANAGEMENT

Report of the Board Risk Management Committee	249
From the Desk of Chief Risk Officer	253
Risk Management Framework	260
Risk Mitigation Methodology	269
Disclosure of Risk Reporting	285
Disclosure of Risk Based Capital (BASEL-III)	299
Management of Non-performing Investment	322

STAKEHOLDERS' INFORMATION

Shareholding Structure	327
Shareholding by Directors	328
Redressal of Investors' Complaints	329
Financial calendar	330
Evaluation of Quarterly Performance	331
Stock Performance-2021	332
Profitability and Business Ratio	333
Five Years Financial Summary	334
Graphical Presentation	336
Horizontal & Vertical Analysis	341
Segment Analysis	345
DuPont Analysis	346
Credit Rating Report	347
Dividend Distribution policy	348
Summary of Unclaimed Stock & Cash Dividend	350

CORPORATE GOVERNANCE

Report on the activities of the Audit Committee	352
Statement of Board of Directors' on the Responsibility to Establish Appropriate System of Internal Control	356
Statement of Board of Directors on Adequacy of Internal Control System	357
Corporate Governance Report	359
Declaration by the CEO and the CFO	392
Certificate on Compliance of Corporate Governance Code	393
Compliance Status on BSEC Notification on Corporate Governance	394
Compliance Status on Bangladesh Bank's Guidelines on Corporate Governance	405
Annual Report of Shariah Supervisory Committee	415
From the Desk of CFO	419

FINANCIAL STATEMENTS

Auditor's Report to the Shareholders	424
Consolidated Balance Sheet	429
Consolidated Profit and Loss Account	431
Consolidated Cash Flow Statement	433
Consolidated Statement of Changes in Equity	434
Balance Sheet	435
Profit and Loss Account	437
Cash Flow Statement	439
Statement of Changes in Equity	440
Liquidity Statement	441
Notes to the Financial Statements	442
Financial Statements of Offshore Banking Unit	508
Financial Statements of Shahjalal Islamic Bank Securities Limited	515

OTHER INFORMATION

Branch Network	545
ATM Network	553
Proxy Form & Attendance Slip	559

LETTER OF **TRANSMITTAL**

All Shareholders, Shahjalal Islami Bank Limited
Bangladesh Bank
Bangladesh Securities & Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited
National Board of Revenue & other Stakeholders

Dear Sir(s)/Madam(s),

Subject: Annual Report of Shahjalal Islami Bank Limited for the year - 2021

We are pleased to enclose a copy of the Annual Report 2021 of Shahjalal Islami Bank Limited including Audit Report and Audited Financial Statements for the year ended as on 31 December 2021 along with Notes thereon for your kind information and record.

Thank you,
Yours Truly,

Sd/-
Md. Abul Bashar
EVP & Company Secretary

بِسْمِ اللهِ الرَّحْمٰنِ الرَّحِيْمِ

Shahjalal Islami Bank Limited
Registered Office: Shahjalal Islami Bank Tower
Plot No.-4, Block- CWN(C), Gulshan Avenue, Gulshan, Dhaka-1212

NOTICE OF THE 21st ANNUAL GENERAL MEETING

Notice is hereby given to all Members of Shahjalal Islami Bank Limited that the **21st Annual General Meeting** of the Company will be held on **Thursday, the 28th April 2022 at 11.00 a.m. using Digital Platform** to transact the following business:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31 December 2021 along with the Report of the Auditors' and the Directors' thereon.
2. To approve Dividend for the year ended 31 December 2021 as recommended by the Board of Directors.
3. To appoint Statutory Auditors for the year 2022 and to fix their remuneration.
4. To appoint Compliance Auditors for compliance certification on Corporate Governance Code for the year 2022 and to fix their remuneration.
5. To elect/re-elect Directors.

Members of the Company are requested to make it convenient to attend the meeting.

Dhaka
03rd April 2022

By order of the Board of Directors
Sd/-
Md. Abul Bashar
EVP & Company Secretary

Notes:

- The Record Date has been fixed on Wednesday, the 06th April 2022. The shareholders whose name would appear in the Register of Members and/or Depository Register of the Bank on the Record Date will be eligible to attend the AGM and entitled to the dividend. The Board of Directors has recommended 15% Dividend in the form of 10% Cash and 5% Stock for the year ended on 31 December 2021.
- A Member eligible to attend and vote at the AGM may appoint a proxy to attend and vote on his/her behalf either for or against each of the Agenda or Resolution. Scanned copy of the proxy form duly signed, with revenue stamped of Tk.20.00 (Taka Twenty) must be mailed to **sblshare@sjiblbd.com** not later than 48 (Forty-eight) hours before the meeting.
- The soft copy of the Annual Report 2021 along with Notice of the 21st AGM and Proxy Form will be duly sent to the Members respective email addresses available in their BO Accounts maintained with Depository Participants (DP). Soft copy of the same will also be available in the Bank's Website: www.sjiblbd.com.
- The Members will be able to submit their questions/comments and also vote electronically 24 (Twenty-four) hours before commencement of the AGM and during the AGM.
- Link for joining in the AGM will be notified to the respective Member's through email and by SMS. Login/Participation process for the Digital Platform will also be available in the Bank's website: www.sjiblbd.com.
- The existing Auditors, ACNABIN, Chartered Accountants will complete their 03 (three) year's term, are not eligible for re-appointment.
- The Stock Brokers are requested to provide "Consolidated Customers' Bank Account (CCBA)" and the Merchant Bankers and the Portfolio Managers of Margin Shareholder are requested to provide "Separate Bank Account" along with their clients list having shares on "Record Date" to pay off the Cash Dividend as per Bangladesh Securities and Exchange Commission's Directives No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021 and also requested to mail the same at sblshare@sjiblbd.com (in PDF & MS Excel format) within 21st April 2022. In case of non-submission of such option within the stipulated time, the dividend will be paid off as deemed appropriate by the Bank.

AWARDS AND **RECOGNITIONS**

SAFA Second Runner Up for Overall Category



SAFA First Runner Up position for Best Presented Annual Report





ICAB Best Presented Annual Report (First position)



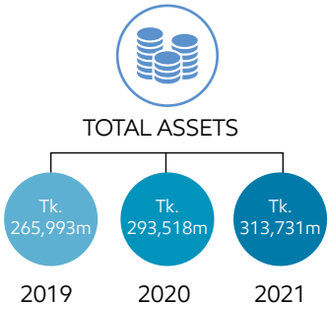
SAFA Joint First Runner Up position in SAARC Anniversary Award for Corporate Governance Discloser

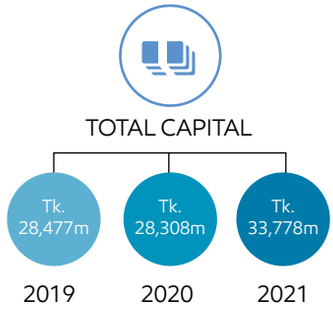
ICAB Corporate Governance Discloser (Second position)

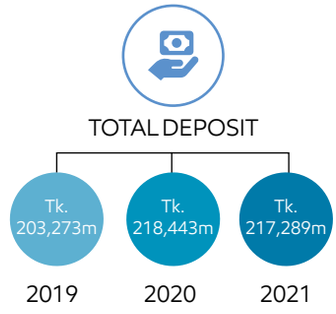
8th ICSB National Award for Corporate Governance Excellence 2020 (Gold Award)

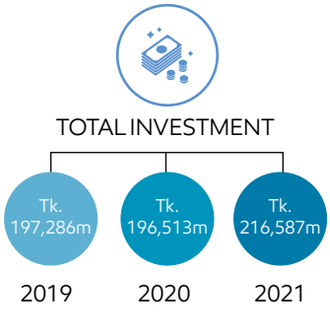
ICMAB Best Corporate Award 2020 (Bronze Award)

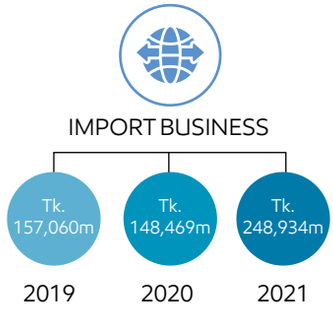
KEY FINANCIAL HIGHLIGHTS -2021

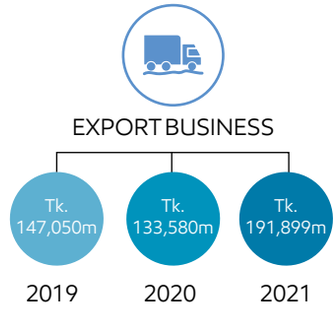


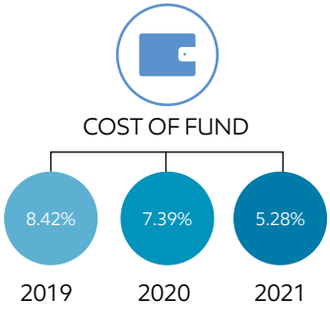


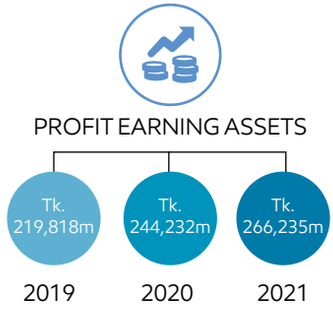


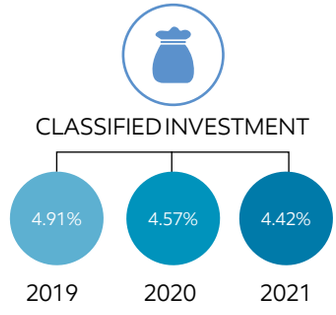


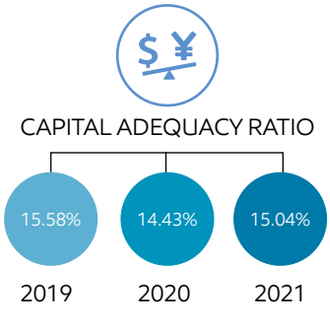


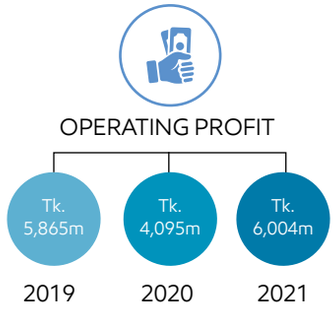


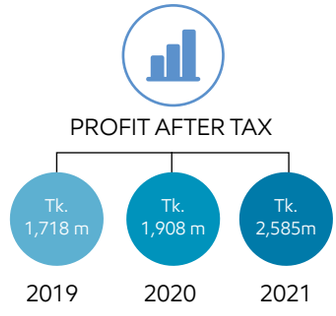


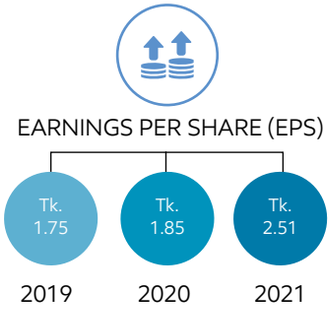


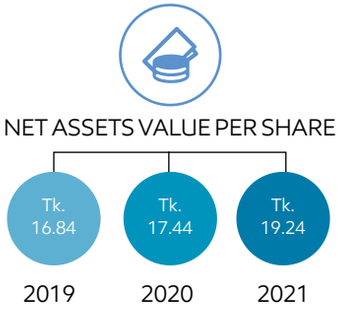


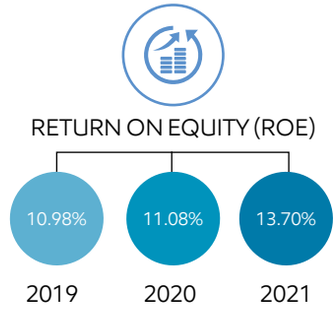












NON-FINANCIAL HIGHLIGHTS -2021



NUMBER OF DELIVERY POINTS

2020	2021
132	132



NUMBER OF AGENT BANKING OUTLETS

2020	2021
53	100



NUMBER OF ATMS

2020	2021
110	119



STAFF STRENGTH

2020	2021
2,657	2,741



CONTRIBUTION TO NATIONAL EXCHEQUER

2020	2021
4,779 m	4,845 m



CSR

2020	2021
323m	233m



NO. OF ACCOUNTS

2020	2021
1,024,455	1,080,779



NO. OF FOREIGN CORRESPONDENT

2020	2021
412	436



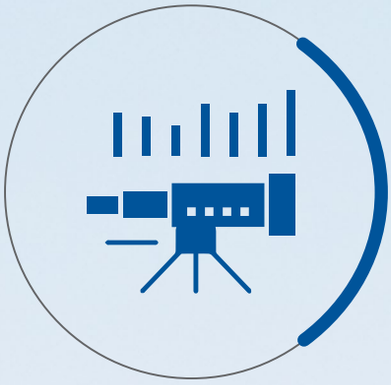
NO. OF DRAWING ARRANGEMENT

2020	2021
14	15



NO. OF AD BRANCHES

2020	2021
19	19



OUR VISION

Where we want to be...

Most admirable brand of shariah banking & investment in Bangladesh ensuring sustainable value for all our stakeholders embodied with human development based on morality and ethics.

OUR MOTTO

Ethical bondage to aim...

Cordial Service and welfare banking.





OUR MISSION

What we want to achieve...

- Uncompromised quality service and customer care
- Setting high standards of integrity
- Inclusive and innovative banking
- Sustainable value for all stakeholders
- Continuous development of professionals and system up gradation to face the challenges and drive for excellence
- System Automation and digitization adopting the state-of-art technology with full proof security to ensure fast and accurate customer service
- Human Resources Development based on morality and ethics



OUR CORE VALUES

UNIQUE BANK

Our Banking Products are the Benchmark

Our commitment is to contribute in building and expanding Islamic banking industry

DYNAMIC

Progressive and Innovative

We are constantly moving ahead as we offer new and technologically advanced products and services

PROFESSIONAL

Fast, Efficient and Responsive Service

Our constant strive is to equip the team of professionals to face the challenges and drive for excellence

CARING

Approachable and Supportive Partner

We are always attentive to customers' needs & satisfactions

TRUSTWORTHY

Dependable and Reliable

We believe in both way communications and always care and share the views and knowledge with all stakeholders

OUR **STRATEGY**

> Our strategy is to perform towards sustainable growth achievement

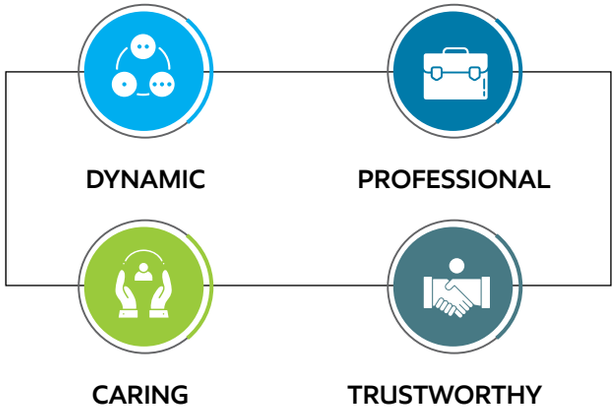
Our strategic intent

To be the unique shariah based Bank in Bangladesh

A very caring bank to:

- facilitate trade across the markets
- enable customers of all walks of life to conduct business transactions happily
- provide easy solution of complex business situation
- capture the unbanked population of the country

Our brand promises



Our commitment to three core pillars:

- **people** – we believe in long-lasting relationships and possess great value for the customers and people around us
- **progress** – the way we conduct ourselves
- **prosperity** – our passion for sustainable value addition to our all stakeholders

How we deliver: Our Strategic Pillars

Our presence

We have modest presence across the country and want to have an unequivocal focus all over the country with deep local relationships. We are trying to expand our horizon and service network by opening more branches especially in unbanked areas of the country.

Strict Observance of Shari'ah

We believe and are committed to provide banking service that is purely based on Shari'ah.

Diversified deposit and investment product

Emphasis both Wholesale banking and Retail banking.

We operate as a Bank in diversified areas of banking and always focus on both Wholesale Banking and Retail Banking.

Client relationship rather than a product driven approach

We focus our capabilities around customers' needs, rather than seeking a rapid return on products or building product silos.

Distinctive culture and values

Our unique culture and values are the source of significant advantage.

Conservative and disciplined on risk, capital and liquidity

We regard balance sheet quality as a cornerstone of our business model & strategy. We are more cautious about capital adequacy, liquidity & risk mitigation rather than running after profit only.

Organic growth, the primary driver of our strategy and value creation

We believe that organic growth drives the greatest value creation for our shareholders. Where we cannot grow organically, or cannot do so within a reasonable time frame, we will explore acquisitions that will reinforce our core strategy.

Our delivery

We are committed to Cordial Service and with this commitment we constantly try to pull on sustainable business practices, upholding high standards of corporate governance, social responsibility, environmental protection and human resource development

CODE OF **CONDUCT**

Ethical Principles of SJIBL

The Bank has achieved a remarkable reputation since its inception. This reputation is our most important asset, source of inspiration & pride. The Bank's continued success depends heavily on all member staffs of SJIBL family doing their best to maintain and enhance our tradition of honesty, integrity, fairness, excellence, respect and concern for others.

The ethical conduct of SJIBL is followed by its directors, officials and all the member staffs from their respective positions. The ethical conduct includes, but not limited to, the following:

1. Adhering to the Shariah and implementing its principles.
2. Maintain honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships.
3. Provide customers with information that is accurate, complete, objective, relevant, timely, and understandable.
4. Comply with all applicable rules and regulations of the country.
5. Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated.
6. Respect the confidentiality of information acquired in the course of one's work except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of one's work will not be used for personal advantage.
7. Share knowledge and maintain skills important and relevant to customer's needs.
8. Proactively promote ethical behavior as a responsible partner among peers, in the work environment and the community.
9. Achieve responsible use of and control over all assets and resources employed or entrusted.
10. Any violation of this Code is strictly dealt with appropriate administrative measures.

PROFILE OF **THE BANK**

Name of the Company	:	Shahjalal Islami Bank Limited
Legal Form	:	A public limited company incorporated in Bangladesh on 1st April 2001 under the companies Act 1994 and listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.
Commencement of Business	:	10th May 2001
Registered Office	:	Shahjalal Islami Bank Tower Plot No.-04, Block-CWN(C), Gulshan Avenue, Dhaka-1212
Telephone No.	:	88-02-222283457 (Hunting)
Fax No.	:	88-02-222297607
Website	:	www.sjiblbd.com
SWIFT	:	SJBLBDDH
E-mail	:	sjiblho@sjiblbd.com
Chairman	:	Mr. Mohammed Younus
Managing Director	:	Mr. M Shahidul Islam
Auditors	:	M/s. ACNABIN, Chartered Accountants BDBL Bhaban (Level- 13 & 14) 12 Kawran Bazar Commercial Area, Dhaka-1215 Phone: +880 2-41020030-35
Tax Advisor	:	M/s. K.M Hasan & Co., Chartered Accountants 87, New Eskaton Road, Dhaka. Phone: +88-02-9345792
Credit Rating Agency	:	Emerging Credit Rating Ltd. SHAMS Rangs, 104 Park Road, Level- A1 & A2, Baridhara, Dhaka-1212 Phone :+ 880-02-222260911
No. of Branches	:	132
No. of ATM Booth	:	119
Subsidiary Company	:	Shahjalal Islami Bank Securities Limited DSL building (3rd floor), 1/C DIT Avenue, Dainiak Bangla Motijheel, Dhaka-1000
Offshore banking Unit	:	1
No. of Employees	:	2,741
Authorized Capital	:	Tk. 15,000 million
Paid up Capital	:	Tk. 10,291 million

SHAHJALAL ISLAMI BANK LIMITED **CORPORATE STRUCTURE**



Shahjalal Islami Bank Limited

Subsidiary Companies

- Shahjalal Islami Bank Securities Limited

Branchless Banking

- Agent Banking

Main Operation

- Branch Banking
- Offshore Banking



يَا أَيُّهَا الَّذِينَ آمَنُواْ اتَّقُواْ اللّهَ وَذَرُواْ مَا بَقِيَ مِنَ الرِّبَا إِن كُنتُم مُّؤْمِنِينَ

O you who believe! Be afraid of Allah and
give up what remains (due to you) from Riba'
(usury) (from now onward),
if you are (really) believers.

Surah Al-Baqarah, Verse-278

MILESTONE





2001

Incorporation of the Company

Obtained License from Bangladesh Bank

Formal launching & Commencement of Banking Business

2007

Initial Public Offerings (IPO)

Enlisted with Dhaka Stock Exchange Limited & Chittagong Stock Exchange Limited

First trading of shares on Dhaka Stock Exchange Limited & Chittagong Stock Exchange Limited

Launching of 1st ATM

2008

Opening of Offshore Banking Unit

2010

Incorporation of Subsidiary Company, Shahjalal Islami Bank Securities Limited

2011

Started operation of Shahjalal Islami Bank Securities Limited

2013

Full-fledged operation with BankUltimus, the Core Banking Soluation

2014

Construction of Head Office Buiding on own plot started

2015

Establishment of full-fledged Shahjalal Islami Bank Training Academy



2016

100th Branch Opened at Hat Gopalpur, Jhenaidah

2017

Bank's Head Office shifted to permanent address at "Shahjalal Islami Bank Tower" (the iconic building of the country)

Implemented Layer-7 security in our ICT management system & infrastructure to combat cyber threats

Issued 7 years' redeemable 1st Mudaraba Subordinated Bond of BDT4,000 million

Introduce unique dress code for all executives/officers in order to maintain the sense of proper attire and positive appearance

2018

'Shahjalal Islami Bank Tower' Corporate Head Office of Shahjalal Islami Bank Limited has fulfilled the requirements of the LEED Green Building Rating System Certification established by the US Green Building Council and verified by Green Business Certification Inc.

Issued 7 years' redeemable 2nd Mudaraba Subordinated Bond of BDT6,000 million

2019

Opening of first Sub-Branch at Bokshirhat

Launching of Shariah compliant Credit Card

2020

Inauguration of Agent Banking operation by opening of 15 Agent Banking outlet all over Bangladesh

Launching Mobile Apps Based Banking Solution-SJIBL NET

Commencement of Call Center 16302 for 24/7

Securing South Asian Federation of Accountants (SAFA) international Award for Annual Report 2019

2021

For the first time, Shahjalal Islami Bank issued Mudaraba Perpetual Bond of BDT 5,000 million

Inauguration of 100th Agent Banking Outlet

Launched e-account opening with the aim of providing fastest account opening services easily from anywhere.

Launched QR CODE banking service for its customers.

Received three prestigious awards from South Asian Federation of Accountants (SAFA) for Annual Report 2020

For the first time Shahjalal Islami Bank has been awarded first prize by both ICAB and ICSB for Annual Report 2020

FORWARD LOOKING **STATEMENT**

Industry Forward-looking statements are usually based on hypothesis as well as certain conditions and changes that might impact on business. Our forward-looking statement of Annual Report 2021 has involved numerous assumptions, inherent risks and uncertainties, both general and specific as well as predictions. These factors include, but are not limited to, volatility of profit rates, capital markets instability, changes of CRR and SLR norm, changes in corporate taxation, changes in national, political and socio-economic conditions, changes in government policies and Russia and Ukraine war-induced challenges, supply disruptions, higher commodity and oil prices, inflationary pressure etc. Hence forward-looking statements may not prove to be always true in course of time. Readers are cautioned, not to consider our forward looking statement as something universal or unalterable since any change of national and global scenario is beyond our control. The bank will not stand accountable to update the amended information in the Annual Report once it is published.

Outlook of Banking Industry for 2022:



OUTLOOK OF **SJIBL–2022**

Industry and economy entered into another extra ordinary period of what may be, characterized by a single word as ***Uncertainty.*** It comes from many fronts: economical, geo-political, technological and so on. Simultaneously usher and hope also have arisen in some core field. In this back drop, SJIBL has navigated against all challenges by strategically positioning and utilizing assets strategically to discover all the opportunity. Here we portray Bank's possible outline for 2022.

Increase credit portfolio cautiously without compromising the quality by emphasizing trade finance.

Mobilize deposit with appropriate mix aligned with credit growth.

Ensure spread management through optimum deposit mix though cost of deposit may experience increasing trend.

Managing balance sheet prudently to tap the prevailing opportunity and offset market risk.

Focus on recovery of Non Performing Investment (NPI) & Non degradation of existing asset quality.

Develop fit-for-purpose management information systems.

Deploy technology to increase customer base, improve efficiency, fight financial crimes and enhance service excellence.

Expand Bank's footprint and tap un-banked people through sub-branches, booth banking, agent banking and digital banking platform.

Cost rationalization in line with the spirit of efficient operations.

BOARD OF **DIRECTORS**

Chairman

Mr. Mohammed Younus

Vice Chairmen

Mr. Mohiuddin Ahmed
Mr. Mohammed Golam Quddus
(Rep. of Anwer Khan Modern Hospital Ltd.)

Directors

Dr. Anwer Hossain Khan
Mr. Md. Sanaullah Shahid
(Rep. of Electra International Ltd.)
Mr. Md. Harun Miah
(Rep. of Shamsuddin Khan & Harun Miah Ltd.)
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. Md. Moshiur Rahman Chamak
(Rep. of Fresh Export Import Limited)
Mrs. Tahera Faruque
(Mr. Md. Masud Representing as Alternate Director)
Mrs. Jabun Nahar
(Rep. of Daffodils Trading International)
Mr. Fakir Mashrikuzzaman
(Rep. of Fakir Knitwears Ltd.)

Independent Directors

Mr. Ekramul Hoque
Mr. K.A.M. Majedur Rahman
Mr. Nasir Uddin Ahmed FCA, FCS

Managing Director

Mr. M Shahidul Islam

COMMITTEES OF THE **BOARD OF DIRECTORS**

Executive Committee

Mr. Akkas Uddin Mollah	Chairman
Mr. Fakir Akhtaruzzaman	Vice Chairman
Dr. Anwer Hossain Khan	Member
Mr. Md. Sanaullah Shahid	Member
Mr. Mohiuddin Ahmed	Member
Mr. Khandaker Sakib Ahmed	Member
Engr. Md. Towhidur Rahman	Member

Audit Committee

Mr. Ekramul Hoque	Chairman
Mr. Abdul Halim	Member
Mr. Mohammed Golam Quddus	Member
Mr. K.A.M. Majedur Rahman	Member
Mr. Nasir Uddin Ahmed FCA, FCS	Member

Risk Management Committee

Engr. Md. Towhidur Rahman	Chairman
Dr. Anwer Hossain Khan	Member
Mr. Mohiuddin Ahmed	Member
Mr. Fakir Mashrikuzzaman	Member
Mr. K.A.M. Majedur Rahman	Member

Shariah Supervisory Committee

Allama Mufti Abdul Halim Bukharee	Chairman
Mufti Shahed Rahmani	Member
Prof. Dr. Muhammad Abdur Rashid	Member
Maulana Mohammad Sadequl Islam	Member
Prof. Hamidur Rahman	Member
Mr. Md. Fariduddin Ahmed	Member
Mr. M. Kamaluddin Chowdhury	Member
Barrister Md. Arifur Rahman	Member
Mr. Mohammed Younus	Ex-Officio Member
Mr. M Shahidul Islam	Ex-Officio Member
Maulana Md. Farid Uddin	Member Secretary

BOARD OF **DIRECTORS**



Standing from left to right

- Mr. Ekramul Hoque
- Mr. K.A.M. Majedur Rahman

Sitting from left to right

- Mr. Mohammed Golam Quddus
- Mr. Mohiuddin Ahmed
- Mr. Md. Sanaullah Shahid



- Mr. M Shahidul Islam
- Mr. Fakir Mashrikuzzaman
- Mr. Mohammed Younus
- Mr. Akkas Uddin Mollah
- Dr. Anwer Hossain Khan

BRIEF PROFILE OF THE **BOARD OF DIRECTORS**



Mr. Mohammed Younus
Chairman

Mr. Mohammed Younus is one of the sponsors of Shahjalal Islami Bank Limited. 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 traveled 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. Mohammed Golam Quddus
Vice Chairman

Mr. Mohammed Golam Quddus is the Representative Director of Anwer Khan Modern Hospital Limited. Presently he is the Vice Chairman of the Board of Directors of the Bank. He has completed Masters in Economics from the University of Dhaka.

Mr. Quddus started his career as Assistant Commissioner at the Ministry of Public Administration of the Government of the People's Republic of Bangladesh in 1983 and has extensive contribution to the administration sector of our country.

He served as Secretary to the Government under the various Ministries and as a Member at Privatization Commission from 25 January 2011 to 31 December 2014. Moreover, he worked as Joint Secretary, Additional Secretary, Additional Divisional Commissioner and Additional Deputy Commissioner etc. He retired from his service on 01January 2015.

Mr. Quddus is widely experienced in general administration, office management, hospital management, field management & crisis management etc.



Dr. Anwer Hossain Khan
Director

Mr. Anwer Hossain Khan, one of the sponsors and former Chairman of Shahjalal Islami Bank Limited, 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, Anwer 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

Md. Sanaullah Shahid (Representative of Electra International Limited) is one of the Sponsors of Shahjalal Islami Bank Limited. 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.



Mr. Md. Harun Miah
Director

Md. Harun Miah, Rep. of Shamsuddin Khan & Harun Miah Limited was born in the year 1961 in a respectable Muslim family and started business after completion of Bachelor Degree.

He has long and outstanding business experience for more than 25 years in the UK.

He has been living in the UK for long and he established Kushiara Travels Limited in the UK and representing as Managing Director. He is a Director of Hotel Pritom. He is also the Managing Director of Samsuddin Khan & Harun Miah Limited (UK) and Sponsor of Shahjalal Islami Bank Securities Limited.



Mr. Md. Abdul Barek
Director

Mr. Md. Abdul Barek one of the sponsors of Shahjalal Islami Bank Limited, 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 the Shahjalal Islami Bank Securities Limited. He is also a member of FBCCI.

He is a man of pleasant personality and amiable disposition. He has 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 one of the sponsors and Director of the Bank and he is also a sponsor of Shahjalal Islami Bank Securities Limited. He has long and successful business experience for more than three decades.

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

He is a man of pleasant personality and amiable disposition. He has 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 Limited. 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, Helal Textile Industries 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.

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.

His pleasant personality and amiable disposition is commendable.



Mr. Khandaker Sakib Ahmed
Director

Mr. Khandaker Sakib Ahmed is one of the Sponsors and Director of Shahjalal Islami Bank Limited. 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.

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



Engr. Md. Towhidur Rahman
Director



Mr. A. K. Azad
Director

Engr. Md. Towhidur Rahman, one of the sponsors and Former Chairman of Shahjalal Islami Bank Limited, 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, Moshiur 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 Terresa Gold Medal and other awards for his contribution in social activities of the country.

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

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. Akhtaruzzaman is a Director and Vice Chairman of the Executive Committee of the Board of Directors of Shahjalal Islami Bank Ltd. 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 Hadih Salafih at Araihazar 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 Narayangonj Club.

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



Mr. Md. Moshiur Rahman Chamak
Director

Mr. Md. Moshiur Rahman Chamak, Representative of Fresh Export Import Limited, was born in the year 1989 in a respectable Muslim family and started business after completion of his MBA Degree.

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, Moshiur 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. 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 Limited 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 Charterd'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.

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 Limited 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.



M Shahidul Islam
Managing Director & CEO

Mr. M Shahidul Islam is serving as Managing Director and Chief Executive Officer of Shahjalal Islami Bank Limited (SJIBL) with effect from 1st October 2018. He is a seasoned professional with over 38 years of diverse banking experience. Prior to his new assignment, he worked as Additional Managing Director and Chief Business Officer of the Bank.

Before joining SJIBL, Mr. Islam served United Commercial Bank Limited as Additional Managing Director and provided the Bank with the strategic leadership and was instrumental in strengthening and building the Bank into leading market players.

A post graduate in Management from Chittagong University, Mr. M Shahidul Islam started his banking career with National Bank Limited as Probationary Officer in 1984. After serving National Bank Limited for 14 years in different capacities, he joined at Prime Bank Limited in 1997 and served there 11 years in different senior management positions including Branch Manager & Head of CRM with his strong leadership and dignity. He joined United Commercial Bank Limited as Deputy Managing Director in 2008 and elevated to the rank of Additional Managing Director on 01st March 2011.

During his long 38 years of experience, he has gathered vast experience in almost every key areas of banking like Corporate, SME, Foreign Trade, Consumer Banking, Credit Risk Management, Syndicated Finance, Foreign Investment, Finance as well as Treasury. He has participated in various capacity building training courses, seminars and workshops on different areas of banking both at home and abroad.

Mr. Islam has been honored with the prestigious "Islamic Finance Personality of 2020" Award conferred by renowned UK-based financial think-tank Cambridge IFA. This Award recognizes achievements and efforts exhibited by institutions and individuals to promote and sustain the Islamic finance industry in the local and global sphere.



وَأَحَلَّ اللّٰهُ الْبَيْعَ وَحَرَّمَ الرِّبَا

And Allah has permitted trading
and forbidden Riba' (usury).

Surah Al-Baqarah, Verse-275

MEDIA HIGHLIGHTS 2021



প্রথম আলো [Online] 2021-11-04

পুঁজিবাজার প্রতিবেদক প্রথম আলো

ব্যাংকের ৫০ শতাংশ বিনিয়োগ করপোরেট খাতে থাকলে ভালো

লেখা এম শহীদুল ইসলাম, ব্যবস্থাপনা পরিচালক, শাহজালাল ইসলামী ব্যাংক

বহুজাতিক ডেলিটি রেটিং এজেন্সি মুডিস বলছে, চলতি ২০২১ সালের মার্চ পর্যন্ত ইসলামি ধারার ব্যাংকগুলোর মোট ঋণের ৭৫ শতাংশই গেছে করপোরেট খাতে, যা ৫ বছর আগে ছিল ৫২ শতাংশ। অন্যদিকে প্রচলিত ধারার ব্যাংকগুলো এ ঋণ ৭৫ থেকে কমিয়ে ৭১ শতাংশে এনেছে। করপোরেট খাতে ঋণ অস্বাভাবিক বৃদ্ধি করলে ইসলামি ধারার ব্যাংকগুলো প্রচলিত ধারার ব্যাংকগুলোর চেয়ে বেশি ঝুঁকিতে রয়েছে। এ বিষয়ে প্রথম আলোকে টেলিফোনে জানিয়েছেন শাহজালাল ইসলামী ব্যাংকের ব্যবস্থাপনা পরিচালক এম. শহীদুল ইসলাম।

মুডিস যে প্রতিবেদন দিয়েছে, তার সঙ্গে আমাদের ব্যাংকের আর্থিক তথ্যের মিল নেই। আমাদের ব্যাংকের মূলধন পর্যাপ্ততা অনুপাত ১৩ দশমিক ৯৯ শতাংশ। মানুষ বড় ছাড়া সম্পদ মানে তা ১৬ শতাংশে উন্নীত হবে। আমাদের ৫৯ শতাংশ বিনিয়োগ ভোগ্যপণ্যে খাতে। এবং এই খাতে বিনিয়োগ ৩৯ শতাংশ এ জেরক্স খাতে ৩ শতাংশ। আমাদের বিনিয়োগে ৩ দশমিক ৮৮ শতাংশ খেলাপি। এসব আগাতে সর্বাত্মক প্রচেষ্টা নেওয়া হয়েছে, যা সামনের দিনে আরও কমে আসবে। দেশের রপ্তানির সাড়ে ৫ শতাংশ এখন শাহজালাল ইসলামী ব্যাংকের মাধ্যমে হচ্ছে।

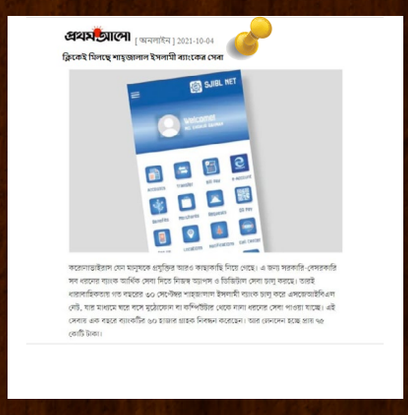


সমকাল [অনলাইন] 2021-12-27

ফরিদপুরে শাহজালাল ইসলামী ব্যাংকের কম্বল বিতরণ

রোববার ফরিদপুরের বিভিন্ন এলাকায় শীতার্ত, দরিদ্র শিক্ষার্থী ও নদী ভাঙনকবলিত চার হাজার মানুষের মধ্যে কম্বল বিতরণ করে শাহজালাল ইসলামী ব্যাংক।

ফরিদপুরের বিভিন্ন এলাকায় শীতার্ত, দরিদ্র শিক্ষার্থী ও নদী ভাঙনকবলিত চার হাজার মানুষের মধ্যে কম্বল বিতরণ করেছে শাহজালাল ইসলামী ব্যাংক। সামাজিক দায়বদ্ধতা কর্মসূচির অংশ হিসেবে এ কম্বল বিতরণ করা হয়।



প্রথম আলো [অনলাইন] 2021-10-04

ক্লিকেই মিলছে শাহজালাল ইসলামী ব্যাংকের সেবা

করোনাভাইরাস দেশ মানুষকে গৃহবন্দির আরও কাছাকাছি নিয়ে গেছে। এ জন্য সরকারি-বেসরকারি সব ধরনের ব্যাংক আর্থিক সেবা দিতে নিজস্ব অ্যাপস ও ইন্টারনেট সেবা চালু করছে। তারই ধারাবাহিকতায় গত বছরের ৫০ সেপ্টেম্বর শাহজালাল ইসলামী ব্যাংক চালু করে এসজেআইবি এপস নেট, যার মাধ্যমে ঘরে বসে হাজারো সেবা পাচ্ছেন গ্রাহকেরা। এই সেবার এক বছরে ব্যাংকটির ৯৩ হাজার গ্রাহক নিবন্ধন করেছেন। তাঁর লেনদেন হচ্ছে প্রায় ৬৩ কোটি টাকা।



নয়া দিগন্ত [পাতা ৩] 2021-09-23

আল-রশীদ ফাউন্ডেশনকে লাশবাহী ফ্রিজিং অ্যাম্বুলেন্স প্রদান শাহজালাল ইসলামী ব্যাংকের

আল-রশীদ ফাউন্ডেশনকে লাশবাহী ফ্রিজিং অ্যাম্বুলেন্স প্রদান শাহজালাল ইসলামী ব্যাংকের

শাহজালাল ইসলামী ব্যাংক লিমিটেডের নিজস্ব তহবিলের অর্থায়নে দেশ সেবা সম্পাদনে প্রতিশ্রুতিবদ্ধ আলহাজ্বে আলী আল-রশীদ ফাউন্ডেশনকে একটি লাশবাহী ফ্রিজিং অ্যাম্বুলেন্স প্রদান করা হয়েছে। শাহজালাল ইসলামী ব্যাংক লিমিটেডের পরিচালক পর্ষদের চেয়ারম্যান জো. সালাউদ্দিন সাকিল খন্দকার মাননীয় পথ মেয়র আল-রশীদ ফাউন্ডেশনের চেয়ারম্যান এবং পরিচালক চেয়ারম্যানের কাছে ফ্রিজিং অ্যাম্বুলেন্সের চাবি হস্তান্তর করেন। বাংলাদেশে কর্মরত ডায়াবেটিক হাসপাতাল আল-রশীদ ফাউন্ডেশন। অ্যাম্বুলেন্স হস্তান্তর অনুষ্ঠানে শাহজালাল ইসলামী ব্যাংকের পরিচালক ও ব্যবস্থাপনা পরিচালক ও সিইও এম শহীদুল ইসলাম, ব্যাংকের অতিরিক্ত ব্যবস্থাপনা পরিচালক আব্দুল আজিজ ও এস এম মাহমুদীন চৌধুরী, উপব্যবস্থাপনা পরিচালক জো. শাহজাহান সিরাজ, এই ব্যাংকের চেয়ারম্যান, সিএস কমিটির হাসান চৌধুরী, ইসলামিক ইউ ব্যাংকিং ও নাসির হোসেনসহ, ব্যাংকের জ্যেষ্ঠকর্মকর্তাগণ ও ব্যাংক ফাউন্ডেশনের প্রবেশ জো. আবুল্লাহ্‌কো এবং ব্যাংকের পরিচালনা পরিষদের প্রবেশ মাননীয় জো. আজিজ মৌলিক উপস্থিত ছিলেন। বিস্তারিত।

দৈনিক জনকণ্ঠ [পাতা ১৪] 2021-10-10

শিক্ষার্থীদের মাঝে শাহজালাল ইসলামী ব্যাংকের স্বাস্থ্য সুরক্ষাসামগ্রী বিতরণ



গতকাল নোয়াখালী জেলার বেগমগঞ্জে লাউতলী উচ্চ বিদ্যালয়ের ছাত্রছাত্রীদের মাঝে স্বাস্থ্য সুরক্ষা সামগ্রী বিতরণ করেছে শাহজালাল ইসলামী ব্যাংক। ব্যাংকের ব্যবস্থাপনা পরিচালক ও সিইও এম শহীদুল ইসলাম প্রধান অতিথি হিসেবে উপস্থিত থেকে ছাত্রছাত্রীদের মাঝেস্বাস্থ্য সুরক্ষা সামগ্রী বিতরণ করেন



dailyobserver [page 16] 2021-11-12

SJIBL launches QR CODE service for cash withdrawal

SJIBL launches QR CODE service for cash withdrawal

Business Desk

Shahjalal Islami Bank Ltd (SJIBL) officially launched QR CODE Banking Service for cash withdrawal with the aim of providing fast banking services to its clients.

The Chairman, Board of Directors of the Bank Md. Samaddah Shahid Abdul Aziz and S. M. Maisuddin Chowdhury were present.

Deputy Managing Directors Md. Shahjahan Shiraj, Mian Quamrul Hasan Chowdhury, Imtiaz U. Ahmed, the Head of Public Relations & Bank Foundation Md. Shamsuddoha and the Company Secretary Md. Abul Bashar were also present on the occasion.

Print Close Top



Financial Express [Page 9] 2021-11-14

'Shahjalal Bank is up to reduce classified loans'

Bank's MD M. Shahidul Islam tells FE

'Shahjalal Bank is up to reduce classified loans'

Bank's MD M. Shahidul Islam tells FE

FE REPORT

Shahjalal Islami Bank Limited (SJIBL) has adopted a comprehensive business strategy considering the country's overall economic activities aiming to strengthen its financial strength, the bank's top executive has said.

"We have also a capital plan that is based on Bangladesh Bank (BB)'s policy, and we keep more capital in hand than is required," M Shahidul Islam, managing director (MD) and chief executive officer (CEO) of SJIBL told the Financial Express (FE) while explaining financial health of the Shariah-based Islami bank recently.

About capital base, Mr. Islam said capital-to-risk weighted-asset ratio (CRAR) of SJIBL is now 13.94 per cent. It will reach 16 per cent after issuing a perpetual bond of Tk 5.0 billion.

"In the meantime, Tk 3.75 billion has been subscribed for the bond offered," he added.

Meanwhile, Shahjalal Islami Bank has already tapered its high-cost deposits remarkably over the last three years.

"Our deposit mix was dominated by 78 per cent high costs earlier which has been reduced to 57 per cent," the CEO said while explaining the deposit situation at the bank.

M Shahidul Islam

ing on small and medium enterprises (SME) and retail segments.

The top management has already given emphasis on supporting export-oriented



সমকাল [খবর] 2021-08-19

বঙ্গবন্ধু জীবন ও কর্ম নিয়ে ভার্চুয়াল সভা শাহজালাল ইসলামী ব্যাংকের

জাতির পিতা বঙ্গবন্ধু শেখ মুজিবুর রহমানের ৪৬তম শাহাদাতবার্ষিকী ও জাতীয় শোক দিবস উপলক্ষে তার জীবন ও কর্মের ওপর ভার্চুয়াল আলোচনা শোকসভার আয়োজন করে শাহজালাল ইসলামী ব্যাংক লিমিটেড। ব্যাংকের পরিচালক পর্ষদের চেয়ারম্যান মো. সাখাওয়াত সাবিল সভায় প্রধান অতিথি হিসেবে অংশ নেন এবং ব্যবস্থাপনা পরিচালক ও সিইও এম. শহীদুল ইসলাম সভাপতিত্ব করেন। ব্যাংকের পরিচালক ড. আখলাকুর রহমান খান, এ. কে. আজাদ, আলহাজ্ব উম্মিম মোহাং, বীরিশিয়ার মো. তৌহিদুর রহমান, মোহাম্মদ ইলিয়াস, মোহাম্মদ গোলাম কুদ্দুস এবং ব্যবস্থাপনা পরিচালক ও সিইও এম. শহীদুল ইসলাম আলোচনায় অংশ নেন।

Financial Express [Page: 8] 2021-08-18

Bangladesh Bank and Shahjalal Islami Bank signed agreement



Bangladesh Bank and Shahjalal Islami Bank Ltd signed an agreement on Automated Challan System (A-Challan) on Tuesday at Jahangir Alam Conference Hall, Bangladesh Bank. General Manager of Accounts and Budgeting Department of Bangladesh Bank Md. Forkan Hossain and Deputy Managing Director & COO of Shahjalal Islami Bank M. Akhter Hossain signed the agreement on behalf of their respective organisations. Deputy Governor of Bangladesh Bank Ahmed Jamal was present as the chief guest.



ভোরের পাতা [পাতা ৬] 2021-10-05

নরসিংদী জেলার পলাশে কর্মহীন মানুষের মধ্যে শাহজালাল ইসলামী ব্যাংক লিমিটেড এর ত্রাণ সামগ্রী বিতরণ

নরসিংদী জেলার পলাশে কর্মহীন মানুষের মধ্যে শাহজালাল ইসলামী ব্যাংক লিমিটেডের ত্রাণ সামগ্রী বিতরণ



দৈনিক ইত্তেফাক [পাতা ১৪] 2021-09-29

শাহজালাল ইসলামী ব্যাংক ফাউন্ডেশনের সিএসআর কার্যক্রমের অংশ হিসেবে আর্থিক সহযোগিতা প্রদান

শাহজালাল ইসলামী ব্যাংক ফাউন্ডেশনের সিএসআর কার্যক্রমের অংশ হিসেবে সিএসআই-ভোকেশনাল ট্রেনিং সেন্টার ট্রাস্ট নামের বেসরকারি প্রতিষ্ঠানকে আর্থিক সহযোগিতা প্রদান করেছে। বেসরকার অনুমোদিত অনুষ্ঠানে ব্যাংকের একটি চেক সিইও এম শহীদুল ইসলাম এ প্রতিষ্ঠানের প্রতিষ্ঠাতা চেয়ারম্যান সালিমা হুসেন তাসলিম সিদ্দী আনুষ্ঠানিকভাবে আনুষ্ঠানের চেক তুলে দেন



বাংলাদেশ জানাল [অনলাইন] 2021-12-23

বিভিন্ন স্থানে শাহজালাল ইসলামী ব্যাংকের হজমেপণ কর্মসূচি



দৈনিক জনকণ্ঠ [পাতা-১০] 2021-03-25

গ্রাহকদের দ্রুত সেবা প্রদানের লক্ষ্যে ই-অ্যাকাউন্ট হিসাব চালু করল শাহজালাল ইসলামী ব্যাংক লিমিটেড

গ্রাহকদের অতি দ্রুততম সময়ে ব্যাংকিং সেবা প্রদানের লক্ষ্যে ২৪ মার্চ শাহজালাল ইসলামী ব্যাংক ই-অ্যাকাউন্ট ব্যাংকিং সেবা চালু করেন। ব্যাংকের পরিচালক পর্ষদের চেয়ারম্যান মোঃ সাখাওয়াত সাবিল প্রধান অতিথি হিসেবে উপস্থিত থেকে ই-অ্যাকাউন্ট ব্যাংকিং সেবার আনুষ্ঠানিক উদ্বোধন করেন



সমকাল [পাতা ১৪] 2021-03-10

বিওএকে স্পন্সর শাহজালাল ইসলামী ব্যাংকের

বিওএকে স্পন্সর শাহজালাল ইসলামী ব্যাংকের

শাহজালাল ইসলামী ব্যাংক লিমিটেড 'বঙ্গবন্ধু ৯ম বাংলাদেশ গেমস' আয়োজনের জন্য বাংলাদেশ অলিম্পিক অ্যাসোসিয়েশনকে ৫০ লাখ টাকা স্পন্সর করেছে। ৯ মার্চ বাংলাদেশ অলিম্পিক অ্যাসোসিয়েশনের কার্যালয়ে ব্যাংকের ইডিপি ও কোম্পানি সচিব মো. আবুল বাশার বাংলাদেশ অলিম্পিক অ্যাসোসিয়েশনের কোষাধ্যক্ষ কাজী রাজিব উদ্দিন আহমেদ চপলের কাছে ৫০ লাখ টাকার স্পন্সরের চেক তুলে দেন। এ সময় অন্যদের মধ্যে বাংলাদেশ অলিম্পিক অ্যাসোসিয়েশনের মহাপরিচালক ব্রিগেডিয়ার জেনারেল (অব.) ফখরুদ্দিন হায়দার উপস্থিত ছিলেন। সংবাদ বিজ্ঞপ্তি।



যায়যায়দিন [অনলাইন] 2021-12-27

ঢাকা স্টক এক্সচেঞ্জে লিমিটেডে শাহজালাল ইসলামী ব্যাংক লিমিটেডের SJIBL মুদারাবা পারপিচুয়াল বন্ডের লেনদেন শুরু

২৬ ডিসেম্বর থেকে ঢাকা স্টক এক্সচেঞ্জ লিমিটেডে ঘ ক্যাটাগরিরে শাহজালাল ইসলামী ব্যাংক লিমিটেডের SJIBL মুদারাবা পারপিচুয়াল বন্ডের লেনদেন শুরু হয়েছে। ঔওঔইঘ মুদারাবা পারপিচুয়াল বন্ডের জন্য ডিএসই ট্রেডিং কোড হল 'SJIBLPBOND'।

ট্রেডিং শুরু হওয়ার আগে শাহজালাল ইসলামী ব্যাংক লিমিটেড এবং ঢাকা স্টক এক্সচেঞ্জ লিমিটেডের মধ্যে রাজধানীর নিকুঞ্জে ডিএসই টাওয়ারে একটি চুক্তি স্বাক্ষরিত হয়। ঢাকা স্টক এক্সচেঞ্জ লিমিটেডের প্রধান অপারেশন কর্মকর্তা এম সাইদুর রহমান মামুনমাদারের উপস্থিতিতে শাহজালাল ইসলামী ব্যাংক লিমিটেডের চিফিনি ও কোম্পানি সেক্রেটারি মো. আব্দুল বাসার এবং ঢাকা স্টক এক্সচেঞ্জ লিমিটেডের প্রধান রেগুলেটরী কর্মকর্তা (ইনচার্জ) মো. আব্দুল লতিফ নিজ নিজ প্রতিষ্ঠানের পক্ষে ওই চুক্তিতে স্বাক্ষর করেন। চুক্তি স্বাক্ষর অনুষ্ঠানে অন্যান্যের মধ্যে ইউসিবি ইনভেস্টমেন্ট লিমিটেডের প্রধান নির্বাহী কর্মকর্তা তানজিম আলমগীর, ইসলামী ব্যাংক ক্যাপিটাল ম্যানেজমেন্ট লিমিটেডের ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী কর্মকর্তা মোহাম্মদ আবদুর রহিম এবং শাহজালাল ইসলামী ব্যাংক লিমিটেডের এসএভিপি মো. সাইফুল আলমসহ উভয় প্রতিষ্ঠানের সংশ্লিষ্ট কর্মকর্তারা উপস্থিত ছিলেন।



নয়া দিগন্ত [পাতা-৩] 2021-06-29

মতলব উত্তর স্বাস্থ্য কমপ্লেক্সে এখলাছপুর স্বাস্থ্য কল্যাণ কেন্দ্রে শাহজালাল ব্যাংক ফাউন্ডেশনের রোগ নির্ণয় যন্ত্রপাতি হস্তান্তর

মতলব উত্তর স্বাস্থ্য কমপ্লেক্সে এখলাছপুর স্বাস্থ্য কল্যাণ কেন্দ্রে শাহজালাল ব্যাংক ফাউন্ডেশনের রোগ নির্ণয় যন্ত্রপাতি হস্তান্তর



যুগান্তর [পাতা-১৫] 2021-07-26

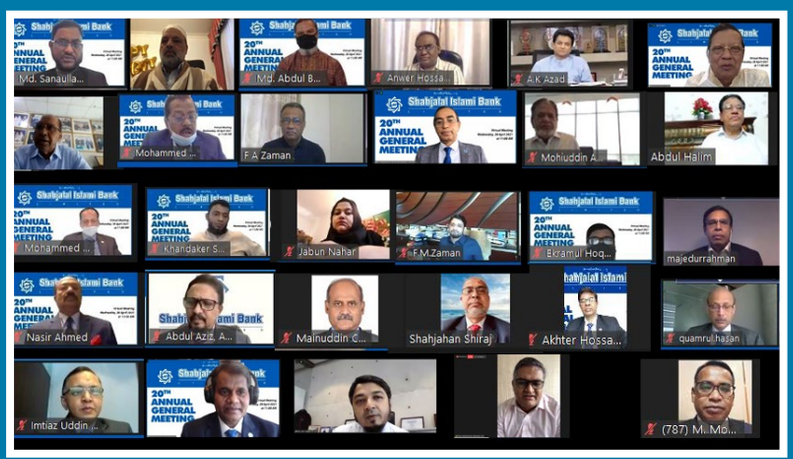
মহেশপুরে শাহজালাল ব্যাংকের ত্রাণ সহায়তা

মহেশপুরে শাহজালাল ব্যাংকের ত্রাণ সহায়তা

শাহজালাল ইসলামী ব্যাংক লিমিটেড ২৩ জুলাই ঝিনাইদহ জেলার মহেশপুর পৌরসভা এবং পার্শ্ববর্তী এলাকার অস্বচ্ছল মানুষের সহায়তায় ৯০০ পরিবারে ত্রাণ সামগ্রী দিয়েছে। মহেশপুর পৌরসভার মেয়র মো. রাশেদ রহিম খান প্রধান অতিথি হিসাবে ব্যাংকের মানুষের মধ্যে ত্রাণ সামগ্রী বিতরণ করেন। অন্যদের মধ্যে এলাকার বিশিষ্ট ব্যবসায়ী মো. জহিরুল হাসান টোকী, মহেশপুর ইউপি চেয়ারম্যান মো. সিরাজুল ইসলাম সিরাজ, পাঁচপাড়া ইউপি চেয়ারম্যান মো. ইসমাইল হোসেন, ভাতপুড় ইউপি চেয়ারম্যান মো. মিজানুর রহমান প্রমুখ উপস্থিত ছিলেন। ত্রাণ সামগ্রী হিসাবে প্রতি পরিবারে ১০ কেজি চাল, ১ কেজি ডাল, ৩ কেজি আলু, ১ কেজি লবণ এবং সাবান বিতরণ করা হয়েছে। সংবাদ বিজ্ঞপ্তি।

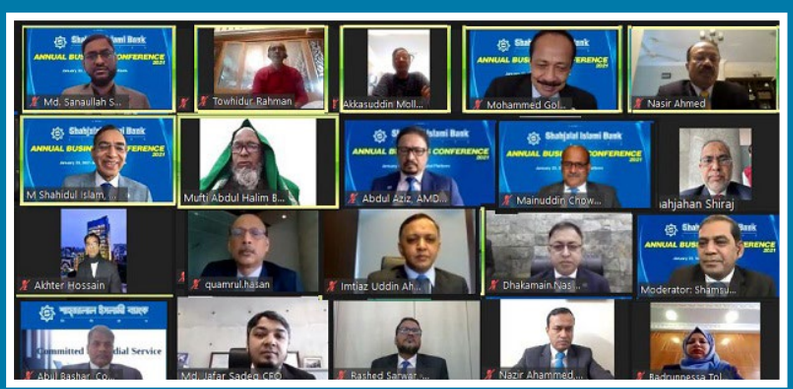
KEY
EVENTS 2021

CONFERENCE & MEETINGS



20th AGM of SJIBL

20th AGM of Shahjalal Islami Bank Limited held on 28 April 2021 through Digital Platform.



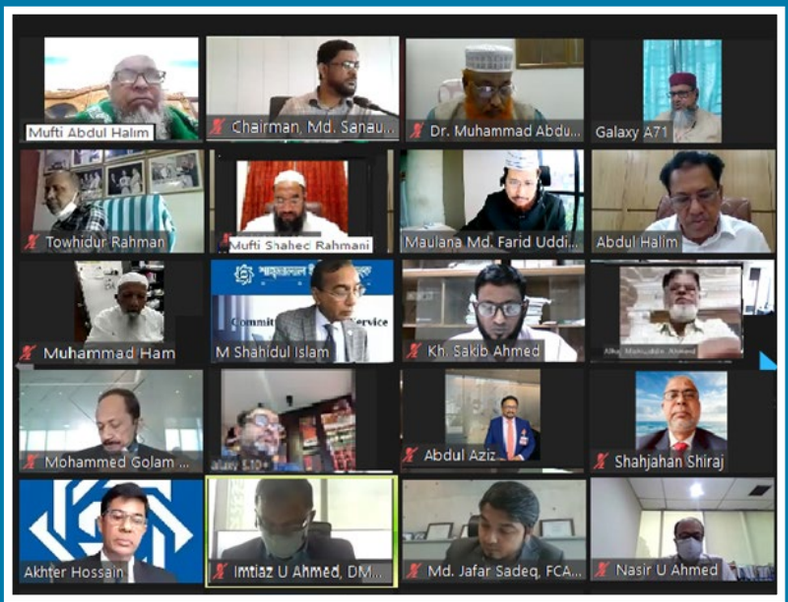
Annual Business Conference-2021

Shahjalal Islami Bank Limited organized "Annual Business Conference-2021" on 23 January 2021 through Digital Platform. The Conference was presided over by its' Managing Director & CEO Mr. M. Shahidul Islam, while the Chairman of the Board of Directors of the Bank Mr. Md. Sanaullah Shahid was present as Chief Guest.



Annual Risk Conference-2021

Shahjalal Islami Bank Limited organized "Annual Risk Conference-2021" on 4th December 2021 through Digital Platform.



Shariah Supervisory Committee meeting

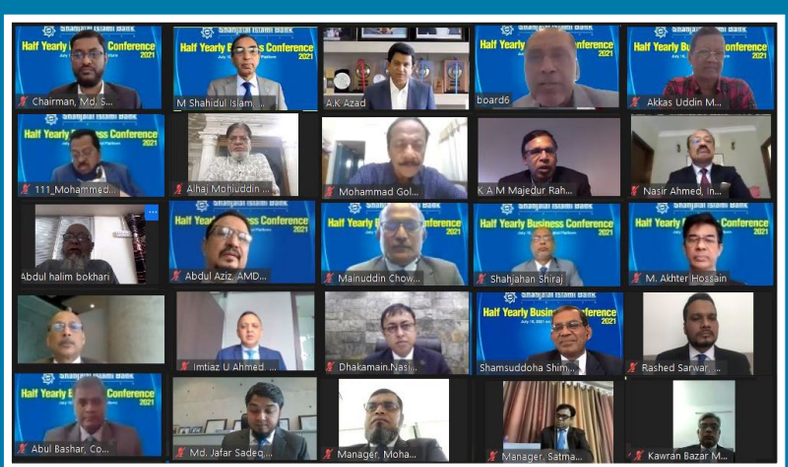
69th Shariah Supervisory Committee meeting was held on 05 October, 2021 which was presided over by Mufti Abdul Halim Bukhari, the Chairman of Shahjalal Islami Bank's Shariah Supervisory Committee.



Workshop on "Prevention of Money Laundering and Terrorism Financing"

Under the guidance of Bangladesh Financial Intelligence Unit (BFIU), Shahjalal Islami Bank Limited as a lead Bank organized a day long workshop on 'Prevention of Money Laundering and Combating Financing of Terrorism' for the officials of different commercial banks operating in Jashore District, Bangladesh on 20 November, 2021.

Md. Rokanuzzaman, Deputy General Manager of BFIU attended as Chief Guest while M Akhter Hossain, Deputy Managing Director & Chief Anti Money Laundering Compliance Officer (CAMLCO) of SJIBL chaired the program.



Half-Yearly Business Conference-2021

Shahjalal Islami Bank Limited organized "Half-Yearly Business Conference-2021" on 10th July 2021 through Digital Platform. The Conference was presided over by its' Managing Director & CEO Mr. M. Shahidul Islam, while the Chairman of the Board of Directors of the Bank Mr. Md. Sanaullah Shahid was present as Chief Guest.

LAUNCHING NEW PRODUCTS & SERVICES



50th Outlet of Agent Banking

As a part of financial inclusion scheme, Shahjalal Islami Bank inaugurated 50th Agent Banking Outlet in Mohishkata Bazar of Amtali Upazilla in Borguna District.



An ATM booth of Shahjalal Islami Bank Ltd. was inaugurated adjacent to Joypurhat Branch, Joypurhat.



e-account Banking

Shahjalal Islami Bank launched e-account Banking on 24 March 2021 with the aim of providing fast banking services to its customers. Any one can open an e-account easily and securely from anywhere in the fastest time under this facilities.



QR CODE Banking

Shahjalal Islami Bank Limited launched QR CODE Banking service for its customers for cash withdrawal on 10th November 2021.

AGREEMENTS



A-Challan System

Bangladesh Bank and Shahjalal Islami Bank Ltd. signed an agreement at Jahangir Alam Conference Hall, Bangladesh Bank, Dhaka on Automated Challan System on 17th August 2021. Under this agreement, Shahjalal Islami Bank Limited will collect Govt. revenue and deposit it in the government treasury on the same day.





Listing Agreement & Trading of SJIBL Mudaraba Perpetual Bonds

Shahjalal Islami Bank Limited entered into an agreement with Dhaka Stock Exchange Limited for listing of its very 1st perpetual bond naming "SJIBL Mudaraba Perpetual Bonds" on December 26, 2021. After the agreement signing ceremony, trading of the perpetual bonds has been started on the same day with a trading code "SJIBLPBOND" under "Corporate Bond" sector.



Technology Development & Up-gradation Fund

A Participation Agreement signing ceremony was held between Shahjalal Islami Bank Ltd. and Bangladesh Bank on Refinance for Technology Upgradation. Under this agreement, 11 initiatives for modernization and technological development of export oriented industries will be provided to customer of the Bank for the re-investment in procurement of equipment and technology in 32 highest priority Sectors and special development sectors.

AWARDS



SAFA Best Presented Annual Report Awards, Integrated Reporting Award & SAARC Anniversary Award for Corporate Governance Disclosure, 2020

Shahjalal Islami Bank Limited has achieved three prestigious awards from South Asian Federation of Accountants (SAFA) The Bank has secured 1st runner-up position for the Best Presented Annual Report in Private Sector Banking Institutions category, Jointly 1st runner-up position in SAARC Anniversary Award for Corporate Governance Disclosure category and 2nd runner-up in Overall category. Mr. M. Shahidul Islam, MD & CEO of Shahjalal Islami Bank Limited received the certificates on behalf of the Bank.





ICAB National Award 2020

Shahjalal Islami Bank Limited secured 1st position in Private Banking Sector category for the best presented Annual Reports 2020. Along with this, the Bank secured 2nd position in Corporate Governance Disclosures in the Annual Report -2020. As the Chief Guest, Commerce Minister of Peoples Republic of Bangladesh Mr. Tipu Munshi, MP handed over the awards to Mr. M. Shaihidul Islam, MD & CEO of Shahjalal Islami Bank Limited.



8th ICSB National Award 2020

Shahjalal Islami Bank Limited achieved gold award in 8th ICSB National Award for Corporate Governance Excellence 2020 for practicing good governance as a listed company. Tipu Munshi, MP, Hon'ble Minister, Ministry of Commerce graced the occasion as the chief guest and handed over the award to Mr. M. Shahidul Islam, MD & CEO of Shahjalal Islami Bank Limited.



ICMAB Best Corporate Award 2020

Shahjalal Islami Bank Limited has received "Bronze" award in ICMAB Best Corporate Award 2020 in Private Commercial Bank (Islamic Operation) category for performance in corporate governance. Honorable Minister of Commerce Mr. Tipu Munshi, MP handed over the award to Mr. Abdul Aziz, AMD of Shahjalal Islami Bank Limited in a flagship event organized by ICMAB.

CONTRIBUTION TO SOCIETY



Contribution to Prime Minister's Relief Fund

Shahjalal Islami Bank Ltd. donated blankets to the Hon'ble Prime Minister's Relief Fund for distributing among winter affected poor People on 28th October 2021 at Prime Minister's Office. The Hon'ble Prime Minister Sheikh Hasina took part in the ceremony through Digital Platform. The Director & Chairman of Executive Committee of Shahjalal Islami Bank Ltd. Dr. Anwer Hossain Khan, MP and the Chairman of Bank Foundation Engineer Md. Towhidur Rahman handed over the Sample of a Blanket to the Principal Secretary of Hon'ble Prime Minister Dr. Ahmad Kaikaus.



Donation of Freezing Ambulance to Al-Rashid Foundation

Shahjalal Islami Bank Limited donated Freezing Ambulance to Al-Rashid Foundation. The Chairman of the Bank Mr. Md. Sanaullah Shahid handed over the key of Freezing Ambulance to Mr. M. Shahadat Hossain Taslim, the Chairman of Al-Rashid Foundation on 22nd September 2021.



Distribution of reliefs

Shahjalal Islami Bank Limited distributed relief materials among the unemployed people at Begumganj, Noakhali District.



Relief distribution among destitute people

Shahjalal Islami Bank Limited distributed relief among destitute people in Faridpur.



Donation of ambulance to Bangladesh Cancer Society Hospital & Welfare Home

Shahjalal Islami Bank Limited donated an ambulance to Bangladesh Cancer Society Hospital & Welfare Home.



DIRECTORS' REPORT



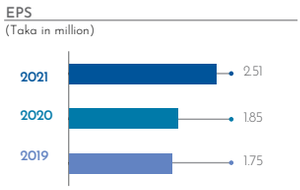


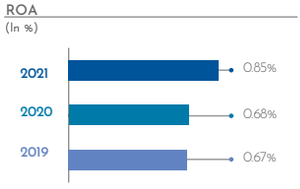


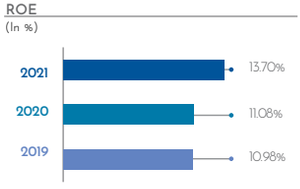
CHAIRMAN'S **MESSAGE**

Whilst uncertainties persist, we see opportunity in change and value in innovating for the future. We continue to see accelerated change across the global business ecosystem, from the digital space, to trade lows and supply chain shifts. Working together, we can find solutions, overcome local and global challenges, and help people, businesses, and communities thrive in a changing world. Insha-Allah, we will maximize the value for all stakeholders in the coming days.

Mohammed Younus
Chairman







Bismillahir Rahmanir Rahim

Dear shareholders,

Assalamu Alaikum Wa Rahmatullah Wa Barakatuhu.

It is an honor and privilege to welcome you to the 21st Annual General Meeting of Shahjalal Islami Bank Limited. On behalf of the Board of Directors and myself, I express my heartiest gratitude and appreciation for your continuous trust in the bank, even in times of great difficulty. We hope you and your families are safe and sound amidst the global pandemic. I take this opportunity to present to you our annual report and financial statements for the year 2021.

Glimpses of hope amid 2 years of chaos

The year 2021 was quite stressful and another year of extraordinary global turbulence with recovery from COVID-19. Even now, we continue to see the emergence of new COVID-19 variants, and we have had to adapt to a constantly changing landscape. Efforts to contain the COVID-19 pandemic are continuing to have a profound impact on economies around the world throughout the year 2021.

Global growth is predicted to lessen to 4.4% in 2022 from 5.9% in 2021, and this downward trend for 2021 is a reflection of a downgrade for advanced economies due to supply disruptions, while for low-income developing countries it is due to worsening pandemic dynamics. However, with rising exports of goods and services in some emerging and developing economies, the pandemic's impact was partially offset. The global economic recovery is on the rise, and vaccine access and early policy support are the principal drivers.

The ongoing war poses a threat to the entire global economy

We have had the misfortune of seeing a protracted conflict between Russia and Ukraine. It is catastrophic for the people of those countries, as well as having a significantly greater impact on the global economy. We have only barely recovered from the pandemic, and now we are faced with yet another global disaster. In the event of such a disaster, we must remain watchful and have alternate strategies in place to absorb and mitigate its effects. This represents a fundamental shift in the relationship between Europe and Russia, as both economies rely on each other for commodities and services. Russia is a key energy provider, and sanctions on it will result in significant price increases. The epidemic has left the global economy vulnerable at two points: rising inflation and shaky financial markets. Aftershocks from the invasion could easily worsen both. The effects of the war on oil prices and other commodities are already evident in the world market. High and rising inflation will exacerbate the cost-of-living crisis which is already affecting many consumers. It also presents a dilemma for central banks, which have been pouring money into the economy for the last two years of the pandemic. Plunging markets would add another drag, hitting wealth and confidence and making it harder for banks to tap funds for investment.

Bangladesh Economy on track to recovery

Bangladesh's economy is still suffering from the unfavorable consequences of the pandemic halfway through FY2021, which is evidenced by key macroeconomic and sectoral performance indicators. Bangladesh's GDP growth rate in 2021 was 6.94%, which is up from 5.20% in 2020 and is expected to continue its growth in 2022 to 7.5%. Bangladesh's continued and resilient GDP growth is above that of other countries during the pandemic, and this is attributed to high agricultural production, remittances, and exports, particularly that of ready made garments (RMG).

Potential signs of improvement were observed in many key macroeconomic

indicators. Manufacturing industries are slowly returning to their pre-pandemic production capacities. The success of the vaccination program will be crucial in restoring the faith of investors and entrepreneurs. Alongside this, other aspects of COVID-19 management will play a critical role in ensuring the sustainable recovery and growth of our economy. The government's continuous efforts to keep the food supply chain uninterrupted during the COVID-19 pandemic worked well and helped to keep inflation under control.

Looking back at our performance in 2021

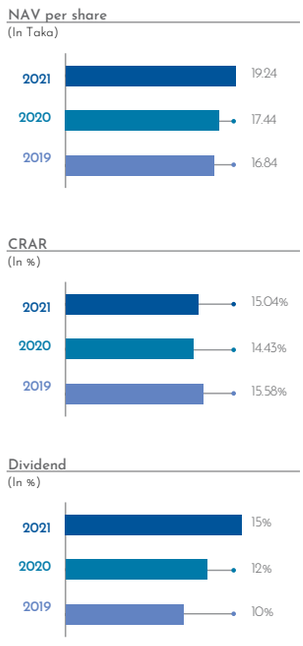
While the COVID-19 pandemic brought about considerable challenges and, as a result, the turnaround is taking longer than previously anticipated, it is evident that we have continued to make good progress against the strategy we set out and are on track to deliver our objectives. Through a year of continued uncertainty, the bank supported the stakeholders we serve, the communities in which we operate and the economies that depend on us. Our people worked tirelessly to operate the bank and, with the help of policy support from Bangladesh Bank, Shahjalal Islami Bank Limited performed extraordinarily to deliver maximum returns for all our stakeholders. By the grace of the almighty Allah, we have achieved tremendous success in all areas of banking and proved again our strong determination to achieve our goals. Our strong balance sheet, high levels of liquidity and relentless efforts in key areas during the period of intense stress position us to deliver a strong set of financial results in the year 2021. However, there is no room for complacency, and we must work hard to maintain our success and achieve our ultimate goal of being the leading bank in the country.

In 2021, the bank succeeded in trimming down the high-cost deposit base, thereby consolidating the deposit mix in a beneficially preferred way. The total deposit of the bank as of December 31, 2021 stood at Tk. 217,289 million, while the total amount of its investment stood at Tk. 216,587 million. During the year, import volumes stood at Tk. 248,934 million and export business was Tk. 191,899 million. Foreign remittances in the amount of Tk. 11,888 million were received in the year. The bank earned an operating profit before tax of Tk. 4,837 million, while its net profit after tax was Tk. 2,585 million, representing a 35.48% increase over the previous year. Net asset value (NAV) stood at Tk. 19,803 million in 2021, whereas it was Tk. 17,949 million in 2020. In 2021, our earnings per share (EPS) stood at Tk. 2.51, whereas it was Tk. 1.85 during the previous year.

We are committed to maintaining a sufficient and adequate capital base, and for that, the bank successfully raised additional Tier-I capital during the year 2021 for the first time in its history through the issuance of a BDT 5.00 billion SJIBL Mudaraba Perpetual Bond. With that, the regulatory capital of the bank as of December 31, 2021 stood at Tk. 33,778 million, including paid-up capital of Tk. 10,291 million. The Capital to Risk-weighted Assets Ratio (CRAR) as of 31 December 2021 stood at 15.04% (Tier-1 capital 10.92% and Tier-2 capital 4.12%), which was adequate as against the Minimum Capital Requirements (MCR) of 10% set by the Bangladesh Bank under a revised regulatory capital framework for banks following Basel III.

Embracing technology

Adoption of modern technology is critical in today's world, and the increasing rate of digitalization is visible in Bangladesh across all sectors, and banks are no exception. SJIBL is dedicated to investing in technical innovation and exploring previously uncharted territory in the digital realm. SJIBL Net was launched to provide essential features of digital banking services to our customers. eKyc was introduced to allow customers to



digitally open accounts from the convenience of their home. We have improved and added new features to our app and launched QR code services for cash withdrawal without presenting a physical cheque from the branch counters. All of these are part of our commitment to provide services of excellence to our customers. We are committed to incorporating modern processes and technologies into our operations and services in order to achieve higher levels of customer satisfaction, and we will continue to do so.

Upholding our promises

Our topmost priority is to fulfill our obligations to our shareholders, and even in difficult times, it is a reassuring fact and a source of pride for us that we have kept our promises. Moving forward, we hope to sustain growth and deliver much more to our shareholders, as well as to our valued customers, who are the bank's lifeblood. Last but not least, we want to express our gratitude to the SJIBL team, who have been instrumental in making this a reality, and we want to continue to support them to reach greater heights.

Contributions in social welfare

Corporate social responsibility programs have a significant impact on society while leveraging an organization's strengths. The benefits of CSR go much further than just improving trust and image; rather, it actively invests in community efforts and improves the community's and consumers' ability to engage in meaningful ways with an organization. Shahjalal Islami Bank has always been committed to such causes and stood behind distressed people in times of great difficulty. SJIBL has provided financial support for multiple events throughout the year. SJIBL has contributed to the Prime Minister's relief fund and emergency relief funds on several occasions. Besides, SJIBL has awarded scholarships to students for their brilliant performances in the Secondary School Certificate (SSC) and Higher Secondary Certificate (HSC) exams to help them pursue higher studies. Every year, SJIBL distributes winter relief among the destitute to help them through the winter. Many people have also benefited from our contributions during their medical emergencies. We are committed to carrying out our CSR activities for the benefit of society. In 2021, our overall philanthropic contributions were BDT 233 million.

Awards for our excellent performance

In recognition of its excellent performance and activities, along with accountability, transparency, and good governance, Shahjalal Islami Bank has received a number of awards from distinguished national and international organizations in a number of categories, namely, Best Presented Annual Reports on Private Sector Banks, Corporate Governance Disclosures/Excellence, etc. Among these organizations, the South Asian Federation of Accountants (SAFA), ICAB, ICSB, and ICMAB have awarded SJIBL this year on different occasions.

All these things are testament to the strategic brilliance of our Board of Directors and Senior Management Team and the hard work and perseverance of our employees. This shows Shahjalal Islami Bank is on track to achieve our vision of being a premier Islamic banking institution in Bangladesh and contributing significantly to the economy. We are always looking for ways to prosper and take our organization to even greater heights. This is only possible by the combined efforts of our board, management, and employees who are motivated and dedicated to giving their best to achieve our vision.

Transparency and Accountability

Corporate governance is fundamental to an organization's success and sustainability. That is why transparency and accountability are incorporated into all aspects of Shahjalal Islami Bank's operations and services. Duties and responsibilities are distributed among the board members and the management team to ensure efficient monitoring and smooth operations. The Board provides policy guidelines and directions to the management, approves strategic and major policy decisions, and oversees the management to attain business goals. The audit committee reviews the internal control and compliance process, the internal audit reports, and related compliance of Bangladesh Bank, while the risk management committee reviews the risk areas and overall risk management process/systems of the bank. The statutory auditors were given absolute freedom in the process of audit and verification of the compliance, risk management, and financial statements prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). As a result, we are committed to being a role model in the corporate industry by adhering to the best practices of corporate governance in our bank.

The bank has also emphasized the importance of adhering to all rules, regulations, and guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC), the Bangladesh Bank, and other regulatory bodies.

Taking the next step together

The world economy is slowly recovering from the COVID pandemic, and different industries are getting back to their full capacities. We are seeing growth and positive turnover. Unfortunately, as the speed of recovery is picking up a pace, we are faced with another war between Ukraine and Russia. This war will change global relations and cause shifts in power dynamics. The impact of this protracted conflict is significant for the world economy as the modern world is connected and interdependent, and the conflict zone is in a very sensitive area that is also a nerve center for international business. The effects of war are always disastrous, and their impact will be exponentially higher on an economy recovering from a global pandemic. The evolution of the pandemic and the effects of the post-war scenario in the world, and thus in Bangladesh, will determine the course of economic growth in the coming years. The future outlook for the banking industry will also be determined by the same. Throughout the epidemic, one of the most important lessons learned by the banking industry as a whole was that banking as we know it may not be the norm in the near future. A significant portion of our future strategy will be built on the experiences gained over the last few years, with a particular focus on cost and risk optimization in order to allow growth.

Whilst uncertainties persist, we see opportunity in change and value in innovating for the future. We continue to see accelerated change across the global business ecosystem, from the digital space, to trade lows and supply chain shifts. However, we must strive to create opportunities out of challenging conditions. We are promise-bound to strengthen our position in the industry regarding asset quality, innovative banking products, and services, profitability, and compliance. We will explore all our activities by ensuring better risk management, developing the quality of human resources, and improving the corporate governance system. Working together, we can find solutions, overcome local and global challenges, and help people, businesses, and communities thrive in a changing world. Insha-Allah, we will maximize the value for all stakeholders in the coming days.

Acknowledgment

Honorable shareholders are the source of motivation and strength for the bank. I would like to express my heartfelt gratitude and appreciation to all shareholders and valued customers of Shahjalal Islami Bank Limited. I also express gratitude to the Ministry of Finance, Bangladesh Bank, Bangladesh Securities & Exchange Commission (BSEC), Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies & Firms, and National Board of Revenue for their very effective guidance and continued support. We hope to continue and grow in the future with continued support and cooperation from our shareholders.

May Almighty Allah bestow His unbound favors upon all of us.

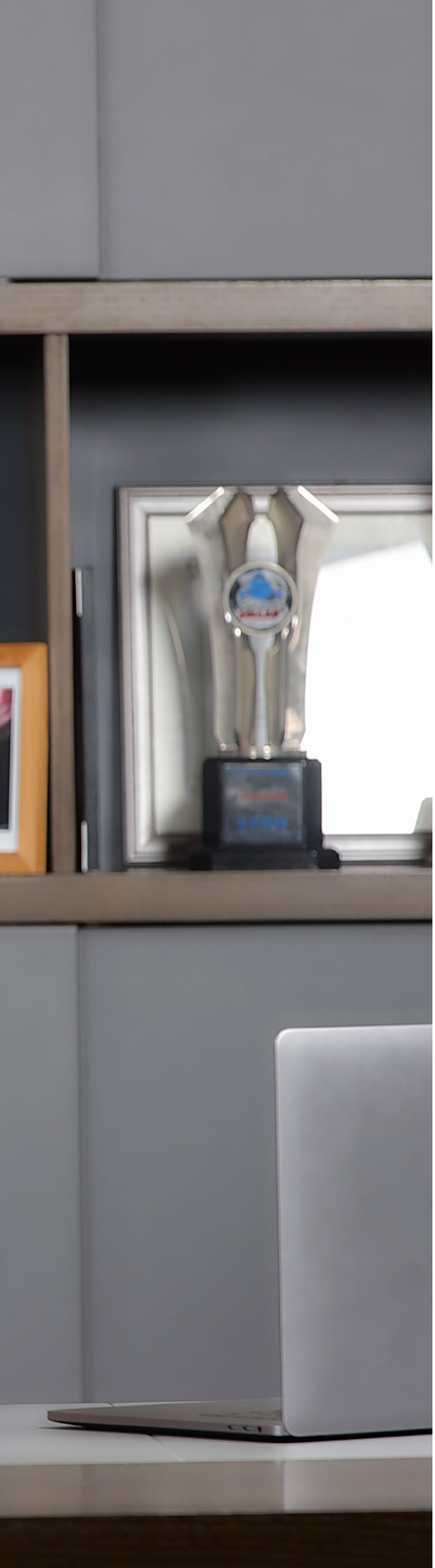
Allah Hafez

With warmest regards,



Mohammed Younus
Chairman

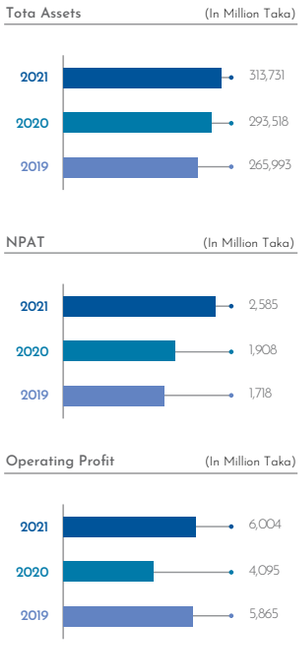




REVIEW FROM THE DESK OF **MANAGING DIRECTOR & CEO**

Opportunity never stands still. It changes and evolves with the world around us. It is our job to continue making the most of it, and to find and capture it in the spirit of doing business. Everything that we plan to do next is designed to unlock opportunity for our stakeholders, shareholders, and customers.

M Shahidul Islam
Managing Director and CEO



Bismillahir Rahmanir Rahim,

2021 marks a very special year for Shahjalal Islami Bank Limited as we celebrate our 20th anniversary. The bank has completed 20 years of its noble journey towards service excellence and sustainable growth. We always strive towards our best endeavors to take our beloved bank to a new height of glory and achievement. Meanwhile, the year 2021 was a very challenging one not only for us, but also for the whole banking sector and the country. We are now facing an invisible enemy that has caused an unprecedented global health crisis that has not only endangered and threatened human lives, but also crippled the global economy. Despite of the ongoing situation, we are extremely proud of what we have accomplished over the past two decades. By the grace of Almighty Allah, the bank reported outstanding business performance in all areas of operations, overcoming challenges and grasping opportunities in 2021. During the last four years, we have seen significant improvements across many key areas within the bank.

Bangladesh, like other countries, faces the daunting challenge of fully recovering from the COVID-19 pandemic, which has constrained economic activity and reversed some of the gains achieved in the last decade. The COVID-19 pandemic decelerated economic growth in 2020. The combined impact of demand compression and supply disruptions led to a sharp decline in investment, private consumption and exports. Investment growth had faced sluggishness right after COVID-19 arrived on the shores of the country in March 2020, as demand plunged.

Nevertheless, strong remittance inflows and a rebound in the export market have helped the economy to start recovering gradually. The mass vaccination effort of the government across the country continues to play a key role in the containment of the effects of the virus and gives confidence to the people for the normalization of activities. With the gradual unlocking of the economy from June 2020, signs of stabilization appeared in terms of reviving domestic demand and maintaining strong growth in export earnings despite the volatility in the global economy. Private sector investment growth has rebounded strongly and investors have started to expand their businesses, which is another sign of recovery.

From the beginning of the pandemic, the Bangladesh Bank undertook numerous measures to instill confidence in the financial markets and the economy. Bangladesh Bank ensures adequate liquidity in the financial system to support the operations of financial institutions through measures such as lowered REPO rates, reduced Cash Reserve Ratio (CRR), increased Advance-Deposit Ratio (ADR) or Investment-Deposit Ratio (IDR) etc. Banks are the key players for the implementation of COVID-19 related stimulus packages. The major portion of these packages is in the form of liquidity support through the commercial banks. Citing the second wave of COVID-19, Bangladesh Bank extended its moratorium on loan classification.

The economic outlook for 2022 broadly looks positive, with expectations of economic recovery gaining momentum, particularly from the second half of 2021, with broad based normalization of economic activity and continued policy support in monetary and fiscal policies from the government and the Bangladesh Bank. The macroeconomic outlook is improving continuously despite the massive second wave of COVID 19 and emergence of Omicron variant. The International Monetary Fund (IMF) has scaled up its projection for Bangladesh's GDP growth to 6.6% in 2022, from its previous forecast of 6.5% in October. Economic growth is projected to accelerate in 2022 as private consumption, services activity and investment demand has been increasing steadily.

Highlights of the performance

Despite economic and geopolitical uncertainties and challenging environments, the bank recorded solid growth for the year 2021. We registered a 46.62% increase in operating profit from BDT 4,094.81million in 2020 to BDT 6,003.69 million in 2021. The investment portfolio stood at Tk.216,587 million at the end of 2021 due to cautious approach. During the year 2021, the performance of the import and export businesses of the bank was highly satisfactory, registering a growth of 68% in import and 44% in export. Throughout the year, all our AD branches and CPC were kept fully functional to assist our valued clients.

During the year, every effort has been made to reduce the cost of the fund by increasing the CASA ratio. By the grace of almighty Allah, the bank has achieved the highest ever CASA ratio, which grew by 18.91% and constituted 25.46% of total deposits as of December, 2021, which has significantly contributed to lowering our cost of funds. Shahjalal Islami Bank has been building its CASA base steadily through efficient customer service, cash management solutions, and enhancing digital capabilities. The Al Wadiah Current Account (CASA) recorded a strong growth of 19.09% from the previous year. Moreover, No Cost deposit constitutes 19.88% of the total deposit which is 12.72% higher than the previous year. The bank has been able to meet the targeted levels of recovery, which have helped in containing the NPA at lower level despite higher slippages during the financial year on account of the weak economic scenario and the COVID-19 pandemic.

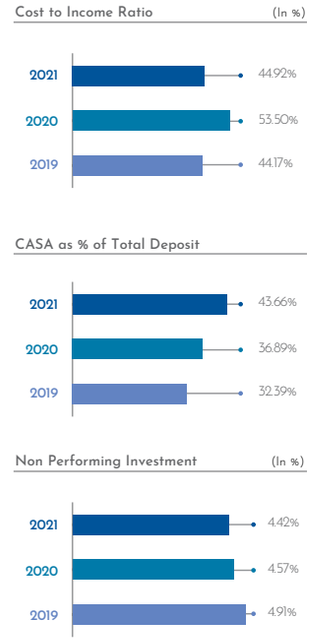
The bank raised BDT 5,000million successfully during the year 2021 by issuing perpetual bonds which were fully subscribed and floated on the Dhaka Stock Exchange as well as the Chittagong Stock Exchange, thus helping the bank to have a better capital position. The CRAR of the bank has improved from 14.43% as on December 31, 2020 to 15.04% as on December 31, 2021. We thank our stakeholders for the faith that they have placed in us and look forward to their continued support.

As of December 31, 2021, the total assets of the bank stood at Tk.313,731million, registering an increase of 6.89% over December 31, 2020. As of year-end 2021, the return on assets (ROA) and return on equity (ROE) were .85% and 13.70% respectively.

SJIBL continued with the cautious and selective approach while taking investment exposures. We are emphasizing deepening relationships with better-rated, reputed, and track-recorded customers, particularly in RMG and the industrial sector, who are contributing to the economy. Our aim is not only to make investments but also to acquire non-investment businesses like trade, foreign exchange, cash management, and others.

SJIBL strongly believes that the SME sector is one of the main driving forces of economic growth, having huge potential for socio-economic development. The outstanding SME investment as of 31 December 2021 stood at Tk. 72,704 million, which was 33.57% of the total investment of the bank. Furthermore, consumer banking also plays an important role in the economic activities of the country. In the year 2021, special attention has been paid in an effort to increase SME and retail investment portfolios to a considerable amount within the near future. During the year, our retail investment book grew 23.81% as we continued with our focus on growing home investment, car investment, household durables, and other consumer investment schemes.

The Investment Risk Management Department (IRMD) ensures alignment with the objectives of achieving growth while maintaining portfolio



quality by making appropriate risk/reward trade-offs within acceptable parameters. The idea is to ensure long-term, sustainable performance across business cycles. Over time, we have developed capabilities to assess the risks associated with various products and business segments. IRMD has been advised to analyze the counter party thoroughly including inherent risk as well as the purpose and structure of the investment, and its source of repayment based on historical financial trends and future cash flow projections. Key processes in investment underwriting have been reviewed and faster disposal has been ensured. Along with IRMD, periodic portfolio reviews by the Investment Monitoring Department are conducted to help identify weaknesses as well as improve the portfolio quality. The Bank has the system of monthly monitoring of the investment accounts to prevent asset quality slippages and to take timely corrective steps to improve the quality of investment portfolio.

One of the all-time top priorities of the bank is to curb NPAs by maintaining quality assets and recovering defaulted investments. Investment monitoring and relationship management were streamlined further to regularize and reduce non-performing investments. The Early Warning System (EWS) has been emphasized so that precautionary actions can be taken against vulnerable assets. Investment monitoring on a continuous basis is one of the most important tools for ensuring quality of investment assets. In this respect, the Investment Monitoring Department has been established and strengthened. Above all, proper monitoring and a strong recovery drive from the branches and the Special Asset Management Division of the corporate office have been intensified to maintain the quality of the assets. As a result of collective efforts, the NPI of the bank was reduced to 4.42% in 2021 from 4.57% of 2020.

Risk management is an integral component of internal governance involving all areas of operations of the bank. It is an essential part of helping the bank to grow and promote sustainability and resilience. Hence, SJIBL has developed a sound Risk Management Framework (RMF) so that the multifaceted risks assumed by the bank are properly projected, assessed, monitored, and addressed incessantly. Based on suggestions from the Risk Management Division (RMD) under the RMF to the Senior Management, the Bank takes the necessary measures and actions to restrict and reduce risk exposures and to absorb any unusual shock and financial stress towards the Bank. Besides, to strengthen AML and CFT compliance, dedicated employees are working at the branch and CHO level of the bank.

Shariah Compliance

While providing people with cutting-edge banking services, it ensures compliance with the Shariah principles in all its operational activities and upholds Islamic culture. Its Shariah Supervisory Committee supervises all its operations from an independent and critical point of view.

Technology and Digitization

The banking and financial services industries are undergoing transformative changes powered by digitalization. COVID-19 has further accelerated the digitization of banking with evolving customer expectations and changing behavior experienced during the pandemic. Customers in both urban and rural areas are demanding banking that is simple, functional, reliable, and seamless. Shahjalal Islami Bank recognizes the importance of building technology capabilities focused on providing an improved customer experience, increasing employee productivity, improving operational performance, and capabilities for superior regulatory compliance and proactive risk management. Hence, SJIBL has continued its operations towards digitalization in terms of automation and system security, adopting new technology across the bank. The bank has been providing digital banking services such as internet banking, SMS banking, mobile banking, etc. Our customers can now also draw cash from the branch level using a QR code instead of a paper-based cheque. In 2021, the "e-Account" platform was launched for our valued customers so that they can open accounts from anywhere, even without visiting branches physically. Furthermore, to safeguard the bank's IT networks from cyber-attacks and fraudulent activities, we are taking all necessary precautionary measures to tackle the situation. We are upgrading our core banking solution to enhance our operational efficiency and to ensure a better customer experience.

The bank has given emphasis to alternate delivery channels to facilitate our customers' round-the-clock transactions. In addition to the 10,000 plus shared ATMs, the bank has installed 119 own ATMs across the country, and the number is growing gradually. There was an increase of 6.82% in Internet Banking users over the previous year. The bank has been trying to motivate its own customers to use internet banking facility explaining the advantages. The bank also continuously focuses on increasing Debit Card usage and constantly enhances

its security features. Users of debit cards can now complete their online payments with OTP instead of the static password that was used earlier. At the end of 2021, the total number of debit card holders was 1,94,800.Our Credit Card is attracting customers increasingly for its convenience and shariah compliance. The bank has an exciting "cash back" program to delight customers who increase their credit card usage, provided the customers maintain the stipulated average minimum balance. In addition, from time to time, the bank also offers seasonal promotional benefits.

Human Resources Development

In a dynamic world where an individual defines the organization, human resources are the most valuable asset and key factor behind the success of any organization. Achievement of an organization's objectives depends on the individual and collective efforts of its workforce. Every employee is a vital factor for the smooth functioning of the organization by bridging the gap between the customers and the organization. The bank has a team of highly motivated, skilled, committed, young, loyal, and empathetic staff members who strive to meet customer aspirations and organizational goals.

A strategic approach towards the effective development and management of human resources is of paramount importance. Our efforts in retraining, re-skilling and redeploying resources are a continuous process that aims to improve the optimization, competency and timing of our operations whilst concurrently gearing our workforce for the future. Skill building in credit, Forex, business development, customer relationship management, marketing of products and services, investment monitoring and recovery, risk management, technology-based banking, branch management, complying with statutory, legal, and policy requirements, and preventive vigilance received special attention during the year. To meet the social distancing requirements due to the COVID-19 pandemic as well as to protect the employees, a learning and development (L&D) strategy has been customized for enriching employees through virtual/online training programs, enabling them to avail these services from anywhere. The Bank also nominated its employees regularly to various seminars, workshops and training programs arranged by BIBM, BAB, IBRTA and other reputed training institutes.

Prompt, careful, and coordinated response is the key to handling any crisis. As a bank, we are doing our best to ensure the safety of our employees and customers and have been following government and WHO corona virus safety protocols under our active "Quick Response Team" since the outbreak of the pandemic. For us, the safety and wellbeing of our employees is of paramount importance. Measures are also taken to ensure the utmost safety of our employees while performing their duties during the COVID-19 pandemic. The senior management team maintained regular contact with the employees to boost morale in corona virus positive cases. The health insurance coverage of the employees and their family members provided by the bank gave the employees confidence during a pandemic situation. Despite the disruption caused by COVID-19, this year we welcomed over 139 new colleagues into our bank.

Corporate Social Responsibility

SJIBL is not only profit-oriented, but also believes in the 3P philosophy, i.e., "People, Planet, Profit." Following the founding principles, the bank is engaged in various corporate social responsibility (CSR) activities through its foundation. During 2021, the bank has provided food packets, groceries, medical kits, blankets, and ambulances at many places. The CSR initiatives of the bank are multifarious. Other focused activities are like scholarships to meritorious poor students, providing infrastructural facilities to needy educational institutes, providing primary health care, community development, financial support for medical operations of poor people, and many other social initiatives to uplift society from poverty and distress.

Accolades and Recognition

You know that, over the last 3 years, SJIBL has achieved a good number of prestigious awards from several well-known local and international bodies/entities. SJIBL attained 1st position in the 21st Institute of Chartered Accountants of Bangladesh (ICAB) National Award for Best Presented Annual Report-2020 in the category of 'Private Sector Bank' and was also jointly awarded 2nd position for Corporate Governance Disclosure. SJIBL also achieved a Gold Prize (1st Position) in the Islami Banking Companies Category in the National Award for Corporate Governance Excellence-2020 from the Institute of Chartered Secretaries of Bangladesh (ICSB). We were also awarded the Bronze Prize in the Islami Bank category by the Institute of Cost and Management Accountants of Bangladesh (ICMAB). Among the many achievements in 2021,

the most recognized awards were from the South Asian Federation of Accountants (SAFA) for the Annual Report 2020. We were named first runner-up (2nd position) in the Private Sector Banking Institutions Category, joint first runner-up in the SAARC Anniversary Award for Corporate Governance Category, and second runner-up in the overall category. This is the highest achievement for any Bangladeshi shariah-based bank. These awards are testaments to the strong management, sound business model, shariah compliance, transparency in reporting, service excellence, risk management, and approach to modern banking. We are humbly pleased and deeply honored to be recognized for our efforts and operations. All these achievements have increased brand value and enhanced the corporate image of the bank a lot. Needless to say, these recognitions have encouraged us to further raise the standards of our performance.

Acknowledgment

I would like to extend my deepest gratitude to the Board of Directors for their attitude during the difficult times of COVID-19 that enabled us to deliver a robust performance in a tough environment. I would also like to thank the Board for their wise counsel, guidance, and advice, which have been particularly valuable in these times of financial and social stress. They have taken a keen interest in the affairs of the bank and the formulation of policies and have been an immense source of support and guidance to me and my management during the year.

I am grateful to Bangladesh Bank and the Securities and Exchange Commission for their continued policy support and guidance during this ongoing adverse situation. I also take this opportunity to wholeheartedly thank all our stakeholders for their unequivocal trust in the bank. I sincerely express my gratitude for the continuous patronage we have received from our customers. The loyalty of the customers has been very encouraging during the uncertainty caused by COVID-19. I also want to acknowledge how humbled I am by everyone's commitment and support during the last four years. It has been an exciting, challenging, and rewarding year for me with the bank. Despite the various challenges, all our employees and senior management showed their dedication and commitment, which resulted in a wonderful experience working together with such a brilliant team. Our employees delivered an exceptional level of support for our customers in very tough circumstances. I am extremely grateful to our customers for their loyalty during a very turbulent year.

Opportunity never stands still. It changes and evolves with the world around us. It is our job to continue making the most of it, and to find and capture it in the spirit of doing business. Everything that we plan to do next is designed to unlock opportunity for our stakeholders, shareholders, and customers. I am confident that this esteemed institution will scale greater heights and continue its growth trajectory. Last but not least, I want to reassure everyone that, with our firm commitments in place, our bank will continue to perform brilliantly in the days ahead.

In the end, on behalf of the senior management team, I most humbly submit to the greatness of almighty Allah, soliciting His mercy to pave the journey towards outstanding and sustainable success of the bank in the coming days.



M Shahidul Islam
Managing Director and CEO

REPORT OF THE **BOARD OF DIRECTORS**

In the name of Allah

The Most Gracious, the Most Merciful

Dear Shareholders,

Assalamu Alaikum Wa Rahmatullah Wa Barakatuhu.

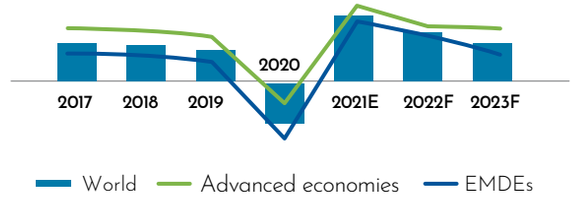
The Board of Directors would like to extend a warm welcome to all of you to Shahjalal Islami Bank Limited's (SJIBL) 21st Annual General Meeting (AGM). We are pleased to present you with the Directors' Report and Audited Financial Statements for the year ending December 31, 2021, as well as the Bank's Auditors' Report. We've also included a summary of the bank's performance and financial position for the same year, as well as information on key elements of the global and Bangladesh economies. The bank was operating in a highly complicated environment in 2021, which was defined by the COVID-19 pandemic and the efforts taken to mitigate its economic impact. Despite the adverse socioeconomic conditions posed by the COVID-19 pandemic, we continued to guide the bank and its businesses toward greater sustainability by focusing on minimizing risk and maximizing opportunity as the coronavirus manifested. We also continued to protect our employees' and customers' health and safety, as well as engage with our other stakeholders in meaningful ways. We are confident that this emphasis, along with the bank's strong foundations, will enable us to continue to create long-term value for all of our stakeholders this year and in the years to come.

World Economy

Global growth is estimated to have surged to 5.5 percent in 2021—its strongest post-recession pace in 80 years, as a relaxation of pandemic-related lockdowns in many countries helped boost demand. Notwithstanding this annual increase, resurgences of the COVID-19 pandemic and widespread supply bottlenecks weighed appreciably on global activity in the second half of last year. As the world enters the third year of the COVID-19 crisis, economic developments have been both encouraging and troubling, clouded by many risks and considerable uncertainty.

Global Growth

(Source:World Bank)



The good news is that output in many countries rebounded in 2021 after a sharp decline in 2020. Advanced economies and many middle-income countries have reached substantial vaccination rates. Progress in vaccination is key to restoring mobility and overcoming supply-chain disruptions. For most of 2021, the main obstacle was the limited access to vaccine doses, with low-income countries suffering the most.

Commodity prices soared in 2021 following the broad-based decline in early 2020, with prices of several commodities reaching all-time highs. In part, this reflected the strong rebound of demand from the 2020 global recession. Energy and metal prices generally move in line with global economic activity,

Global energy prices surged in the second half of 2021, particularly for natural gas and coal, owing to recovering demand and constrained supply. Meanwhile, non-energy commodity prices have stabilized, with some at or close to record highs.

Global trade has rebounded in tandem with global economic activity. The recovery has been swift for goods trade. Services trade has firmed; however, it is still lagging, with travel services particularly subdued. Depressed tourism flows have weighed on activity in tourism-reliant economies, including many small-island developing states.

Global inflation surprised continuously to the upside in recent months, with median headline consumer price inflation reaching 4.6 percent on a 12-month basis in October 2021, up from a pandemic-related trough of 1.2 percent in May 2020. The rebound in global demand and activity since mid-2020, together with supply disruptions and rising food and energy prices, have pushed headline inflation to decade highs across many countries.

Global Economic Outlook

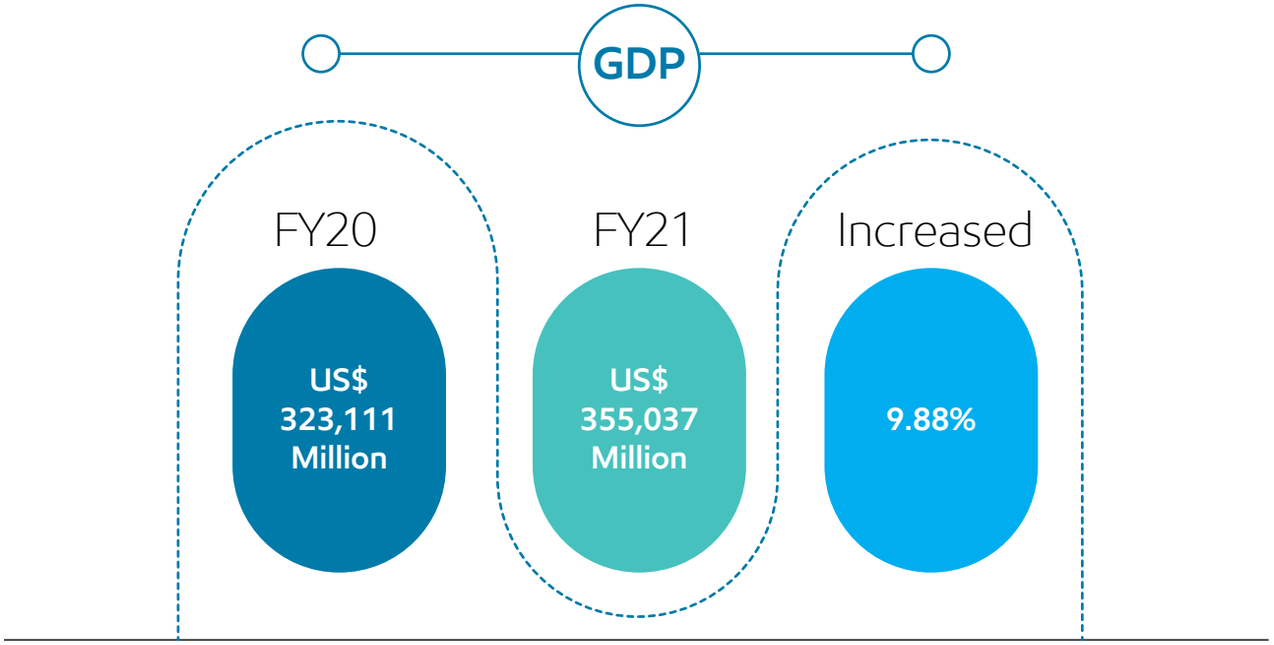
Just as the global economy was sailing smoothly to make a turnaround from the corona virus pandemic, the Russia-Ukraine war has suddenly emerged as a major obstacle standing in the way of faster and full revival. Ukraine and Russia are global players in agri-food markets. Many global economic think tank has painted a rapidly worsening outlook for the world economy, underpinned by rising food, fuel and fertilizer prices, heightened financial volatility, sustainable development divestment, complex global supply chain reconfigurations and mounting trade costs. Apart from this, the world economy is simultaneously facing Covid-19, inflation, and policy uncertainty, with government spending and monetary policies in uncharted territory. Rising inequality and security challenges are particularly harmful for developing countries. Putting more countries on a favorable growth path requires concerted international action and a comprehensive set of national policy responses. Global growth is projected to decelerate from 5.5 percent in 2021 to 4.1 percent in 2022, reflecting continued COVID-19 flare-ups, diminished policy support, and lingering supply disruptions. Growth is envisioned to slow further in 2023, to 3.2 percent, as pent-up demand is depleted and supportive macroeconomic policies continue to be unwound. These factors are expected to be only partly mitigated by the eventual removal of pandemic control measures, the draw-down of excess private savings, and rising real wages amid a steady tightening of labor markets.

Bangladesh economy

Bangladesh economy rebounded notably and registered 5.47 percent economic growth in FY21 after GDP growth slowed down to 3.51 percent in FY20 because of the fallout of the COVID-19 pandemic though Bangladesh's economy continues to fight back with the spread of the COVID-19 pandemic since March 2020 and multiple lock-downs during FY21 pushed Bangladesh off its growth trajectory. However, the economy has been showing some signs of recovery during the second half of FY21. The stimulus packages comfort the business groups, particularly big firms, which eventually helped the economy to boost again.

Economic activities continued to recover in 2021 largely driven by activities in the agriculture and industry sectors in response to supportive monetary and fiscal policies, improved business confidence, declining COVID-19 infection rate, and increasing coverage of vaccination across the country.

In terms of US Dollar, the value of GDP in current market prices increased by 9.88 per cent to US$355,037 million in FY21 from US$323,111 million in the previous fiscal year. Per capita GDP stood at US$2,097 in FY21, compared to US$1,930 in FY20, showing an increase of 8.65 per cent. Per capita GNI also increased to US$2,227 in FY21 from US$2,024 in the previous fiscal year.



Per capita GDP
US$ 2,097 in FY21
US$1,930 in FY20

Per capita GNI
US$ 2,227 in FY21
US$2,024 in FY20

Growth Driver

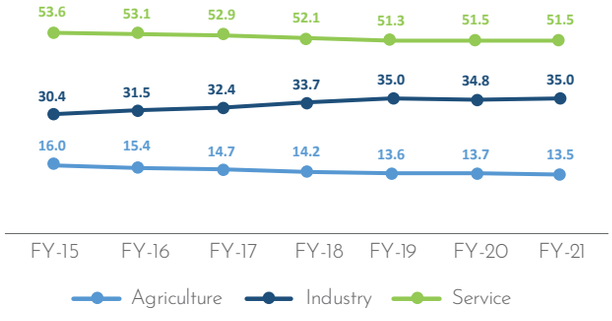
Growth driver and rates of different sectors and sub-sectors were not same and to some extent it was unequal.

Agricultural sector

The agriculture sector, which is the most important sector in the Bangladesh economy, employs about 39 per cent of the country's total labour force. The share of the sector in GDP, according to the provisional estimate of the National Accounts Statistics, was 13.47 per cent in FY21, compared to 13.74 per cent in the previous fiscal year. It includes three sub-sectors namely: i) Crops and horticulture, ii) Animal farming, and iii) Forest and related services. The favorable natural factors and strong government support in terms of timely availability of inputs and finance notwithstanding, the agriculture sector achieved a lower growth of 3.45 per cent in FY21, compared to 4.59 per cent in FY20.

To tackle the economic losses caused by the COVID-19 pandemic, the government created a refinance scheme of Tk.50.0 billion for the agriculture sector. Accordingly, the Bangladesh Bank (BB) launched a Tk.50.0 billion stimulus fund for agricultural farmers (small and medium) in rural areas including that of poultry, dairy and livestock sectors which was help to sustained to avert from such a prolong pandemic negative impact.

Sector wise GDP Contribution in % (Source: BB)



Industrial sector

Despite the slower economic activities caused mainly by COVID-19, the industry sector recorded a growth of 6.12 per cent in FY21, compared to 3.25 per cent in FY20. Besides, the share of the industry sector in GDP increased by 0.21 percentage points to 34.99 per cent in FY21 from 34.78 per cent in FY20. Following the recovery trend, the industry sector registered a noticeable growth in CY21 reflecting largely the adaptation and adjustment of labour, capital and resources in the industrial activities in the COVID-19 era. Within the broad industry sector, the manufacturing sub-sector recorded a growth of 5.77 per cent in FY21, compared to the previous fiscal year's 1.80 per cent. Within manufacturing, the large and medium scale industries sub-sector grew by 6.56 per cent in FY21, compared to 1.39 per cent in FY20. The small scale manufacturing industries grew lower rate at 1.73 per cent in FY21 against 3.96 per cent in FY20.

Buoyancy in growth was observed in many major industry groups such as: wearing apparel textile, food products, leather and leather products, pharmaceuticals, non-metallic mineral product, and electrical equipment. High growth in the construction-allied industries of iron and steel production and cement production asserted rebounding economic activities supported by construction projects in public and private sectors.

Service sector

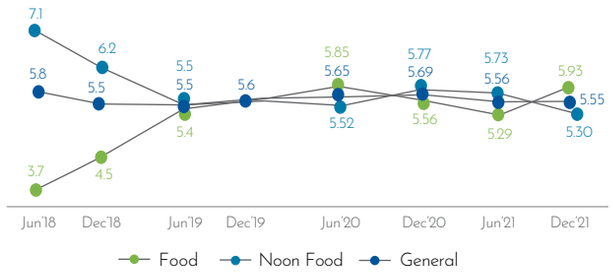
The growth momentum in service sector-related activities moderated in Q1FY22 after maintaining buoyancy in the preceding three quarters as reflected by different proxy indicators. The major impetus came from strong growth of different sub-sectors such as wholesale and retail trade (6.54 percent), transport, storage, and communication (6.07 percent), hotel and restaurants (6.85 percent), financial intermediations (4.31 percent). Robust performance of industry sector, rise in imports, better supply chain management by the government, and sustainable agriculture production mostly benefitted the service sector in FY21.Besides, policy supports coupled with positive developments in related sectors, such as healthy growth in fresh opening of import LCs, will also have positive impacts on the service sector.

Inflation

Higher inflation has become a common phenomenon across the globe. Pent-up demand fueled by stimulus and pandemic disruptions are helping accelerated inflation which spread around the world through global factors like higher food and energy prices, and soaring shipping costs. The oil price hike, pushed up transportation and communication cost increased significantly and high import also added to inflation in the country as commodity prices increased sharply amid global inflation

Headline CPI inflation edged up to 6.05 (p2p) percent in December 2021 from 5.29 percent in December 2020 which was attributed to an upward movement of both food and non-food inflation. The upward pressure of inflation during 2021 was partly driven by supply chain bottlenecks and resurgent of consumer demand in the domestic economy, and magnified by rising shipping charges to an unprecedented level as well as soaring prices of most of the commodities in the global markets.

12 Months Average Inflation Rate Trend In % (Source:BB)

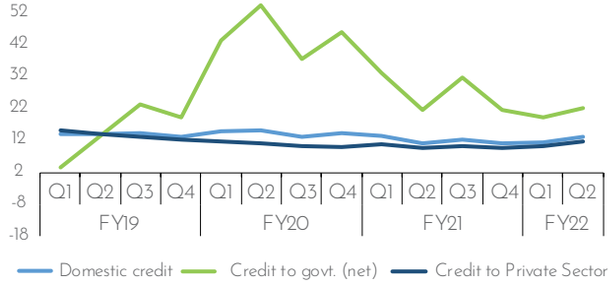


Money Supply and Credit Growth

To support investment and employment generating activities in the recovery process of the COVID-19 wrecked economy, Bangladesh Bank (BB) continued its efforts in line with expansionary monetary policy stance. Broad money (M2) recorded an increase of 9.60 percent at the end of December 2021 against the increase of 14. 23 percent at the end of December 2020. Of the sources of broad money, net foreign assets (NFA) and net domestic assets (NDA) increased by 3.41percent and 11.57 percent respectively at the end of December 2021 as compared to the same month of the previous year. Lower growth of NFA contributed to the lower growth in broad money in December 2021.

Domestic credit recorded an increase of 12.37 percent at the end of December 2021 against the increase of 9. 91 percent at the end of December 2020. Of which credit to the public sector and private sector grew by 21 percent and 10.68 percent respectively at the end of December 2021.Private sector credit growth in December rose for the seventh consecutive month as the economy rebounds from the pandemic. The double-digit growth is a good sign for the economy as the upward trend came in the face of the third wave of infections. The credit growth, which had faced sluggishness right after the coronavirus arrived on the shores of Bangladesh in March 2020 as demand plunged, the growth stood at 7.55 per cent in May. The credit expansion has been rising since then. In the presence of huge amount of surplus liquid assets in the economy, the BB mopped up some excess liquidity from the banking system in H1FY22, aiming to control price pressures and to maintain the money markets stability.

Growth of Credit in % (Source: BB)



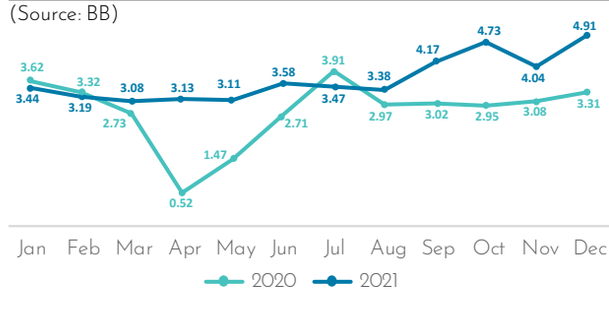
Foreign Direct Investment

The net foreign direct investment (FDI) in FY21 increased by 39.37 per cent to US$1.77 billion from US$1.27 billion in the previous fiscal year (FY20), according to the BB's balance of payments data. On the other hand, the gross inflow of FDI during the period under review also increased by 8.36 per cent to US$3.50 billion from US$3.23 billion in FY20. FDI inflow in Bangladesh is low compared to that in many countries at similar level of development.

Export

Thanks to the robust export earnings, overall exports grew 32 per cent year-on-year to $44.22 billion in 2021 from $33.6 billion in 2020. Exports are setting fresh records almost every month because of the higher shipment of goods, especially garment items, thanks to the reopening of western economies following the improvement of the Covid-19 situation. Exporters applauded the government's bold decision to allow factories to run during the peak of the pandemic and different financial stimulus and policy support for the significant rise in the shipment as many factories around the world remain shut. Total merchandise commodity export during 2021 increased significantly by USD 10.62 billion or 32 percent to USD 44.23 billion from USD 33.61 million during 2020. Earnings grew 28.41 per cent to $24.69 billion between July and December, the first six months of the current fiscal year. Garment shipment rose 28.02 per cent to $19.9 billion. Of the sum, $11.16 billion came from knitwear sales, up 30.91 per cent, and $8.73 billion from woven items, an increase of 24.50 per cent.

Export trend Billion USD
(Source: BB)



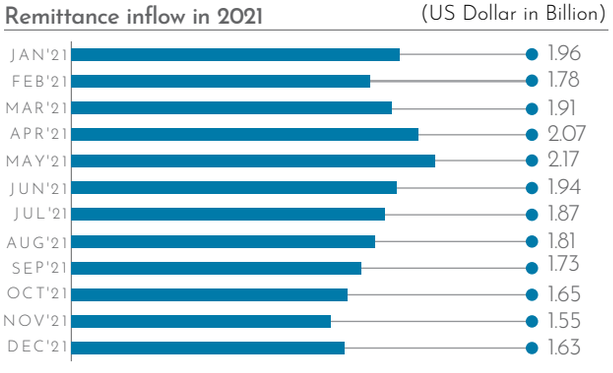
The higher growth in export might be attributed to strong rebound in demand for apparels in the USA and European economies which had been affected by the Covid-19 pandemic.

Remittance

Bangladeshis working abroad sent a total of US$22.07 billion in 2021-the immediate-past year that saw a letup in the Covid-19 invasion. Remittance inflow made

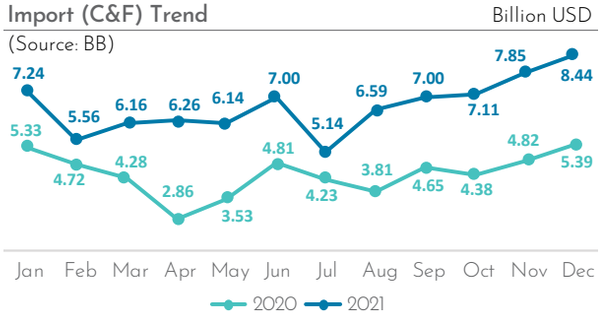
a slight year-on-year increase in the just concluded year in spite of the flow being slow in the last couple of months. Though the country's remittance earnings reached a record high, the growth in remittance inflow dropped to 1.51 per cent in 2021. The growth rate was 18.6 per cent in 2020.The previous calendar year had witnessed a record inflow of remittances with a stellar growth of 36 per cent which supported the external account of the country. The average monthly remittance inflow was $1.8 billion. Restoration of connectivity, travel along with the gradual economic recovery and particularly Hundi, an illegal cross-border transaction settlement system, is mainly responsible for the downward trend in the country's remittance earnings in the second half of 2021. Remittances narrowed 21 per cent year-on-year to $10.23 billion in the second half of 2021.

Recently, the government enhanced the cash incentive on remittance to 2.5 per cent from 2 per cent. the enhanced cash incentive and the appreciation of the US dollar against the taka might have a positive impact on remittance inflow in the coming days.

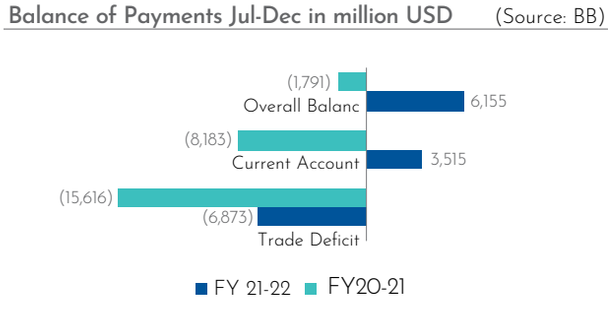


Import

Import demand kept surging in 2021 underpinned by the reopening and revitalization of economic activities as vaccination continued. Bangladesh's overall imports have increased significantly in 2021, following gradual reopening of economic activities - both at domestic and global levels - after more than one year, mainly due to the Covid-19 pandemic. Besides, higher prices of essential commodities, including petroleum products, on the global market also pushed up the country's import payments during the period. Actual import in terms of settlement of letters of credit (LCs) jumped by 52.91 per cent to $38.39 billion during the July-December period of FY'22 from $25.10 billion in the same period of the previous fiscal year. Besides, the single-month import payments hit an all-time high of $6.0 billion in December 2021. Robust growth in import of intermediate goods, capital goods as large infrastructure projects resumed their operations to normal levels. Among the intermediate items, import of RMG related & other intermediate goods witnessed, crude petroleum food grain and consumer goods also contributed to robust growth of import payments and were partly caused by upward trend in global food prices.



Letter of Credit (LC) opening for capital machinery import increased by 32% in July-December of the current fiscal year, which was in the negative territory in the same period last year. Textile sector saw the highest 313% growth in LC opening for capital machinery imports during the period when the garment industry was in the second position with 129% growth, according to the Bangladesh Bank data. The high LC opening of the apparel sector contributed to a rise in the overall import growth to 53% in July-December of the current fiscal year, which was only 7.52% in the entire FY21.



Balance of Payments

Bangladesh's foreign trade covering import and export increased significantly during the period under review amid gradually reopening of economic activities, both in domestic and global frontier, after more than one year of slump mainly due to the Covid-19 pandemic. Bangladesh's current-account balance gets under growing strains as import spending far outstrips the country's export earnings and remittance also slims. The BoP posted a negative balance of $1.79 billion in the first six months of FY'22 against a positive balance of $6.15 billion in the same period of FY'21. Such lower receipts of foreign exchange through the two

main channels pushed up the pressure on the balance in the first half (H1) of the current FY 22. The current-account deficit widened to $8.18 billion during the July-December period of FY'22 from $3.51 billion surplus in the same period of FY'21. Meanwhile, trade deficit of the country more than doubled in the first six months of the current FY mainly due to higher import-payment pressure on the economy. The trade deficit with the rest of the world increased by 127.21 per cent or US$8.74 billion to $15.62 billion during the July-December half of FY'22 from $6.87 billion in the same period of the previous fiscal year. Meanwhile, trade deficit of the country more than doubled in the first six months of the current FY mainly due to higher import-payment pressure on the economy. The trade deficit with the rest of the world increased by 127.21 per cent or US$8.74 billion to $15.62 billion during the July-December half of FY'22 from $6.87 billion in the same period of the previous fiscal year. On the other hand, the financial account's surplus improved significantly following higher inflows of medium-and long-term loans as well as aid flows. The financial account's surplus rose to $6.68 billion during the July-December period of FY'22 from $2.22 billion in the same period of the last fiscal year.

Foreign Exchange Reserve

Amidst the ongoing COVID-19 crisis, Bangladesh Bank's gross foreign exchange reserves stood at US$46.15 billion as of end December, 2021, which was USD 43.17 million as of end December, 2020. The foreign exchange reserves in December, 2021 is sufficient to pay import liability of 6.86 months, considering the average of the previous 12 months' import payments (December, 2020-November, 2021). Gross foreign exchange balances held by commercial banks stood higher at USD 5396.30 million as of end December, 2021 than USD 4993.41 million as of December, 2020.

Exchange Rate Movement

In line with the development of external sectors, exchange rate dynamics reflected some market forces which allowed the Taka against USD to depreciate by 1.16 percent (y-o-y) at the end of December, 2021. To avoid excessive volatility BB continued its intervention in the foreign exchange market by net selling of USD 2.27 billion during the period under review. On the other hand, in H1FY21, Bangladesh Bank purchased net amount of USD 5.3 billion to intervene forex market, thanks to hefty remittance inflows. However, foreign exchange reserve piled up to USD 46.15 billion at the end of December, 2021 which is enough to cover the potential import of 6.0 months.

Banking Sector:

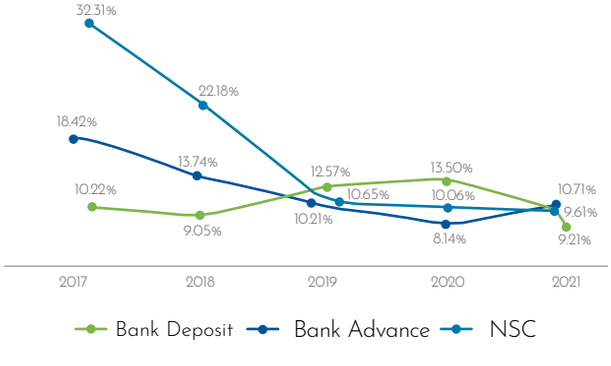
The performances of overall banking sector exhibited a mixed trend in 2021 as reflected in a marginal improvement in non-performing loans (NPLs), a moderation in capital to risk-weighted asset ratio (CRAR), an increase in the growth of bank's advances, a decline in provisions maintained against bad loans, an improvement in profitability, and maintenance of an adequate liquidity.

Though Banks clocked higher operating profit in 2021 mainly due to the Bangladesh Bank's relaxed policy that allowed them to count income from unrealized installments of loans. The impact of the Covid-19 pandemic on banks is relatively exclusive considering other industry trends. Banks may receive a severe blow in most of the performance parameters in the coming days. This substantial impact on the financial sector may happen at a later stage due to the nature of the operation.

The overall capitalization of the banking industry moderated marginally at the end of FY21 compared to that of FY20, however remained adequate. The capital to risk-weighted assets ratio (CRAR) of the overall banking sector went down from 11.63 percent at the end of FY20 to 11.57 percent at the end of FY21, partly due to SBs and SOCBs.

The transition from manual banking to its digital means is certainly not a new phenomenon for Bangladesh's banking sector. But the advent of the coronavirus pandemic has had clients from all walks of life honing in on internet banking to cut the chances of contracting the deadly flu. Transactions through internet banking amounted to Tk 20,559 crore in December, up 154 per cent year-on-year. People are now able to settle transactions of large volumes instantly through the RTGS while the BEFTN helps them carry out retail transactions within a day.

BANK DEPOSIT, ADVANCE & NSC GROWTH



Government Stimulus Package Implementations

To tackle pandemic fallout, the government has so far announced 28 stimulus packages amounting to a combined fund of more than Tk1.87 lakh crore. Later, the central bank added the export development fund involving $500 million to it. The Bangladesh Bank is directly involved in 10 stimulus packages. Two packages have been fully implemented, while the remaining eight are under implementation this fiscal year.

The disbursement rate of the stimulus loans, aimed at large and CMSME borrowers, was 81.7 per cent and 77 per cent. respectively, in the first round, which was implemented from May,2020 to June,2021.

Banks had lent to their best clients in the first phase, but many of them were now unable to pay instalments. Banks are less keen on giving out loans under the second round of stimulus packages as many clients are in trouble to pay off their current debts and against the backdrop, it is difficult for banks to select new clients as the old ones are struggling.

STIMULUS LENDING IN 2ND ROUND

Target of six packages under Bangladesh Bank **TK 64,000CR**	**28 STIMULUS** Packages Declared	Combined fund **TK 1,87,679CR**	Disbursement in Jul-Dec FY22 About **22%**

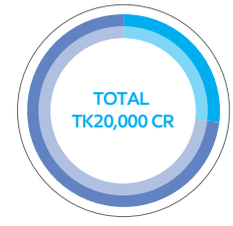
WORKING CAPITAL FOR LARGE INDUSTRIES, SERVICE PROVIDERS



UNDISBURSED
TK 24,042 CR
73%

DISBURSED
TK 8,958 CR
27%

WORKING CAPITAL FOR SMES



UNDISBURSED
TK 15,753 CR
79%

DISBURSED
TK 4,247 CR
21%

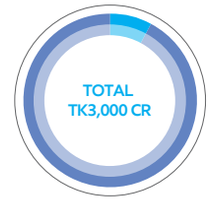
CREDIT GUARANTEE SCHEME FOR CMS



UNDISBURSED
TK 1,967.45 CR
98%

DISBURSED
TK 32.55 CR
2%

REFINANCING SCHEME FOR FARMES, SMALL BUSINESS



UNDISBURSED
TK 2,767 CR
92%

DISBURSED
TK233 CR
8%

PRE-SHIPMENT CREDIT REFINANCE SCHEME



UNDISBURSED
TK 4,496 CR
90%

DISBURSED
TK 504 CR
10%

FIRST ROUND: MAY'20 TO JUN `21

Large loan for industrial, Service sectors: **Tk 40,000cr 81.7pc**	CMSME: **Tk 20,000cr 77pc**

Industry: Initially, the central bank provided Tk.300 billion of the first phase for large industries and service sector business entities on 5 April 2020. Additional Tk.30 billion was added to this package to pay wages of workers for July 2020. Then working capital facilities were enhanced further to Tk.400 billion from the previous Tk.330 billion in the second phase. The repayment tenure of the loans, disbursed in the form of working capital, under the two packages is one year. The second phase started after 98 per cent implementation of the first phase as on 30 June 2021. Implementation process of the second phase of the stimulus package has started with the inclusion of foreign-owned companies operating in Bangladesh. The central bank has already set limits to all scheduled banks, like the previous year, for execution of the second phase to help revamp the corona virus-hit economy. Up to 31st Dec,2021, banks disbursed 27 percent against the central bank's allocation of Tk 33,000 crore for the sector. The borrowers, who availed assistance from the first phase, would not be eligible for the second phase in line with the BB's policy. But loans of the borrowers will continue in line with 'bank-customer' relationship, paying 9.0 per cent interest rate. As per the BB's policy, the package will be continued for three years from 14 April 2020, while a borrower will be entitled to enjoy interest subsidy at 4.5 per cent for maximum one year.

SMEs: According to the latest data, the central bank has a target to disburse Tk20,000 crore in working capital among small and medium enterprises. But only Tk4,247 crore was disbursed in July-December, which was 21.23% of the target. The number of beneficiaries was 30,941. Meanwhile, in the light of a slow pace of disbursements, on 30th December, the Bangladesh Bank decided to increase the extent of credit guarantee against loans to cottage, micro, small and medium enterprises (CMSMEs) to bring more under it. Banks now can lend a minimum amount of Tk25,000 and a maximum of Tk1 crore that the central bank will give a credit guarantee for.

Agriculture: To tackle the economic losses caused by the COVID-19 pandemic, the government created a refinance scheme of Tk.50.0 billion for the agriculture sector. Accordingly, the Bangladesh Bank (BB) launched a Tk.50.0 billion stimulus fund for agricultural farmers (small and medium) in rural areas, including that of poultry, dairy and livestock sectors. The BB later extended loan disbursement limit to 40 per cent for a single sector which was 30 per cent in the previous instruction.

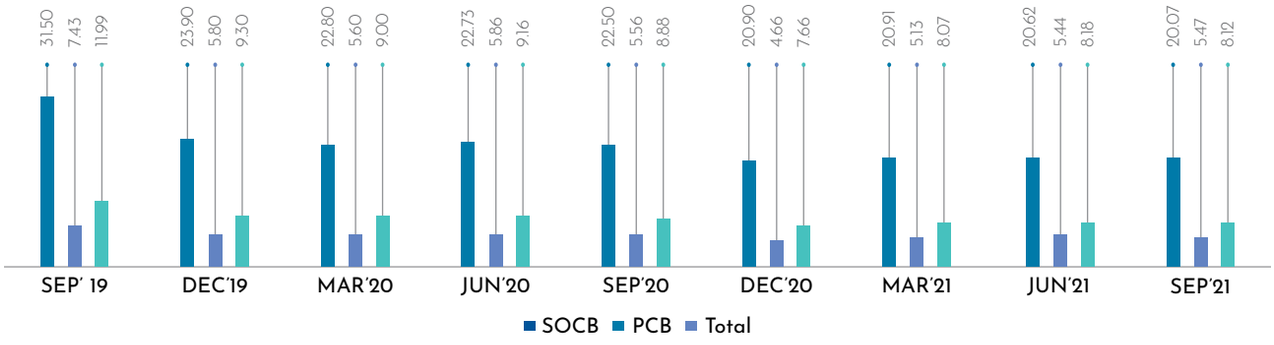
Under the stimulus package, the Bangladesh Bank has also set a credit guarantee scheme of Tk2,000 crore for the cottage, micro and small businesses in the current financial year. The disbursement under the scheme stood at only Tk32.55 lakh. The central bank has set a target for the Tk5,000 crore package in the Pre-Shipment Credit Refinance Scheme. The number of beneficiaries under this package so far is 67 business entities that received loans amounting to Tk504 crore, which was 10% of the target. In the six months, only Tk233 crore was disbursed from the Tk3,000 crore refinancing scheme set up for low-income professional farmers and small businessmen.

Non-performing loans (NPLs)

Defaulted loans have started to rise from the pandemic lows as banks began ending moratorium packages by classifying loans amid normalization of the financial condition of borrowers. Although resumption of business activities increased money flow last year, many borrowers were yet to meet payments, forcing banks to classify a number of loans causing a rise in defaults. At the end of 2021, the total default loans stood at Tk1,03,273cr, 7.93% of total loans. The payment deferral facility, however, was partially lifted from the beginning of last year causing a sharp rise in default loans, which crossed Tk1 lakh crore in September, 2021.

Though borrowers enjoyed policy support in 2020 and 2021 as the government stepped up to help them withstand the impacts of the pandemic. The central bank declared a moratorium facility for borrowers throughout 2020 that helped reduce NPLs to Tk 88,734 crore, down 6 per cent from 2019. Under the policy, in 2021, borrowers were also allowed to avoid slipping into the default zone in exchange of giving only 15 per cent of the total installments. But default loans in the banking sector surged 16.38 per cent year-on-year to Tk 103,274 crore in 2021. BB data showed that 47 per cent of the defaulted loans were with the nine state-run banks. NPLs in the state-run banks rose 6 per cent year-on-year to Tk 48,968 crore last year. Forty-one private commercial banks held defaulted loans of Tk 51,521 crore, up 28 per cent from a year ago. The NPLs in nine foreign banks increased to Tk 2,785 crore in contrast to Tk 2,038 crore.

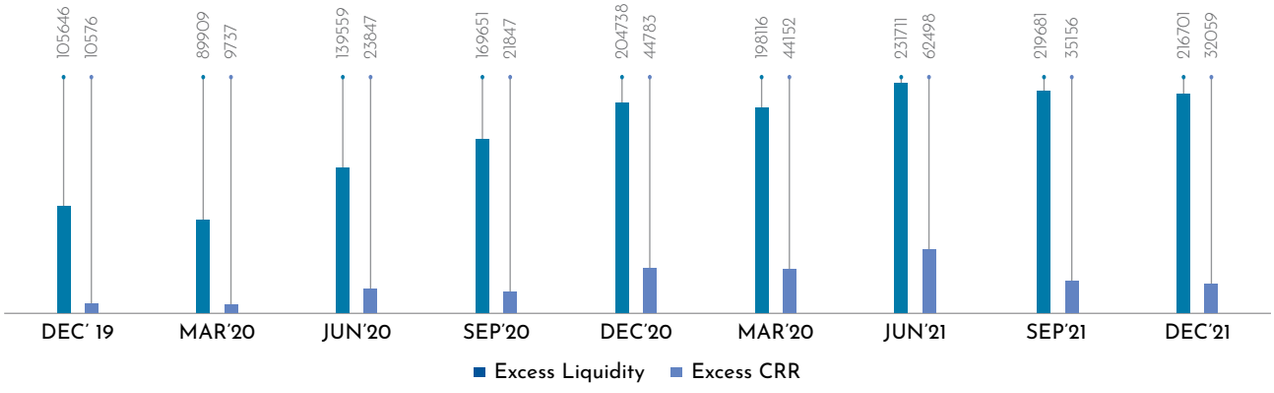
GROSS NPL MOVEMENT IN % (Source:BB)



Banking Sector Liquidity Condition

The surplus liquidity in the banking sector moderated to BDT 2.17 trillion at the end of 2021 from that of BDT 2.05 trillion at the end of 2021. Excess liquid assets in the banking industry increased over the half of 2021 heavily due to lower private-sector credit demand, huge inflow of remittances, easing monetary policy instruments and injection of funds under a massive stimulus package initiative. However, total liquidity gradually in down trend in second half of 2021 owing to higher credit growth, decelerated deposit growth and the mopping up of some liquidity through foreign exchange market intervention. The share of excess reserve (excess of CRR) to total excess liquidity decreased from 10.81 percent at the end of Dec, 2020 to 7.17 percent at the end of Dec, 2021.

EXCESS LIQUIDITY TREND IN BANKING SECTOR (Source:BB)



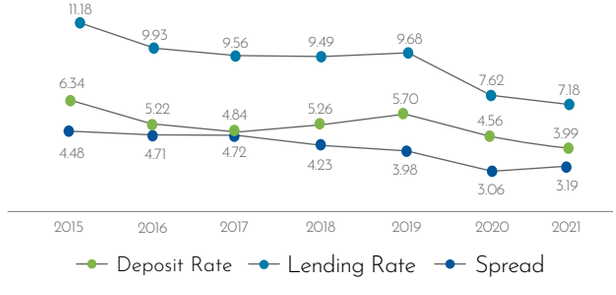
Total liquid assets of the scheduled bank stood at Taka 447,522 crore as of end December, 2021 which was Taka 449087.10 crore at the end of June, 2021. The minimum required liquid assets of the scheduled banks at the end of December 2021 was Taka 230,820 crore.

With the reopening of economic activities and economic recovery, it is expected that demand for credit would get further momentum in coming quarters. Currently adequate liquidity exists in the banking system, sufficient enough to absorb credit demand

Interest (Profit) Rate Outlook

All kinds of interest rates came down to a historic low in 2020 and first half of 2021, thanks to relaxed monetary tools during the pandemic. But the lending rate started to move up at the end of the last year due to rise in credit demand amid the resumption of economic activities. The private sector credit growth came back to the pre-pandemic level in December registering 10.68% growth, which would continue in coming days. Though credit growth has been rising, it is still far below the monetary target of 14.8% set for the current fiscal year, prompting the central bank to continue its expansionary monetary stance.

Weighted Deposit, Advance & Spread Rate in % (Source:BB)



The BB issued a new directive that the lending interest rate would be maximum 9 percent effective from 1April 2020. Lowering the lending rates, however, led to decline in deposit rates because the banks had to reduce their cost of funds (deposit rate) for maintaining profitability. Against the falling trend in deposit rate, BB made another proactive action issuing a circular on 8 August 2021 that reads that, for fixing the interest/ profit rate of a specific month, in case of term deposits with the tenure of 3 (three) months or more, the average rate of inflation (12-month average inflation) of immediate last 3 (three) months shall be considered.

Weighted average lending rate for all banks declined to 7.18 percent in December 2021 from 7.62 percent of 7.18 percent of Dec 2020. The banking sector is still awash with huge excess liquidity of Tk2.16 lakh crore as of December last year.

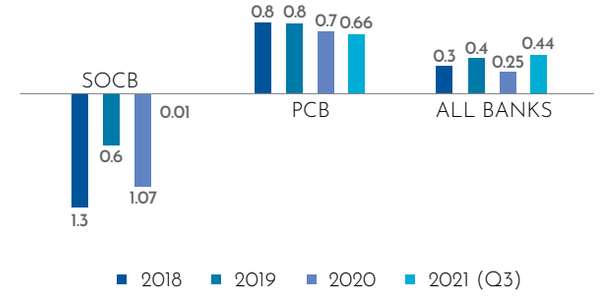
Banks Profitability

Banks clocked higher operating profit in 2021 mainly due to the Bangladesh Bank's relaxed policy that allowed them to count income from unrealized instalments of loans. Under the policy relaxation, borrowers remained unclassified by paying only 15 per cent of their overdue loan amounts for the year 2021. Besides the loan classification-related relaxation, the banks managed to reduce their cost of fund substantially in 2021 until the minimum deposit rate was tagged with the inflation rate in August. On top of these, business and economic activities rebounded strongly in the second half of 2021, creating business opportunities for the banks.

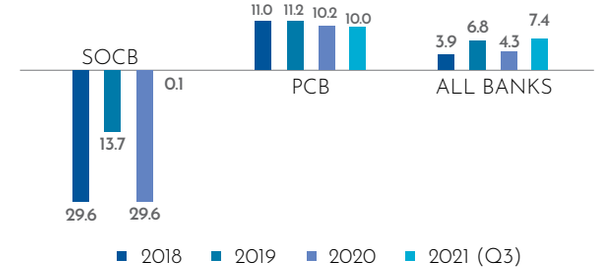
Though the pandemic relief has now brought about a real crisis for the banking sector as the provision shortfall shot up three times to Tk 22,573 crore throughout 2021. nine banks fell into a provision shortfall at the end of December, 2021. Of the eight, four are state-owned banks and five private banks.

Despite slower growth of credit disbursement by the banks, the profitability of the banks improved during 2021 than 2020, as reflected by an uptick in both Return on Assets (RoA) and Return on Equity (RoE). the RoA and the RoE of the banking sector went up to 0.50 percent and 8.26 percent in H2FY21 from that of 0.42 percent and 6.6 percent respectively in H2FY20.

RETURN ON ASSET IN % (Source:BB)



RETURN ON EQUITY IN % (Source:BB)



Banking Sector outlook

The health of Bangladesh's banking sector and its governance standards remain weak, especially among public-sector banks. Bangladesh's banking sector faces a number of major challenges including rising nonperforming loans, credit concentrations, the rise of family oligarchy, lack of corporate culture, capital market debility, and parallel banking by the government through deficit financing instruments.

Going forward, particularly in 2022, loan recovery will be a big challenge because a lot of our customers are now on payment pause. When the payment pause holiday will be lifted, the banking industry will face its biggest challenge. Banks will face several challenges in recovering stimulus loans next year, especially from the small and medium segment. Default loans are already on the rise, signaling a non-recovery of loans, and survival will be difficult for banks if bad loans continue to rise.

The capping of the loan interest rate in a free market economy, increasing classification due to the pandemic, the slower credit growth in the private sector, limitations imposed on non-funded income and fees,

accumulative provision requirement, and decreased NPL-adjusted return in loan portfolio will have a direct negative impact on income margins of banks.

The supply of US dollars may scarce in coming days which may lead to tame the growth of broad money as the central bank to inject dollars from time to time and Banks purchase the greenback in exchange for the taka, squeezing money circulation.

Higher global inflation has further raised Bangladesh's import payments, putting pressure on the foreign currency reserves and the exchange rates. Due to the increasing demands, the Bangladesh Bank has been injecting huge amounts of US dollars to help businesses settle import bills—which is creating liquidity stress on the banking system, as lenders have to purchase US dollars in exchange of taka.

The BB has set a private sector credit growth target of 14.8 per cent for the current fiscal year ending in June, 2022 where private sector credit growth in Bangladesh accelerated to 10.68 per cent in December 2021 rising for the seventh consecutive month as the economy rebounds from the corona-virus pandemic and the ongoing credit growth will continue and the central bank may achieve its credit growth target this fiscal year where BB has set a private sector credit growth target of 14.8 per cent for the current fiscal year ending in June, 2022 and the private sector credit growth will go up automatically in the coming months given the upward demand for loans from businesses as the economy recovers.

The consideration of customer service is becoming more tangible than ever before, and it is making banks even more persuaded to speed up digital transformation through associations with the Fintech community. The rise of Fintech in banking services seems to be more predominant in the coming days.

BD Economic outlook 2022

Though the impact of the pandemic is still much pronounced and the uncertainty is hovering around the economy, the outlook for Bangladesh's economy seems promising which is asserted by the performance of key macroeconomic sectors in CY21 after slowed down significantly in CY20. The momentum of the growth performance that became evident in the first half of FY22 is expected to gain further traction in the remaining periods hinging upon strong export growth, supported by returning readymade garment demand from abroad, and a rebound in domestic demand, supported by growing private consumption and rising services activity.

The economy is recovering from damages inflicted by the pandemic but the revival remains fragile owing to rising inflation, exchange rate volatility and squeeze in the government's fiscal space. Many of key macroeconomic correlates are in the recovery trajectory, led by the export-oriented sectors, though, macroeconomic stability is no longer in a comfortable state. Rising prices of essentials are hurting the recovery efforts of low-income people. Taka's fall against major currencies, government hike of diesel and kerosene prices, diversion of subsidized credit to non-productive sectors. Exchange rate movement could soon emerge as a source of stress.

Looking ahead, headline inflation is expected to peak up in the coming months due to a sharp rise in global energy prices and an upturn in inflation outlook in advanced and emerging market economies. Moreover, supply-side disturbances and the pass-through effect of input cost to output prices on the back of rising domestic demand will remain a concern to the inflation forecast. However, supply-side interventions by the government along with accommodative monetary policy may contain inflation within a tolerable range.

With a steep fall in remittance inflows and escalation of import payments for various infrastructure projects of government along with upward trend in global food and oil prices the deficit in current account balance is likely to increase in near future. However, current account balance may improve if export earnings continue to rebound on the back of continued global economic recovery in near-term. Although foreign exchange reserve buffer is currently adequate to meet the potential import payments underpinned by strong export earnings together with sizable financial inflows, downside risks may arise from declining remittance inflows and rising trend in prices of commodities in international markets.

Latest Russia's invasion of Ukraine will affect the entire global economy by slowing growth and jacking up inflation, and could fundamentally reshape the global economic order in the longer term. And Bangladesh has started to feel the pinch of the conflict and it is likely to slow the economic recovery. The higher prices of commodities would be more painful for a country like Bangladesh, which depends largely on the international market to feed its growing economy and a huge population. And that pain is already visible.

Upholding the trend would mostly depend on the management efficiency of the challenges emerged by the unpredictable behavior of the pandemic and ensuring mass vaccination in the shortest possible time.

A general review of the Performance of Shahjalal Islami Bank Limited

Bangladesh's economy faced one of its most difficult years in 2021. The prolonged corona virus pandemic, which had a negative impact on several key sectors such as trade and commerce, manufacturing and industry, services, tourism, and travel, had a cascading negative impact on employment, income, and consumption, significantly weakening the economy in the second quarter of 2021, when lock-downs were announced in the country to counter the massive second wave of the pandemic.

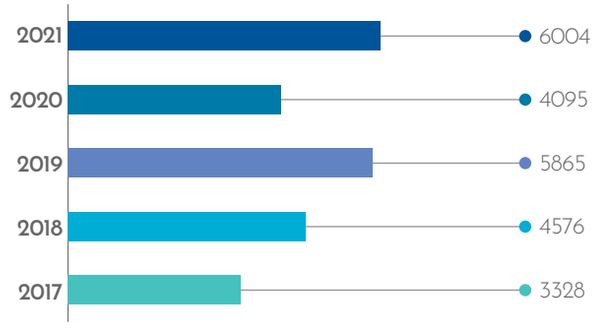
This downward spiral also affected the banking industry, which is a major source of funding for many businesses in Bangladesh. The sector has remained stressed as a result of low investment demand, slower investment recovery, and large amounts of idle liquidity. Nonetheless, in the face of these challenges, the bank used all of its experience, wisdom, and good judgment to build the necessary resilience to deliver an admirable performance in 2021, despite the adverse conditions that prevailed.

A description of the major financial metrics is provided below.

Operating Profit

Despite the prolonged effect of the COVID-19 pandemic and the profit rate of investment cap at a maximum of 9.00% as well as the inflation adjusted deposit rate, the operating profit of the bank has increased significantly by 46.62% in 2021. Operating profit increased to Taka 6,003.69 million in 2021 from Taka 4,094.81 million in 2020 and net profit after tax increased to Taka 2,585.24 million in 2021 from Taka 1,908.20 million in 2020. During 2021, the bank's operating result has significantly improved due to appropriate deposit mix, impressive capital market operations, dynamic foreign exchange business and effective management of surplus fund.

OPERATING PROFIT (Taka in million)



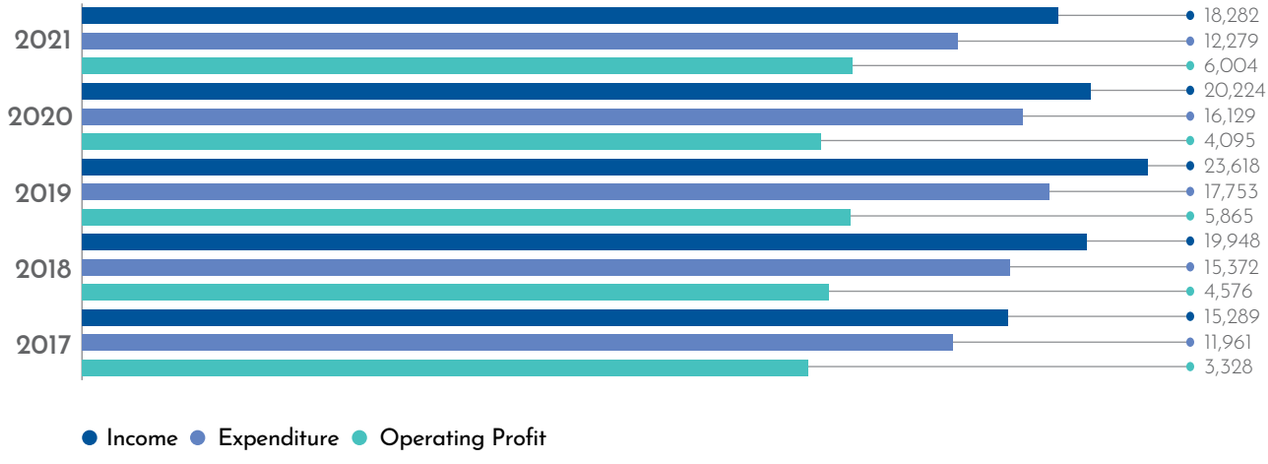
A summary of operating result of the bank as on 31 December 2021 and 31 December 2020 is shown below:

(Amount in Million Taka)

Particulars	2021	2020
Total Income	18,282.37	20,223.92
Less: Total Expenditure	12,278.67	16,129.11
Net Profit before Provision & Taxation	**6,003.69**	**4,094.81**
Less: Provision for Investment, Off Balance Sheets Items, Shares & others	1,167.03	451.39
Net profit before Taxation	**4,836.67**	**3,643.42**
Less: Provision for Taxation	2,251.43	1,735.22
Net Profit after Tax	**2,585.24**	**1,908.20**

The operating result of last five years is shown in the diagram below:

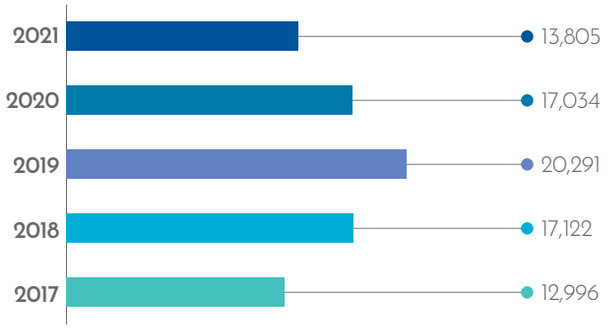
OPERATING RESULT (Taka in million)



Investment Income

Total Investment Income of the Bank stood at Tk. 13,805.19 million as of December 31, 2021 as against Tk. 17,033.75 million in 2020. Investment income decreased by Tk. 3,228.55 million due to the 9% profit rate cap and the prolonged effect of the COVID-19 pandemic throughout the year 2021. Yield on investment reduced to 6.76% from its 8.34% of 2020. The amount of investment income represents 75.51% of the total income of the year 2021 as against 84.23% of the year 2020. The trend of investment income is given below:

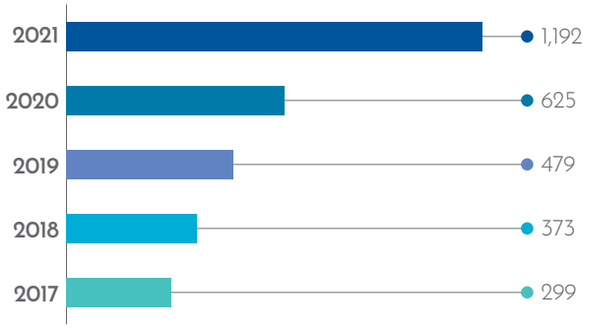
INVESTMENT INCOME (Taka in million)



Income from investments in shares and securities

Income from investment in shares and securities increased to Tk. 1,192.32 million in 2021 from Tk. 625.32 million in 2020, showing a growth of 90.67% over last year. As part of our liquidity management strategy, the surplus liquidity was utilized to invest in the capital market, Mudaraba Subordinated Bond, and Sukuk of the Bangladesh Government, which resulted in an increase in income significantly during the year under review from investment in shares and securities. The progress of income from investment in shares and securities is given below:

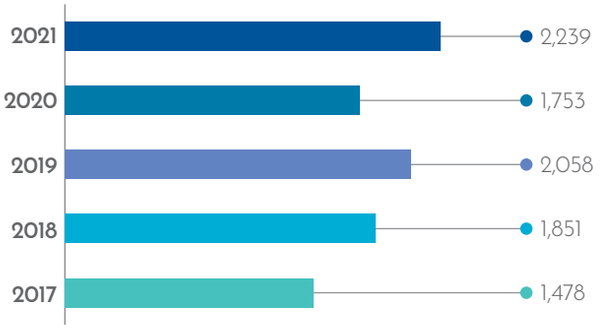
INCOME FROM INVESTMENT IN SHARES/SECURITIES (Taka in million)



Commission, Exchange, and Brokerage

Commission, Exchange and Brokerage income increased to Tk. 2,239.19 million in 2021 from Tk. 1,752.50 million in 2020, exhibiting a growth of 27.77% over the previous year. Despite the COVID-19 pandemic, both import and export business increased significantly. As a result, Commission, Exchange and Brokerage income increased during the year. The position of Commission, Exchange and Brokerage income for the last five years is given below:

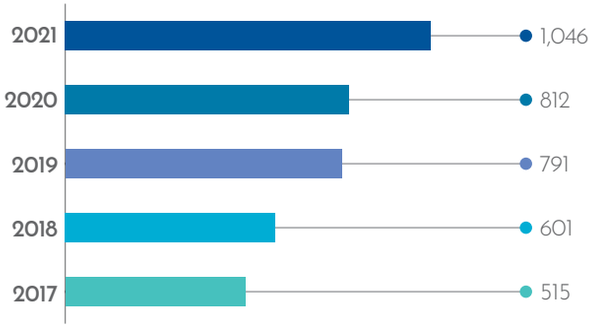
COMMISSION, EXCHANGE & BROKERAGE (Taka in million)



Other Operating Income

Other Operating Income stood at Tk. 1,045.66 million for the year 2021 as against Tk. 812.35 million in 2020, representing a growth of 28.72% over 2020. The trend of Other Operating Income is given below:

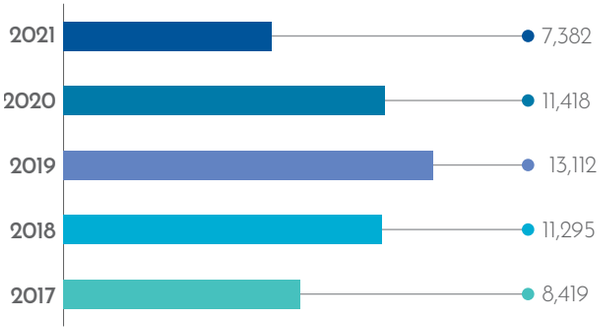
OTHER OPERATING INCOME (Taka in million)



Profit Paid on Deposits

The bank distributed profit of Tk. 7,381.65 million among the Mudaraba depositors in the year 2021 against Tk. 11,418.43 million in the year 2020, which is 70.08% of the distributable investment income earned from the deployment of the Mudaraba Fund and 60.12% of the total expenditure for the year 2021. Improvement of deposit mix as well as reduction of the profit rate of deposits from time to time are the key reasons for the reduction of profit paid on deposits. The profit paid on deposits for last five years is given below:

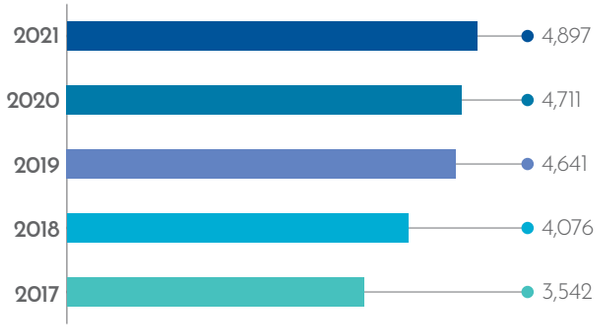
PROFIT PAID ON DEPOSITS (Taka in million)



Operating Expense

The total operating expense for the year 2021 was Tk. 4,897.03 million, whereas it was Tk. 4,710.68 million for the year 2020. The total operating expense was 39.88% of the total expenditure for the year 2021 as against 29.21% of 2020. A graphical presentation of operating expenses is given below:

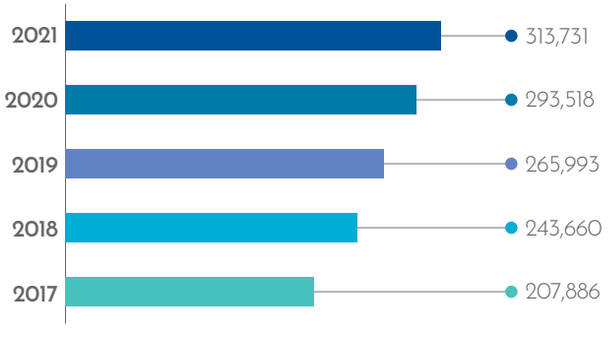
OPERATING EXPENSES (Taka in million)



Total Assets

The bank's total assets as of December 31, 2021 stood at Tk. 313,731.10 million, which was Tk. 293,517.85 million as of December 31, 2020, registering a growth of Tk. 20,213.25 million, or 6.89%, from 2020. Investment growth, investment in share and security growth, as well as other asset growth, were all key factors to this increase. The growth of total assets is shown below:

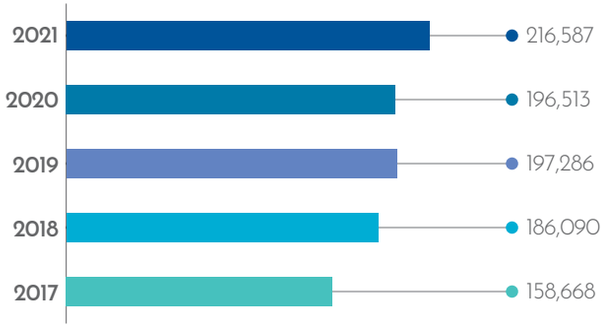
TOTAL ASSETS (Taka in million)



Investment

The total investment of the bank stood at Tk. 216,586.58 million as on December 31, 2021 as against Tk. 196,512.65 million as on December 31, 2020, registering an increase of Tk. 20,073.93 million, 10.22% from 2020. Due to the outbreak of COVID-19, there was a low appetite for investment in the market, and SJIBL was more cautious about disbursing the investment, which resulted in the overall slower investment growth during 2021. To manage the prolonged effect of the COVID-19 pandemic, the government declared various stimulus packages, which were implemented through commercial banks. SJIBL had participated in all the stimulus packages and disbursed a significant amount of funds for investment under those packages. The trend of the investment portfolio for the last five years is given below:

INVESTMENTS (Taka in million)

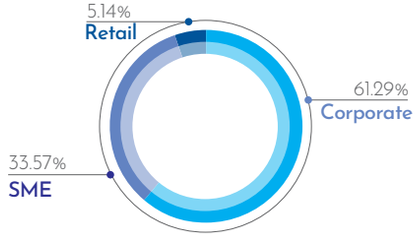


As part of the bank's diversification strategy, the bank has been developing a balanced portfolio of corporate, retail, SME and agri investments. SJIBL placed focus on the retail and SME segments of businesses, as not only are these segments becoming more important for the growth of the economy, but also the competition in corporate banking is becoming ever more intense. The segment-wise investment as of December 31, 2021 is given below:

Taka in million

Sl. No.	Particulars	Total	Mix
1	Corporate	132,741	61.29%
2	SME	72,704	33.57%
3	Retail	11,142	5.14%
Total	**Total**	**216,587**	**100.00%**

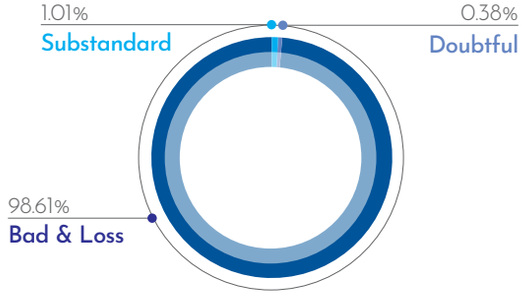
INVESTMENT MIX



Non-performing Investments (NPI)

Non-performing investment in the banking sector of Bangladesh stood at 7.93% as of December 31, 2021, whereas non-performing investment of SJIBL was 4.42% in the same period, which is significantly lower than the country's position. The NPI of SJIBL increased to TK 9,568.84 million as of December 31, 2021, from TK 8,973.48 million as of December 31, 2020. The bank has strengthened lending discipline and streamlined the recovery process to reduce the NPIs to an acceptable level. The bank is taking more and more initiatives to realize and regularize non-performing investments and reduce these NPIs further. Significant amount of investment which is not fall under classification but the bank has maintained provision against the investment in order to strengthen the financial health of the Bank.

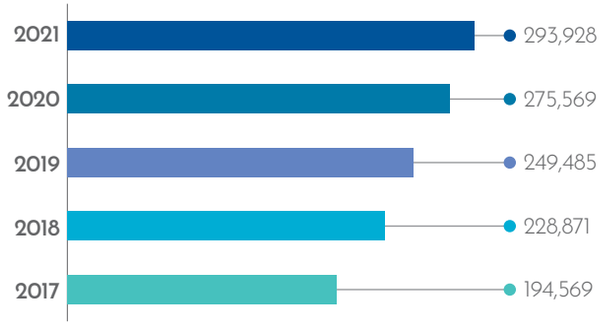
NON-PERFORMING INVESTMENT



Total Liabilities

Total liabilities of the bank stood at Tk. 293,928.11 million at the end of 2021, up from Tk. 275,569.10 million at the end of 2020, which was 6.66% higher than that of the previous year. Total liabilities increased mainly due to an increase in placements from other banks and financial institutions, Mudaraba Bonds, and other liabilities. Liability growth in the last five years is shown below:

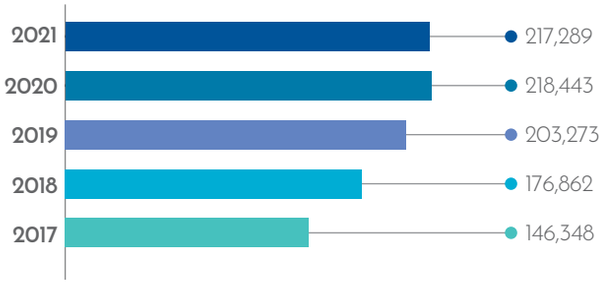
TOTAL LIABILITIES (Taka in million)



Deposit

The bank's total deposit was Tk. 217,288.99 million as of December 31, 2021, compared to Tk. 218,442.95 million as of December 31, 2020, a decrease of Tk. 1,153.96 million. As part of the bank's fund management strategy, we discharged certain corporate deposits as well as some high-cost deposits, resulting in a 0.53 percent drop in total deposits. In the year 2021, the bank focused on individual deposits, as a result individual deposit increased significantly. The bank places a strong importance on deposit mobilization on by offering popular and innovative products. The deposits that have been mobilized are reinvested in the economy through profitable and secure ventures. The following graph depicts the deposit's growth:

DEPOSITS (Taka in million)



Deposit Mix

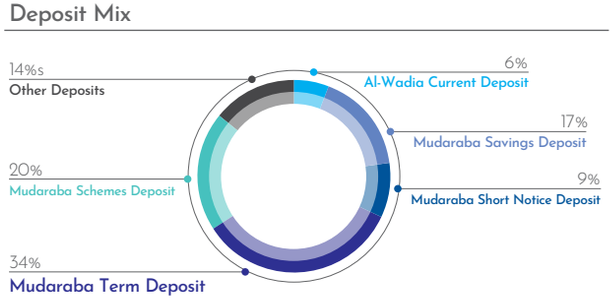
We have placed utmost emphasis on the optimum deposit mix, as a result the low-cost no-cost deposit increased to Tk.98,482.66 million in 2021 from Tk. 82,280.57 million in 2020, exhibiting a growth of 19.69% during the year. Low-cost no-cost deposits increased to 45.33% of total deposits during the year 2021, from 37.67% of 2020. SJIBL renewed its focus on rebalancing the deposit base to increase the portion of the low-cost transaction-based deposit portfolio. As a result, the bank succeeded in trimming down the high-cost deposit base from 62.33% in 2020 to 54.67% in 2021, thereby consolidating the deposit mix in a beneficial way.

The Deposit-mix of the Bank as on 31 December 2021

Sl. No	Nature of Deposit	Taka in million	Percentage of Total Deposit
1	Al-Wadia Current Deposit & Other Accounts	39,179.68	18.03%
2	Mudaraba Savings Deposit	36,326.44	16.72%
3	Mudaraba Short Notice Deposit	18,959.58	8.73%

Sl. No	Nature of Deposit	Taka in million	Percentage of Total Deposit
4	Mudaraba Term Deposit	74,469.38	34.27%
5	Mudaraba Schemes Deposit	44,336.94	20.40%
6	Other Deposits	4,016.97	1.85%
	Total	**217,288.99**	**100.00%**

Mix of deposit as on 31 December 2021

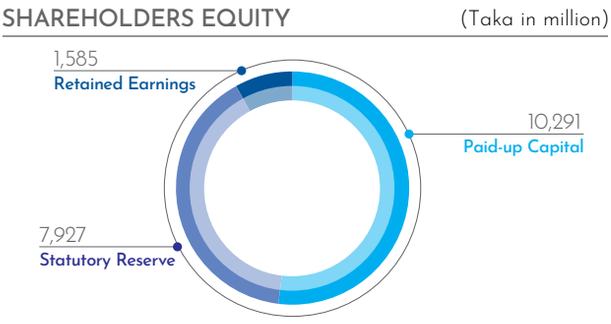


Placements from other Banks and Financial Institutions

Total placements from other banks and financial institutions stood at Tk. 32,436.45 million as of December 31, 2021, which was Tk. 19,730.96 million as of December 31, 2020, resulting in a growth of Tk. 12,705.49 million.

Shareholders Equity

Total Shareholders Equity stood at Tk. 19,802.99 million at the end of 2021, up from Tk. 17,948.76 million in 2020, which is 10.33% higher than that of the previous year. Shareholders' equity increased mainly due to an increase in paid-up capital, statutory reserve and retained earnings. Paid up capital increased due to the payment of 5% stock dividend for the year 2020. The composition of shareholders' equity as of December 31, 2021 is given below:



Regulatory Capital

As part of its risk management strategy, it is the policy of SJIBL to maintain a strong capital to risk-weighted asset ratio to have a sufficient cushion to absorb any unforeseen shock arising from any potential risk. A strong capital base is maintained to ensure the long-term solvency of the bank and to help the bank achieve sustainable business growth that can maximize value for stakeholders.

Total Regulatory Capital of the Bank stood at Tk. 33,778.03 million as on December 31, 2021, which was Tk. 28,308.26 million as on December 31, 2020, with a growth of Tk. 5,469.77 million from 2020. The bank issued Mudaraba Perpetual Bond for the first time in the bank's history for Tk. 5000.00 million of which 90% i.e. Tk 4500 million issued through private placement and the rest 10% i.e. Tk 500 million issued through Initial Public Offer (IPO) in 2021. With due approval from competent authority, the Bond was issued to strengthen the capital base of the Bank. The bond was fully subscribed and listed with the DSE and the CSE. The proceed realized from issuing Mudaraba Perpetual Bond will be utilized for ordinary business activities of the Bank. The bank maintained sound regulatory capital throughout the year 2021. The regulatory capital maintained was 15.04%, much higher than the required capital of 12.50%. The bank will keep focusing on the retention of profit by issuing bonus shares and raising Tier-II capital further by issuing Mudaraba Subordinated Bonds to strengthen its capital adequacy position.

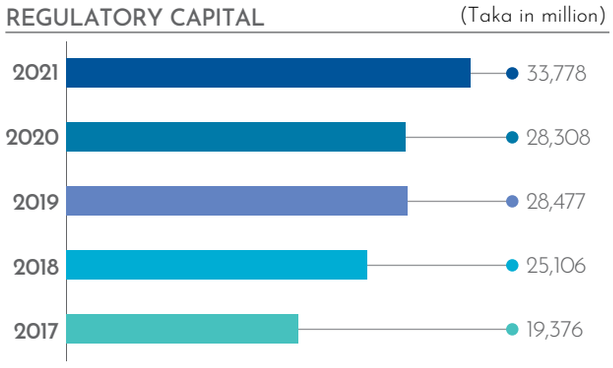
The Regulatory Capital and Risk-Weighted Asset of the bank is shown in the table below:

(Amount in million Taka)

Particulars	2021	2020
	Tk. In Million	Tk. In Million
Regulatory Capital:		
1. Tier-1 (Going-Concern Capital)	24,531.74	17,948.76
2. Tier-2 (Gone-Concern Capital)	9,246.29	10,359.50
Total Regulatory Capital (1+2)	**33,778.03**	**28,308.26**
Total Risk Weighted Assets (RWA)	**224,653.54**	**196,154.99**
Capital to Risk Weighted Assets Ratio (CRAR)	**15.04%**	**14.43%**

Particulars	2021	2020
	Tk. In Million	Tk. In Million
Tier-I Capital to RWA	10.92%	9.15%
Tier-II Capital to RWA	4.12%	5.28%
Minimum Capital Requirement (MCR)	**22,465.35**	**19,615.50**

Five years trend of regulatory capital is given below:



Net Asset Value (NAV) per Share

Shahjalal Islami Bank Limited's net asset value per share is Tk. 19.24, much higher than the face value of its shares. This indicates that the bank has created more value for its shareholders. As a result, investors' confidence is increasing day by day and they are investing more in the bank's shares. The trend of NAV for the last five years is given below:

Year	Net Asset Value (NAV)
2021	19.24
2020	17.44
2019	16.84
2018	15.84
2017	15.69

Dividend

The Board of Directors of the Bank has recommended a dividend @ 15% of which 10% cash and 5% stock for the year 2021. Over recent years, the Board of Directors has declared dividends out of profit to shareholders at attractive rates. The rates of dividends declared by the bank since 2017 are shown below:

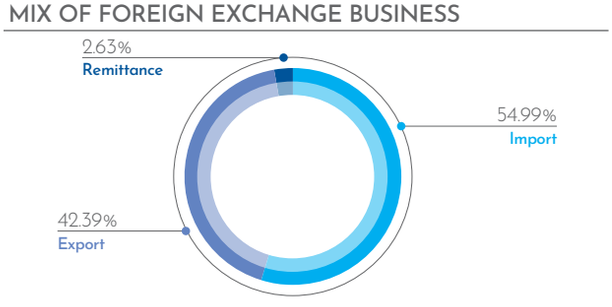
Year	Dividend (%)
2021	15 (10 Cash & 5 Stock)
2020	12 (7 Cash & 5 Stock)
2019	10 (5 Cash & 5 Stock)
2018	10 Stock
2017	10 Stock

Foreign Exchange Business

Total foreign exchange business handled during the year 2021 was Tk. 452,721 million as against Tk. 289,804 million in 2020, registering an increase of Tk. 162,917 million, i.e., 56.22%. Due to the COVID-19 pandemic, the demand for general investment was low. In this situation, the bank put emphasis on the foreign exchange business, as a result the foreign exchange business increased significantly during the year 2021. The particulars of the foreign exchange business are given below:

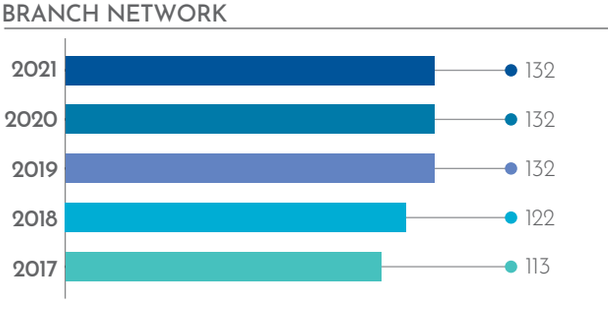
Particulars	2021	
	Amount in Million Taka	Composition
Import	248,934	54.99%
Export	191,899	42.39%
Foreign Remittance	11,888	2.63%
Total	**452,721**	**100.00%**

Mix of Foreign Exchange Business of 2021



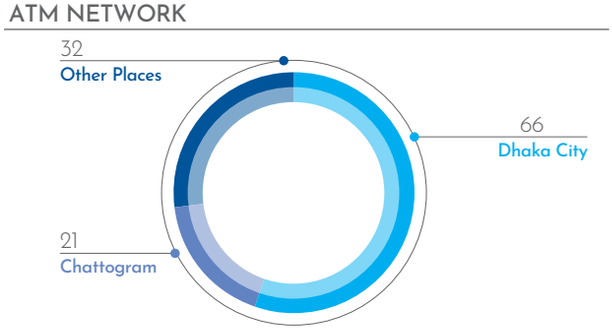
Branch Network

The bank has been operating with a network of 132 branches around the country. Due to the ongoing COVID-19 pandemic, the bank has not opened any new branches in the year 2021. Rather, it has reevaluated and strengthened the existing branches' operations. As a result of the bank's focus on reducing loss-making branches, the number of loss-making branches decreased during the year. The growth of the branch network in the last five years is given below:



Automated Teller Machine (ATM) Network

The bank currently offers services through 119 own ATM booths and 2,852 shared ATM booths, up from 110 own ATM booths and 2,565 shared ATM booths in 2020. Customers can use our ATM for cash withdrawals, balance inquiries, mini statements, mobile recharges, and bKash cash withdrawals. Significant cash transactions were conducted by the customers of the bank through its 119 own ATMs and 2,852 shared ATMs across the country. The bank intends to invest consistently in order to dramatically expand and widen its ATM network. The locations of ATM booths are depicted in the graph below:



Correspondent Relationship

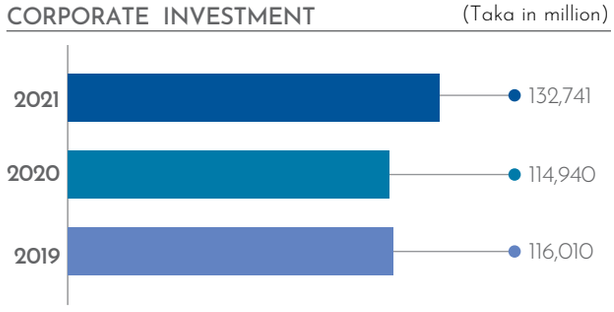
Shahjalal Islami Bank has established a correspondent relationship across the world with major foreign banks. The total number of correspondent banks stood at 436 as of December 31, 2021, across 58 countries. The bank is successfully maintaining such relationships around the world to facilitate international trade transactions. The bank maintains 35 Nostro accounts in 9 major currencies with reputed international banks around the world in all of the important global financial centers. The bank is also enjoying sufficient credit lines from correspondent banks to add confirmation to the Letter of Credits to facilitate international trade.

Review of performance of various segments

Corporate Banking

Shahjalal Islami Bank Limited provides custom-made financing services for corporate houses, catering to the domestic and overseas needs of corporate houses by offering a wide range of corporate finance products ranging from traditional working capital finance to project finance. The bank's clients include multinational and domestic companies engaged in activities across all sectors of the economy. SJIBL recognizes that customers' needs vary from one to another and that customized solutions are critical for the success of their businesses. Therefore, the bank's product basket ranges from short-term financing to long-term investments for the expansion of businesses, along with numerous other facilities to support their various business activities. While some of these items are standard in nature in comparison to market conditions, what sets them apart is the exceptional service provided to corporate customers by dedicated relationship managers.

Total outstanding corporate investment stood at Tk.132,741 million as of December 31, 2021 from Tk.114,940 million in 2020, resulting in an increase of Tk.17,801 million. The pandemic put a significant strain on our corporate clients and their supply chains. As a result, additional support required for them and corporate investment increased during the year under review. Moreover, the bank participated in the government's declared stimulus packages for the corporate sector and disbursed a significant amount of stimulus packages investment to its corporate customers. The corporate investment of the last three years is given below:



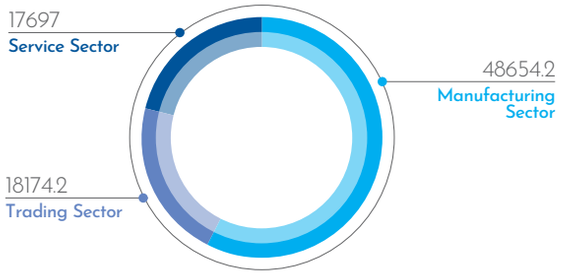
SME Banking

Small and medium enterprises (SMEs) are the engines of growth, innovation, and employment worldwide, as well as in Bangladesh. The sector provides a major thrust to the economy, providing commercial stabilization as well as directly contributing to the grassroots development of the nation. SJIBL strongly believes that the SME sector is one of the main driving forces of economic growth and that there is a market with huge potential. In order to facilitate the SMEs in our country, the bank has been financing the SME sector since its inception. The SME Division has been strengthened to further reinforce SME financing to bring grass-root entrepreneurs into the main stream of economic growth. A number of need-based SME products are offered to our SME clients.

SME investment portfolio stood at Tk. 72,704 million in 2021. Overall, business activity and investment demand have become slower due to continuation of the COVID-19 outbreak. As a result, the growth of SMEs was slow during the year under review. During the year 2021, the bank disbursed a total SME investment of Tk. 84,525 million which was Tk.47,040 million in the year

2020. Out of the total SME disbursement, Tk. 48,654 million was disbursed to the manufacturing sector, Tk. 18,174 million was disbursed to the trading sector, and remaining Tk.17,697 million was disbursed to the service sector.

SME BANKING

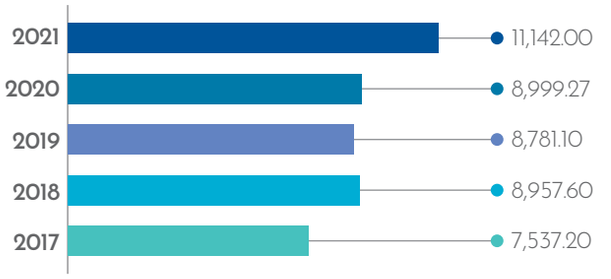


The bank places the utmost importance on creating women entrepreneurs. As such, it has disbursed Tk.2903 million to women entrepreneurs during the year 2021 which was Tk.1310.66 million in the year 2020. Besides, we have participated in the government's announced stimulus packages for the SME sector and disbursed significant amount of stimulus packages for the SME among our SME clients.

Retail Banking

Shahjalal Islami Bank Limited is working relentlessly for the improvement of the living standards of the people as well as the society from various classes and professions and to meet consumer demand at the fastest speed through its Retail Investment Department, which has various attractive investment products. It has been investing in the private sectors, including house building investments for purchasing new flats, construction and renovation of a building, household durables investments for purchasing household goods, education investments for higher studies, marriage investments for financial assistance during marriage, car investments for vehicle purchase and various other specialized investment products. Besides, we have Semi-pacca Housing Investment to respond to the special arrangements for ensuring the provision of housing for middle and lower-income class people in society. The retail investment portfolio of the bank increased to Tk. 11,142.00 million in 2021 from Tk. 8,999.27 million in 2020 with a growth of 23.81%. The bank will continue its efforts to increase the retail portfolio for the betterment of the middle and lower-middle-class people of Bangladesh. The position of retail investment over the last five years is given in the diagram below:

RETAIL BANKING (Taka in million)



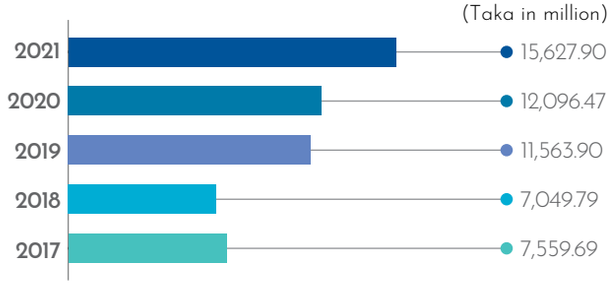
Offshore Banking Unit

The Offshore Banking Unit (OBU) is a separate business unit of Shahjalal Islami Bank Limited, governed under the rules and guidelines of Bangladesh Bank. The unit is located at Shahjalal Islami Bank Tower, Plot # 4, Block-CWN (C), Gulshan Avenue, Gulshan, Dhaka-1212. Though the country's offshore banking market is dominated by foreign banks, SJIBL has been able to establish its strong and delightful presence by attracting a good number of customers in a short period of time through effective communication, competitive pricing, and ensuring the highest levels of professionalism along with excellent customer service backed by quality human and technological support.

The total investment of the Offshore Banking Unit stood at Tk. 15,627.90 million as of December 31, 2021 as against Tk. 12,096.47 million as of December 31, 2020, registering an increase of Tk. 3531.43 million, i.e., 29.19% growth. The trend of the investment portfolio of OBU is given below:

INVESTMENT OF OFFSHORE BANKING UNIT

(Taka in million)

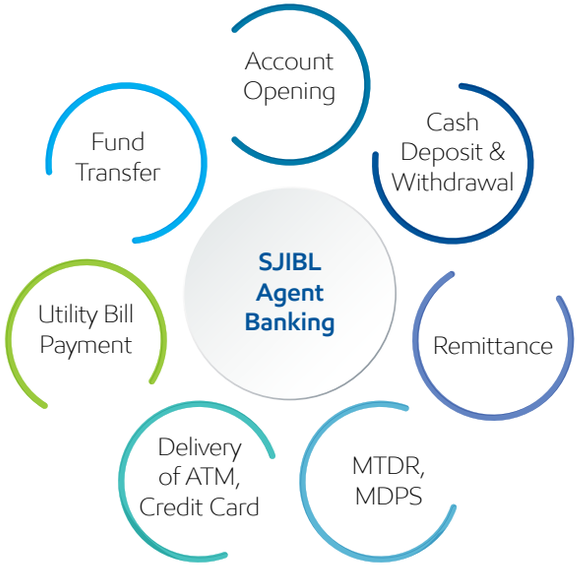


Agent Banking

Agent Banking is a new dimension in the history of the banking industry in Bangladesh. Through this new approach, SJIBL will be able to extend its banking channel throughout the country, offering its customers a wider range of products and services, hence winning their confidence in choosing Shahjalal Islami Bank Agent Banking as their preferred banking solution. Customers benefit from Shahjalal Islami Bank's agent banking structure, which includes secure technology

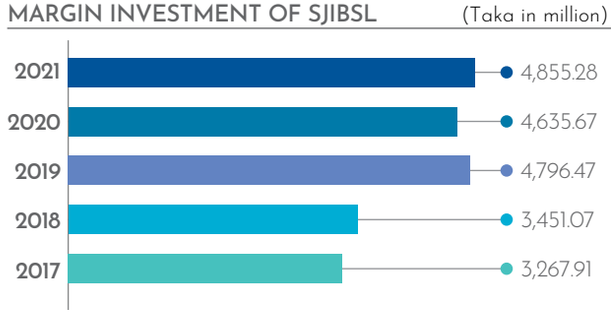
and real-time banking. They can enjoy real-time transactions because the Agent Banking System is integrated with the Core Banking System. Customers get an instant SMS notification and a system generated money receipt for each transaction.

This service started to eradicate the difference in time and distance. It is providing customers with full-fledged banking services at their doorsteps and making it convenient to channel remittances, deposit, and withdraw cash. People in many remote corners of the country can now receive structured banking facilities with comfort, ease, and security. At present, the bank is providing agent banking services through its 100 agent banking outlets. The bank opened 16,003 accounts of different categories, and the total deposit balance was Tk. 300.27 million as of December 31, 2021.



Shahjalal Islami Bank Securities Limited

Shahjalal Islami Bank Securities Limited (SJIBSL) is a subsidiary company of Shahjalal Islami Bank Limited incorporated as a public limited company under the Companies Act 1994 and commenced its operations on May 25, 2011. The main objective of the company is to carry on the business of stock broker/dealers, share and securities dealings, and other services as mentioned in the Memorandum and Articles of Association of the Company. It has corporate membership with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. Shahjalal Islami Bank Limited holds 91.79% of the shares of Shahjalal Islami Bank Securities Limited. The total operating income of SJIBSL stood at Tk. 714.04 million for the year 2021, up from Tk. 332.39 million in 2020 exhibiting a growth of 115%. SJIBSL declared interim dividend of 9.00% which was considered as final dividend of 2021. The outstanding margin investment stood at Tk. 4,855.28 million in December 2021, which was Tk. 4,635.67 million in December 2020. The margin investment of the last five years is given below:



Risk Management

Risk management is the functional responsibility for identifying, assessing, and mitigating risks; finding risk mitigation methods; monitoring early warning signs; forecasting potential for future losses; and implementing plans to control losses. The Risk Management Division (RMD) of SJIBL was established to oversee, monitor, and report on all risks in line with the risk appetite set by the Risk Management Committee (RMC) of the Board. The RMC of the Board reviews and monitors the overall risk management system of the bank and provides updates to the board from time to time.

The bank has a comprehensive risk management policy that addresses all the risks managed by the bank, encompassing compliance with all the regulatory requirements. This key document clearly defines the objectives, outlines priorities and processes, as well as the roles of the board and management in managing risk and shaping the risk culture of the bank. The Board has overall responsibility for the establishment and oversight of the bank's risk management framework. The resulting strategic, financial, and operational risk mitigation activities that have been implemented reinforce the bank's operations and sustainability, thus reducing the potential for unexpected losses and assisting in managing volatility better.

a) Investment (Credit) Risk Management

Investment (Credit) risk is the risk of potential loss resulting from the failure of a customer, borrower, or counter party to honour its financial or contractual obligations to the bank. It may arise from direct investment activities as well as from commitments and contingencies. The investment risk management function ensures that appropriate policies are established and ensures compliance with the related sanctions, monitoring procedures, and controls at the business unit level. Investment exposures are aggregated from individual business units and are monitored regularly.

Effective management of investment risk requires the establishment of an appropriate investment risk culture. The Board of Directors, either directly or through the Risk Management Committee of the Board, reviews and approves the bank's investment risk appetite annually and investment policy manual from time to time. The concerned staff follow a pragmatic program of regular monitoring and follow-up of investment risk management.

b) Foreign Exchange Risk Management

The foreign exchange risk arises from transactions involved in foreign currency. The risk is that adverse fluctuations in exchange rates may result in a loss in earnings. As per the guidelines of Bangladesh Bank, SJIBL has developed a detailed foreign exchange risk management policy to minimize different types of risks associated with foreign exchange transactions. The bank has also developed different strategies to handle foreign exchange risk by setting different types of limits and risk parameters to measure and monitor the bank's foreign exchange risk exposure.

The Foreign Exchange Desk of the Treasury Division is involved in need-based foreign exchange dealing activities with different counterparty banks. The Treasury Back Office is engaged in the transfer of funds and the passing of the transaction entries in the books of accounts; the Mid Office is responsible for verification of the deals. All foreign exchange assets and liabilities are revalued at market rates as per the directive of the Bangladesh Bank. All nostro accounts are reconciled on a monthly basis, and outstanding entries beyond 30 days are reviewed by the management for settlement.

c) Asset Liability Risk Management

Asset Liability Management is a process of addressing liquidity risk and profit rate risk that may arise due to maturity mismatches between assets and liabilities as a consequence of changes in profit rates or liquidity. The Asset Liability Management Committee (ALCO) that is formed with the senior executives headed by the managing director 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, and market status, and rate of profit (interest). To manage balance sheet risk properly, the bank has already prepared an Asset Liability Management policy according to the guidelines of Bangladesh Bank. The bank has been complying with all the applicable rules, regulations, and guidelines regarding asset liability risk management and has taken appropriate measures in line with industry best practice.

d) Money Laundering Risk Management

Money laundering risk is defined as the loss of reputation and expenses incurred as a penalty for being negligent in the prevention of money laundering. To mitigate the risks, 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, the amended Anti Terrorism Act 2013, and guidelines issued by the Bangladesh Bank from time to time. The bank applies risk-sensitive customer due-diligence measures and monitors business relationships and records in line with regulations. The bank regularly collects the correct and full documentation of Know Your Customer (KYC), which enables the prudential prevention of money laundering. Shahjalal Islami Bank has formed a committee on anti-money laundering headed by the Deputy Managing Director as Chief Anti-Money Laundering Compliance Officer. The committee regularly monitors and ensures the compliance of issues relating to money laundering through the trained personnel of the head office and branches. Training is continuously given to all the categories of officers and executives to develop awareness and skills for identifying suspicious activities and transactions.

e) Internal Control & Compliance Risk Management

Effective internal controls are the foundation of safe and sound banking. Internal control and compliance is a process introduced by the bank's board of directors and management designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, the reliability of financial reporting, and compliance with applicable laws and regulations.

The banking industry has diversified and complex financial activities, which involve high risk in different modes of operation. Consequently, the issues of the internal control system have become the most significant in the banking industry, through which a bank identifies its weaknesses and takes appropriate measures to overcome these risks. In order to have an efficient and effective internal control system, Shahjalal Islami Bank Limited has segregated its Internal Control and Compliance Division into three separate units, i.e., Audit, Monitoring, and Compliance, based on the relative guidelines framed by Bangladesh Bank.

f) Information and Communication Technology Security Risk Management

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 on 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 countermeasure cost, and implementing cost-effective solutions for mitigating or reducing risk. For effective management of information and communication technology risk, the Bank has already formulated a Policy Guideline. Moreover, the bank has been arranging internal IT audits and training on IT operations regularly.

g) Liquidity Risk Management

Liquidity risk is the risk that the bank may not be able to meet its financial obligations as they become due. The policy of the bank is to maintain enough liquid assets to meet its short-term, medium-term, and long-term obligations. The bank has set various limits for its liquidity management, such as the liquidity coverage ratio, investment deposit ratio, maturity mismatch, commitment limit, wholesale borrowing limit, etc. SJIBL maintains a diversified and stable funding base comprised of retail, corporate, and institutional deposits. The principal responsibility for the liquidity risk management of the bank rests with the Treasury Division, which maintains liquidity based on historical requirements, current liquidity position, anticipated future funding requirements, sources of funds, options for reducing funding needs, present and anticipated asset quality, present and future earning capacity, and present and planned capital position.

Future Prospect/Outlook

Considering the overall macroeconomic and geopolitical outlook, significant pressure is expected on banking sector margins in the wake of low benchmark rates and limited financing opportunities due to the COVID-19 pandemic. Accordingly, the bank intends to focus on building and maintaining a quality investment portfolio, while enhancing its focus on customer service quality and cost rationalization initiatives through continuous improvement in automation and product innovations. The bank takes special care to monitor deferral facility extended investments in order to ensure quality of assets.

Similarly, the bank intends to focus on low-cost and no-cost core deposit mixes by effectively utilizing its extensive branch network, sub-branch, and agent banking operations. The bank is confident that the above initiatives will enable it to maintain a stable performance trend going forward.

From the bank's perspective, the focus will be given to value-added services via operational efficiency and technological improvements. Effectiveness of the bank's risk management systems, hunting of low-cost or no-cost deposits, rationalization of operating expenses, strengthening of the capital base, and streamlined corporate culture are primary factors in demonstrating continued strong financial soundness. Effective leadership with a clear vision is the key element of long-term sustainability, leading to the highest levels of employee satisfaction. We aim to build cohesive teams and strong ethical standards. We will strive to enhance our domestic as well as global image to take the bank from strong to stronger.

Our major steps towards managing upcoming challenges:

- Reduction of classification and strengthening of the recovery process in the post-COVID phase.
- Investment growth in right track to optimize changing market dynamics.
- Hunting of low cost, no cost deposit to reduce cost of deposit and improve deposit mix.
- Continuous analysis of the business process to rationalize costs and improve profitability.
- Emphasis on employee productivity, along with profitability and compliance.
- Strengthen the presence in SME and retail banking, as these sectors are emerging and low concentration risk bearing.
- Diversification of corporate banking in line with the changing demand of customers.
- Adoption of the latest technology to survive in the competitive market.
- Strengthen capital base through issue of Mudaraba Subordinated Bond.
- Research and innovation of products to face cutting-edge marketing competition in existing and new markets.
- Promoting Green Finance and social integration through CSR & Financial Inclusion to achieve SDG goals of UNO.

Responsibilities towards Employees

Health and safety of employees

A healthy, talented, committed, skilled, and fully motivated team of human resources is the main driving force behind providing better, faster, and coordinated services to the clients and contributing at the highest level to the organization. Considering this fact, SJIBL is giving high priority to the health and safety of its employees. The bank has taken several steps to ensure the health and safety of its employees. The steps are given below:

- The bank is providing medical benefits to its employees in the form of a percentage of their base salary.
- The bank has an agreement with Progati Life Insurance Company Limited. Under this agreement, the insurance company will bear the medical expenses of the bank's employees, their spouses, and children in the event of hospitalization.
- Female employees will get six months of maternity leave with a medical allowance for the first two issues.
- In order to provide a highly sophisticated and encouraging working environment, all the offices of SJIBL, including the head office and branches, are equipped with modern facilities, including air-conditioning and generators for power back-up.
- All SJIBL offices, including head office and branches, are equipped with firefighting equipment and have multiple exit points for emergency exits.
- The Corporate Head Office is a LEED-Certified Green Building.
- Free distribution of musk, gloves, and hand sanitizer among all SJIBL employees during the COVID-19 pandemic.
- Reimbursement of COVID test and treatment bill of the employees.
- A full-time doctor and medical assistant was recruited to support all employees.

Staff welfare

The bank's strategy is to attract, retain, and motivate the most talented people by providing them with a healthy, safe, and progressive working environment and a competitive compensation package. Because trust and relationships are built over time, the bank's policy is to look after people who want to have a long-term career with the bank. As such, the bank offers its employees the following long-term benefits:

i) Provident Fund (Defined Contribution Plan)

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

ii) Gratuity Fund (Defined Benefit Plan)

Gratuity benefits are given to the staff of the bank following the bank's approved gratuity fund rules. The National Board of Revenue has approved the fund as a recognized gratuity fund, and the fund is operated by a separate Board of Trustees. Employees are entitled to get the benefit after completing a minimum of 5 (five) years of service in the bank. The gratuity is calculated based on the last basic pay of every employee in service as per IAS-19 "Employee Benefits". The gratuity fund is a "Defined Benefit Plan" and is payable as per the modalities of the rules. Gratuity is calculated and transferred to the fund and charged to the expenses of the bank.

iii) Superannuation Fund

The "Shahjalal Islami Bank Limited Employees' Social Security-Superannuation Fund" commenced with effect from 1 January 2008. The purpose of the fund is to provide medical and death-related survival benefits in place of group insurance (death cum endowment). The fund shall be subscribed to by the employees every month, with the contribution of the bank.

iv) Benevolent Fund

The Benevolent Fund for the regular and confirmed employees of Shahjalal Islami Bank Limited was established in the year 2007. This fund is used for the purpose of marriage ceremony of sub-staff, and their children, financial grant for medical expenses, death benefits/disable benefits.

v) Incentive Bonus

The bank usually pays an incentive bonus to its employees every year to retain high-quality and competent human resources and to increase the

productivity of employees. This bonus amount is distributed among the employees as stipulated in the bank's rules.

vi) Career prospects and training programs

A resourceful training program can develop the efficiency and productivity of employees. The bank arranges various training and development programs in its training center all over the year. Furthermore, the bank arranges training for its employees in renowned training institutions at home and abroad. The bank arranged online training programs through the virtual platform during the COVID-19 pandemic.

Contribution to the National Exchequer

As a responsible and tax-abiding corporate citizen, the bank regularly pays corporate tax on time, sometimes even before it falls due as withheld tax and VAT to the government exchequer. The bank has made a provision of Tk. 2,251.43 million for corporate tax in 2021 as against Tk. 1,735.22 million in 2020. The bank has also contributed to the economy by generating employment for 2,741 full-time employees. In the year 2021, the bank paid Tk. 4,845.13 million to the government exchequer as source tax, salary tax, VAT, excise duty, and other taxes and VAT realized against various services. In the intermediation process, the bank mobilized resources of Tk. 217,288.99 million from the surplus economic unit and deployed Tk. 216,586.58 million. The bank has generated direct and indirect employment for a large number of people over the years. With the payment of taxes and the investment in the network, the bank is making a significant contribution to the development and growth of the nation.

Brand Positioning

Shahjalal Islami Bank Limited was established on April 1st, 2001 under the Companies Act 1994 as an Islamic Shariah-based commercial bank. SJIBL has established itself as a different shariah-based Islami bank from all other banks by providing unique customer services, introducing innovative products and services that comply with shariah guidelines, creating shareholder value, and extending help to the underprivileged through CSR and Zakat. From the very beginning of its operation, the bank differentiated itself as one of the best banks among the third generation of Islami banks for its asset quality, shariah compliance, social welfare, CSR activities, and technology-based automated banking solutions. In its 21 years of going forward, the bank has established physical, digital, and virtual channels and platforms with 132 branches, 100 agent outlets, 118 ATMs, and Web and App-based banking services. The bank also keeps on introducing several unique and innovative products and services. As a result of all of these, the bank has positioned itself as the most sought-after bank and established a distinct brand value in the banking industry.

Customer Right

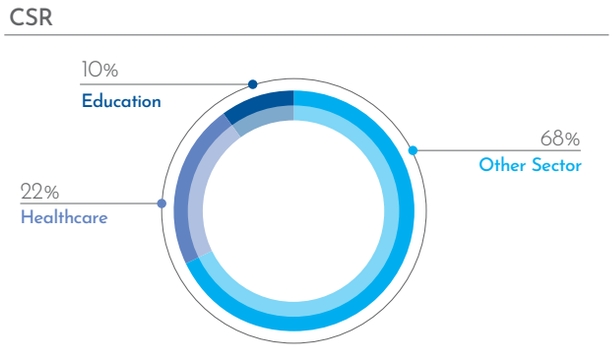
Shahjalal Islami Bank Limited considers its customers' rights a high priority. The bank does not judge its performance by looking at its profit figures; rather, the bank considers that it is the right of customers to get high-quality modern services. The bank considers that customers' perceptions and satisfaction ultimately determine the success or failure of an organization. As such, the bank always protects its customers' rights in all of its business activities. During the pandemic, all branches were kept open to provide service to the customers. Moreover, the bank has also made available items like sanitizer and thermal scanners and taken other safety measures for customers in all the physical outposts of the bank.

Corporate Governance

The Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank have issued notifications or circulars on corporate governance for listed companies or banks from time to time. Shahjalal Islami Bank Limited has established a set of good corporate governance practices in line with industry best practices and regulatory requirements of the Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank. The bank is ensuring transparency, accountability, and good governance at every step of its operations. The details of the Corporate Governance Report are given in this Annual Report.

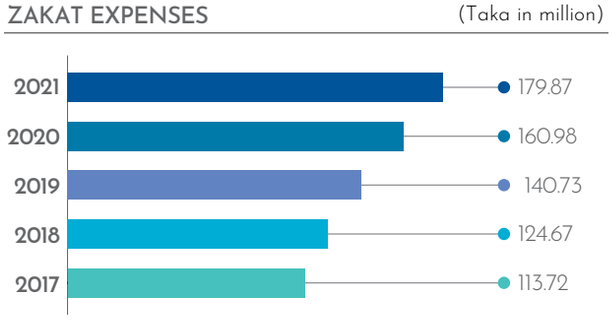
Corporate Social Responsibility (CSR)

Shahjalal Islami Bank Limited has been expending a substantial amount of its annual profit each year to conduct its CSR activities in different areas such as education, health care, disaster management, environment, empowerment, human resources development, etc. to develop the backward sectors of Bangladesh. The bank has been paying respect to social and public welfare rather than a profit maximization strategy. During the year 2021, a significant amount of money was spent on the distribution of food items, masks, and sanitizer to the poor people of different COVID-infected areas of Bangladesh. The CSR expenses were Tk. 232.93 million in 2021, which was Tk. 323.49 million in 2020. A sector-wise CSR contribution is given below:



Zakat

Shahjalal Islami Bank Limited, as a shariah-based Islami bank, is paying zakat as outlined under the rules of Islami Shariah. The main purpose of zakat is to discourage the accumulation of wealth by a group of people in society and impair the tendency of an uneven distribution of wealth in society. Islam has created a system for helping poor people and an effective method to maintain a balance between luxury and poverty. Zakat is paid by the bank at a rate of 2.58% of the closing balance of the statutory reserve, general reserve, and retained earnings of the previous year. Zakat is charged in the profit and loss account of the bank as set out in the "Guidelines for Islamic Banking" issued by the Bangladesh Bank through BRPD Circular No. 15 dated November 09, 2009. Zakat is paid to underprivileged people as per the shariah principle. During the year 2021, the bank paid Tk.179.87 million as Zakat, which was Tk. 160.98 million in 2020. Zakat expenses for the last five years are given below:



Green Banking

Shahjalal Islami Bank Limited has set examples by pioneering green banking initiatives while the bank has been pro-actively taking steps towards diverse sustainable banking initiatives. In such aspects, green banking initiatives of the bank are broadly categorized into the formulation of policy, green finance, environmental and social risk management (ESRM), online banking, and energy efficiency. Besides, the head office building of Shahjalal Islami Bank Limited is a LEED Certified Green Building, which is a pioneering step toward environmentally friendly business not only for the banking industry but also for the entire corporate sector of Bangladesh. The bank disbursed a total amount of Tk.502.59 million in green finance during the year 2021. The total amount of outstanding green finance as of December 31, 2021 was Tk.770.37 million. The bank has been gradually increasing its green financing year-on-year basis.

Financial Inclusion

Financial inclusion is emerging as one of the most effective tools among policymakers around the globe to ensure inclusive and sustainable economic development. Recognizing the importance of financial inclusion, SJIBL has been exploring and promoting innovative and successful initiatives to bring the financially excluded people under the financial inclusion umbrella. It has worked tirelessly to provide formal banking services to the poor and underprivileged segments of society through low-cost digital financial services. SJIBL has been opening No-Frill Accounts (NFAs) for farmers, ready-made garment workers, workers in small footwear and leather product industries, and physically challenged people. The bank has school banking facilities for students up to 18 years of age. They can open a school banking account through their parents or legal guardians by depositing a minimum of BDT 100. Moreover, the bank is working with banking for street urchins, working children, lactating and working mothers, etc.

SJIBL started agent banking operations with the vision of serving the unbanked community of the country. Agent banking, among various initiatives of Shahjalal Islami Bank Limited, will be an emerging financial inclusion tool that will provide unhindered access to tailor-made financial products to the underprivileged, under-served, and poor segments of the population, especially those from geographically remote locations. It will facilitate meeting their financial needs at an affordable cost within their vicinity. Agents will offer some banking services, including cash deposit and withdrawal, fund transfers, utility bill payment, and the disbursement of salaries.

Preparation of Financial Statements

The financial statements of the bank prepared by the management present fairly its state of affairs, the result of its operations, cash flows and changes in equity under the historical cost convention and following the First Schedule (Section-38) of the Bank Companies Act 1991 (as amended), related Bangladesh Bank circulars, International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs),

the Companies Act 1994, the listing regulations of the stock exchanges, the Securities and Exchange Rules 1987, the Financial Reporting Act 2015 and other laws and rules applicable in Bangladesh.

The financial statements for 2021 have been reviewed by the Audit Committee of the Bank and then referred to the Board of Directors for its consideration. The external auditor, M/s. ACNABIN, Chartered Accountants appointed by the shareholders, has certified the fairness of the financial statements for the year ended December 31, 2021.

Maintaining Proper Books of Account

Shahjalal Islami Bank Limited maintained proper books of account for its financial transactions that occurred during 2021. The books of account have also been reviewed by the external auditor, M/s. ACNABIN, Chartered Accountants, with the opinion that proper books of account as required by the law have been maintained.

Appropriate Accounting Policies

Appropriate accounting policies have been selected and applied consistently in the preparation of financial statements, and the accounting estimates are made based on reasonable and prudent judgment. The bank records the financial transactions on an accrual basis with the required disclosures and also prepares the financial statements accordingly.

Directors Responsibility on Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS). Their responsibility includes; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Internal Control and Compliance

Internal control refers to the tools that provide reasonable assurance regarding the achievement of the bank's objectives concerning effectiveness and efficiency of operation, safeguarding the assets of the bank, compliance with applicable laws and regulations, and compliance with policies and procedures issued by the bank and the regulators.

The above issues show the significance of effective internal control of the bank in the light of traditional activities. But in the context of residual risk under SRP, internal control has now become much more significant. Keeping such significance in view, Shahjalal Islami Bank Limited has strengthened and segregated its Internal Control and Compliance Division into three separate units based on the relative guidelines framed by Bangladesh Bank. Shahjalal Islami Bank Limited has formulated an Internal Control and Compliance Manual which has been updated from time to time. This manual contains the Risk Assessment Methodology, which has been designed to conduct Risk Based Internal Audit, among some other significant issues.

Statement of Directors' Responsibility to establish an appropriate system of internal control

The Directors acknowledge their overall responsibilities for the bank's system of internal control for establishing efficiency, effectiveness, reliability, timeliness, completeness, and compliance with applicable laws and regulations. This process involved confirmation that a system of internal control in accordance with best financial reporting practice was in place throughout the year.

Going Concern

After reviewing the bank's present and potential business growth, annual budget, performance, liquidity position, and financing arrangements, the directors are satisfied that the bank has adequate resources to continue to operate in the foreseeable future and confirm that there is no material issue threatening the bank's going concern. For this reason, the directors will continue to adopt the going concern basis in preparing these financial statements. There are no significant doubts about the bank's ability to continue as a going concern.

Credit Rating

Shahjalal Islami Bank Limited has been rated by Emerging Credit Rating Limited (ECRL). ECRL performed the rating surveillance based on audited financial statements up to December 31, 2021 and other relevant information and the report was issued on April 04, 2022. They rated the bank as "AA" under the "Long Term" category and "ST2" under the "Short Term" category. An institution rated as "AA" under the "Long Term" category has a very strong capacity to meet its financial commitments. These institutions typically have a good track record and have no readily apparent weaknesses. An institution rated as "ST2"

under the "Short Term" category has a strong capacity to meet its financial commitments in a timely manner.

Auditor's Report

The Board of Directors reviewed the Auditors' Report issued by the bank's auditor, M/s ACNABIN, Chartered Accountants, based on their audit of the financial statements for the year ended December 31, 2021. The auditor issued an unqualified audit report, which means no material misstatements exist in the financial statements or there is no disagreement with management regarding the selection and application of accounting policies. The Board also reviewed the auditors' suggestions, which they provided in a separate management report, and gave the strategic guidelines to the management for improvement.

Appointment of Auditors

An auditor of a listed company cannot be appointed for more than three consecutive years, according to BSEC notification no. BSEC/CMRRCD/2006-158/208/Admin/81/dated 20 June 2018 and Dhaka Stock Exchange (Listing) Regulation, 2015 dated 30 June 2015. M/s ACNABIN, Chartered Accountants, was the auditor of the bank for the year 2021. As 2021 was their third year of auditing the bank, consequently, the firm is not eligible for reappointment. A good number of reputed audit firms have expressed their willingness to be appointed as auditors of the bank for the year 2022.

Section 210 of the Companies Act of 1994 empowers shareholders to appoint the auditor and set their remuneration. Hence, the board recommends appointing M/s Hoda Vasi Chowdhury & Co., Chartered Accountants as the auditors of the bank for the year 2022, subject to the approval of the shareholders at the upcoming Annual General Meeting.

Vote of Thanks

The Board of Directors expresses its profound gratitude to Almighty Allah (SWT) for enabling the Bank to achieve growth in operation during the year 2021. The Board extends thanks to the Ministry of Finance, Bangladesh Bank, Bangladesh Securities & Exchange Commission, and the Government Agencies for providing assistance, guidance, support, and cooperation at various stages of operation of the Bank. The Board appreciates the support and cooperation received from foreign correspondents of the Bank all over the world.

The members of the Board of Shahjalal Islami Bank Limited take this opportunity to express gratitude and extend sincere thanks to its valued shareholders, customers, depositors, investment clients, and well-wishers for their valuable support and confidence in the bank.

Finally, and more importantly, the Board would like to express its great appreciation and thanks to all officials of the Bank for rendering untiring efforts.

May Allah grant us courage, dedication, patience, and fortitude to run the bank to the best of our abilities.

Ameen.

On behalf of the Board of Directors



Mohammed Younus
Chairman





MANAGEMENT REVIEW & ANALYSIS

SENIOR MANAGEMENT

Managing Director& CEO

M Shahidul Islam

Additional Managing Directors

Abdul Aziz

S.M. Mainuddin Chowdhury

Mian Quamrul Hasan Chowdhury

Deputy Managing Directors

Md. Shahjahan Shiraj

M Akhter Hossain

Imtiaz Uddin Ahmed

Nasim Sekander

Md. Nazimuddoula

Senior Executive Vice Presidents

Md. Mahmudul Haque

Md. Monzurul Alam Chowdhury

Rashed Sarwar

Ahad-Uz-Zaman

Md. Saidur Rahman

F. M. Nawaz Ali

S M Wali Ul Morshed

Executive Vice Presidents

Mahmud Hussain

Mohammed Ashfaqul Hoque FCA

Md. Habibul Islam

Mahmudul Shamim Talukder

Md. Shamsuddoha

Rumana Kutubuddin

Tariqul Islam

S.M. Rashedul Karim

Md. Abul Bashar

Md. Enamul Haque

Md. Jafar Sadeq FCA

Md. Ashraful Azim FCA

Md. Naquibul Islam

Md. Khalid Hussain

Mohammad Towfiqul Islam

Senior Vice Presidents

Md. Tufael Yakub

M. Imam Hossain Gazi

Jahangir Javed

Md. Nawshad Abbas

Mohammed Eskander Alam

Chowdhury Golam Rahman

Md. Wahidur Rahman

A. T. M. Qumruddin Chowdhury

Md. Asadul Islam Khan

Md. Marufur Rahman Khan

Md. Firoz Kabir

A.K.M. Iquebal

Mohammed Abu Shayem

Shaikh Wahidul Hossain

Engr. Md. Zahidul Islam

Md. Soyeb Islam Chowdhury

Mosleh Uddin Ahmed

Md. Mazharul Haque

Md. Iftekhar Shahid

Md. Abdul Khaleque

Md. Arifur Rahman

Nazir Ahammed

Mohammad Hasib Uddin

Md. Mokter Hossain

Md. Masudur Rahman

Md. Abdur Rahim

Jyotirmaya Goswami

Md. Masum Basunia

Md. Humayun Kabir Mia
Md. Abdul Quddus
Mohammad Abdul Majid

Vice Presidents

Ms. Sultana Parvin
Md. Abdulla Al Mahmud Siddiqui
Muhammad Asiful Haque
Md. Moshiur Rahman
Md. Noor-A-Alam Hossain
Abul Bashar Md. Zafry
Chowdhury Firoz Hasan
Mohammad Shajedul Alam
Mohammed Sahab Uddin
Shamsul Arifin Ferdose
Tofayal Ahmed
A.H.M. Shahrier
Abu Naser Ahmed
Mohammad Mahbubur Rahman
Md. Khurshid Alam
Md. Aktaruzzaman Sarker
A.K.M. Ashraful Islam
Mohammed Nizam Uddin
A.K.M. Hasan Rahim
Md. Tazuddin Mollah
Md. Saidur Rahman
Pankaj Kumar Debnath
Sheikh Azmul Islam
Md. Ziaur Rahman
Munzer Rahman
Md. Jaynal Abedin Khan Safari
Mohammad Shariful Haider
Sultana Husnoon Nada
Mokammel Hossain
G. M. Quamruzzaman
Iftekhar Husain
Md. Wahidul Islam
Sabeth Bin Zamir
Mizanur Rahman
Muhammed Noorunnabi
Md. Nazibullah
Fajlul Karim Khan
Md. Rakib Uddin Ahamed
Zahid Hasan
S.M. Mohiuddin
Muhammad Abul Kalam Azad
Mirza Nurul Alam Beg
Mohammed Modabbir Ahmed
Mian Mohammad Khademul Bashar
Billal Hossen
Janna-Tul Fardush
Mohammed Baherul Alam Khan
Md. Rakibul Alam Joarder
Md. Abdul Hakim Mian
Md. Jannath Salehin

COMMITTEES OF **MANAGEMENT**

Senior Management Team (SMT)

Name of the Employee	Designation
Mr. M. Shahidul Islam	Managing Director & CEO
Mr. Abdul Aziz	Additional Managing Director
Mr. S. M. Mainuddin Chowdhury	Additional Managing Director
Mr. Mian Quamrul Hasan Chowdhury	Additional Managing Director
Mr. Md. Shahjahan Shiraj	Deputy Managing Director
Mr. M Akhter Hossain	Deputy Managing Director
Mr. Imtiaz Uddin Ahmed	Deputy Managing Director
Mr. Nasim Sekander	Deputy Managing Director
Mr. Md. Nazimuddoula	Deputy Managing Director
Mr. Md. Mahmudul Haque	Senior Executive Vice President
Mr. Mohammed Ashfaqul Hoque FCA	Executive Vice President
Mr. Md. Jafar Sadeq FCA	Executive Vice President& CFO
Mr. Md. Naquibul Islam	Executive Vice President

Asset Liability Management Committee (ALCO)

Name of the Employee	Designation
Mr. M. Shahidul Islam	Managing Director & CEO
Mr. Abdul Aziz	Additional Managing Director
Mr. S. M. Mainuddin Chowdhury	Additional Managing Director
Mr. Mian Quamrul Hasan Chowdhury	Additional Managing Director
Mr. Md. Shahjahan Shiraj	Deputy Managing Director
Mr. M. Akhter Hossain	Deputy Managing Director
Mr. Imtiaz Uddin Ahmed	Deputy Managing Director
Mr. Md. Nazimuddoula	Deputy Managing Director
Mr. Mohammed Ashfaqul Hoque	Executive Vice President
Mr. Md. Jafar Sadeq FCA	Executive Vice President & CFO
Mr. Jahangir Javed	Senior Vice President & Member secretary
Mr. Md. Abu Shayem	Senior Vice President
Mr. Abdur Rahim	Senior Vice President
Mr. Md. Fakrul Islam	Senior Assistant Vice President
Mr. Md. Chaliqur Rahaman	Senior Assistant Vice President

Risk Management Committee (RMC)

Name	Designation
Mr. Mian Quamrul Hasan Chowdhury	Additional Managing Director
Mr. Md. Shahjahan Shiraj	Deputy Managing Director
Mr. M Akhter Hossain	Deputy Managing Director
Mr. Imtiaz Uddin Ahmed	Deputy Managing Director
Mr. Md. Nazimuddoula	Deputy Managing Director
Mr. Mohammed Ashfaqul Hoque FCA, FCS	Executive Vice President
Ms. Rumana Kutubuddin	Executive Vice President
Mr. Tariqul Islam	Executive Vice President
Mr. Md. Jafar Sadeq FCA	Executive Vice President
Mr. Md. Naquibul Islam	Executive Vice President
Mr. Md. Khalid Hussain	Executive Vice President
Mr. Jahangir Javed	Senior Vice President
Mr. Mohammed Abu Shayem	Senior Vice President
Mr. Md. Abdur Rahim	Senior Vice President
Mr. Mohammad Abdul Majid	Senior Vice President
Mr. Zahid Hasan	Vice President

Supervisory Review Process (SRP) Committee

Name	Designation
Mr. M Shahidul Islam	Managing Director& CEO
Mr. Abdul Aziz	Additional Managing Director
Mr. S.M. Mainuddin Chowdhury	Additional Managing Director
Mr. Mian Quamrul Hasan Chowdhury	Additional Managing Director
Mr. Md. Shahjahan Shiraj	Deputy Managing Director
Mr. M Akhter Hossain	Deputy Managing Director
Mr. Imtiaz Uddin Ahmed	Deputy Managing Director
Mr. Md. Nazimuddoula	Deputy Managing Director
Mr. Mohammed Ashfaqul Hoque FCA, FCS	Executive Vice President
Ms. Rumana Kutubuddin	Executive Vice President
Mr. Tariqul Islam	Executive Vice President
Mr. Md. Jafar Sadeq FCA	Executive Vice President
Mr. Md. Naquibul Islam	Executive Vice President
Mr. Jahangir Javed	Senior Vice President
Mr. Mohammed Abu Shayem	Senior Vice President
Mr. Md. Abdur Rahim	Senior Vice President
Mr. Mohammad Abdul Majid	Senior Vice President

Sustainable Finance Committee (SFC)

Name of the Employee	Designation
Mr. Abdul Aziz	Additional Managing Director
Mr. S.M. Mainuddin Chowdhury	Additional Managing Director
Mr. Mian Quamrul Hasan Chowdhury	Additional Managing Director
Mr. Md. Shahjahan Shiraj	Deputy Managing Director
Mr. Imtiaz Uddin Ahmed	Deputy Managing Director
Mr. Md. Nazimuddoula	Deputy Managing Director
Mr. Md. Mahmudul Haque	Senior Executive Vice President
Mr. Mohammed Ashfaqul Hoque FCA, FCS	Executive Vice President
Mr. Md. Shamsuddoha	Executive Vice President
Ms. Rumana Kutubuddin	Executive Vice President
Mr. Tariqul Islam	Executive Vice President
Mr. Md. Jafar Sadeq FCA	Executive Vice President
Mr. Mohammad Towfiqul Islam	Executive Vice President
Mr. Md. Marufur Rahman Khan	Senior Vice President
Mr. Mohammed Abu Shayem	Senior Vice President
Mr. Md. Mokter Hossain	Senior Vice President
Mr. Md. Abdur Rahim	Senior Vice President
Mr. Mohammad Abdul Majid	Senior Vice President
Mr. Abul Bashar Md. Zafry	Vice President

Central Compliance Committee (CCC)

Name of the Employee	Designation
Mr. Mian Quamrul Hasan Chowdhury	Additional Managing Director
Mr. M Akhter Hossain	Deputy Managing Director
Mr. Imtiaz U Ahmed	Deputy Managing Director
Mr. Mohammad Ashfaqul Hoque, FCA	Executive Vice President
Mr. Md. Naquibul Islam	Executive Vice President
Mr. Md. Khalid Hussain	Executive Vice President
Mr. Md. Firoz Kabir	Senior Vice President
Mr. Mr. Md. Marufur Rahman Khan	Senior Vice President
Mr. Abdur Rahim	Senior Vice President
Mr. Mohammad Abdul Majid	Senior Vice President
Mr. Zahid Hasan	Vice President

Procurement Committee (PC)

Name of the Employee	Designation
Mr. M Akhter Hossain	Deputy Managing Director
Mr. Imtiaz U. Ahmed	Deputy Managing Director
Mr. Md. Mahmudul Haque	Sr. Executive Vice President
Mr. Md. Jafar Sadeq FCA	Executive Vice President & CFO
Mr. Zahid Hasan	Vice President

Investment Committee (IC)

Name of the Employee	Designation
Mr. Abdul Aziz	Additional Managing Director
Mr. Miah Quamrul Hasan Chowdhury	Additional Managing Director
Mr. Md. Shahjahan Shiraj	Deputy Managing Director
Mr. M Akhter Hossain	Deputy Managing Director
Mr. Imtiaz U. Ahmed	Deputy Managing Director
Mr. Mohammed Ashfaqul Hoque	Executive Vice President& CRO
Ms. Rumana Kutubuddin	Executive Vice President & Member Secretary
Mr. Mohammed Abu Shayem	Senior Vice President

Shariah Inspections' and Report Review Committee (SIRRC)

Name of the Employee	Designation
Mr. M. Shahidul Islam	Managing Director & CEO
Mr. Abdul Aziz	Additional Managing Director
Mr. Mian Quamrul Hasan Chowdhury	Additional Managing Director
Mr. Md. Shahjahan Shiraj	Deputy Managing Director
Mr. M. Akhter Hossain	Deputy Managing Director
Mr. Imtiaz U. Ahmed	Deputy Managing Director
Mr. Md. Farid Uddin	Senior Assistant Vice President

SENIOR MANAGEMENT TEAM



Standing from left to right

- Mr. Md. Naquibul Islam
- Mr. Mohammed Ashfaqul Hoque FCA
- Mr. Md. Mahmudul Haque
- Mr. Nasim Sekander

Sitting from left to right

- Mr. M Akhter Hossain
- Mr. Mian Quamrul Hasan Chowdhury
- Mr. Abdul Aziz



- Mr. Md. Nazimuddoula
- Mr. Imtiaz Uddin Ahmed
- Mr. Md. Jafar Sadeq FCA
- Mr. M. Shahidul Islam
- Mr. S. M. Mainuddin Chowdhury
- Mr. Md. Shahjahan Shiraj

ASSET LIABILITY
MANAGEMENT COMMITTEE



Standing from left to right

- Mr. Md. Chaliqur Rahaman
- Mr. Abdur Rahim
- Mr. Jahangir Javed
- Mr. Md. Jafar Sadeq FCA
- Mr. Md. Nazimuddoula
- Mr. Imtiaz Uddin Ahmed
- Mr. Mohammed Ashfaqul Hoque
- Mr. Md. Abu Shayem
- Mr. Md. Fakrul Islam

Sitting from left to right

- Mr. M. Akhter Hossain
- Mr. Mian Quamrul Hasan Chowdhury
- Mr. Abdul Aziz
- Mr. M. Shahidul Islam
- Mr. S. M. Mainuddin Chowdhury
- Mr. Md. Shahjahan Shiraj

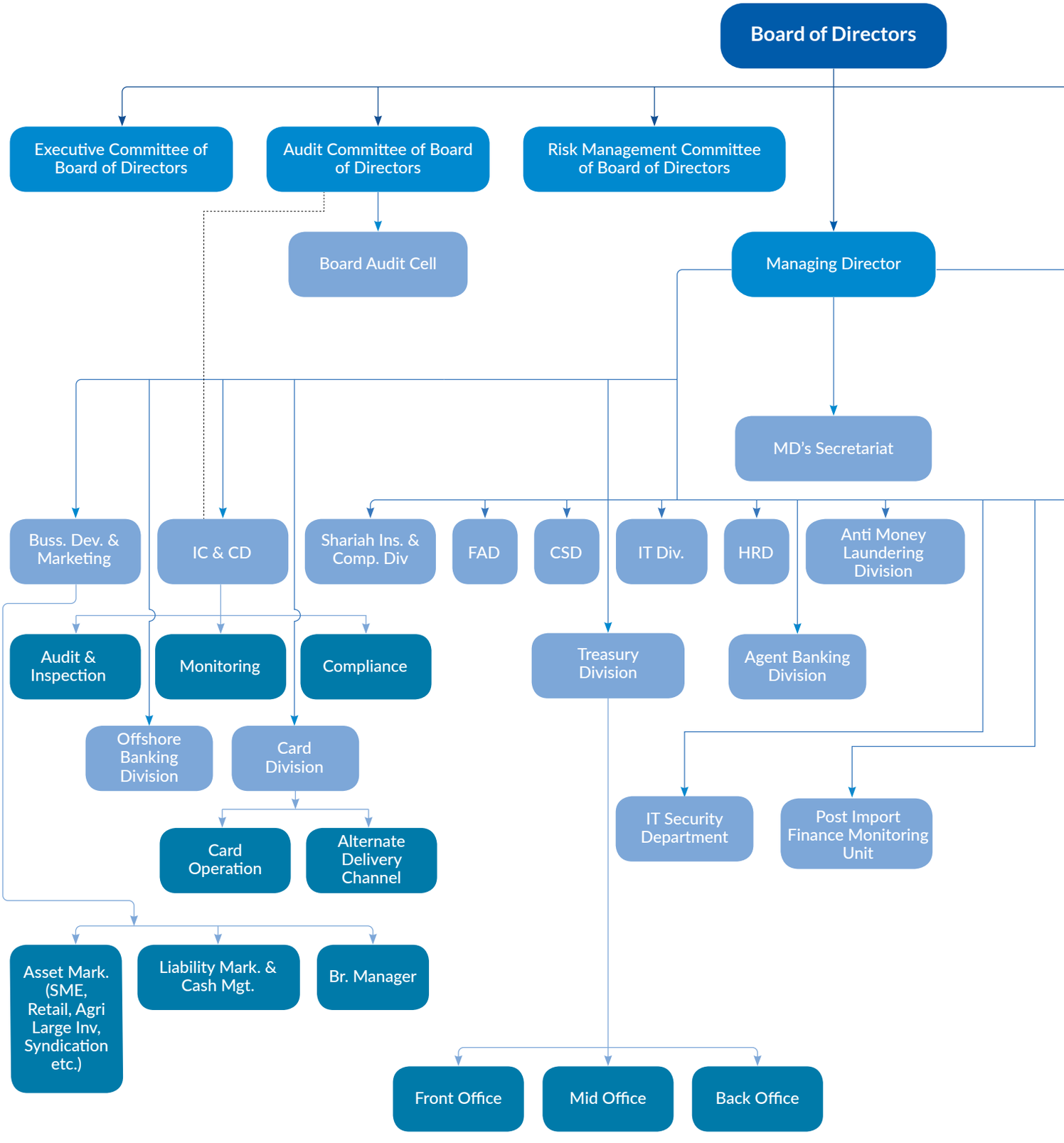


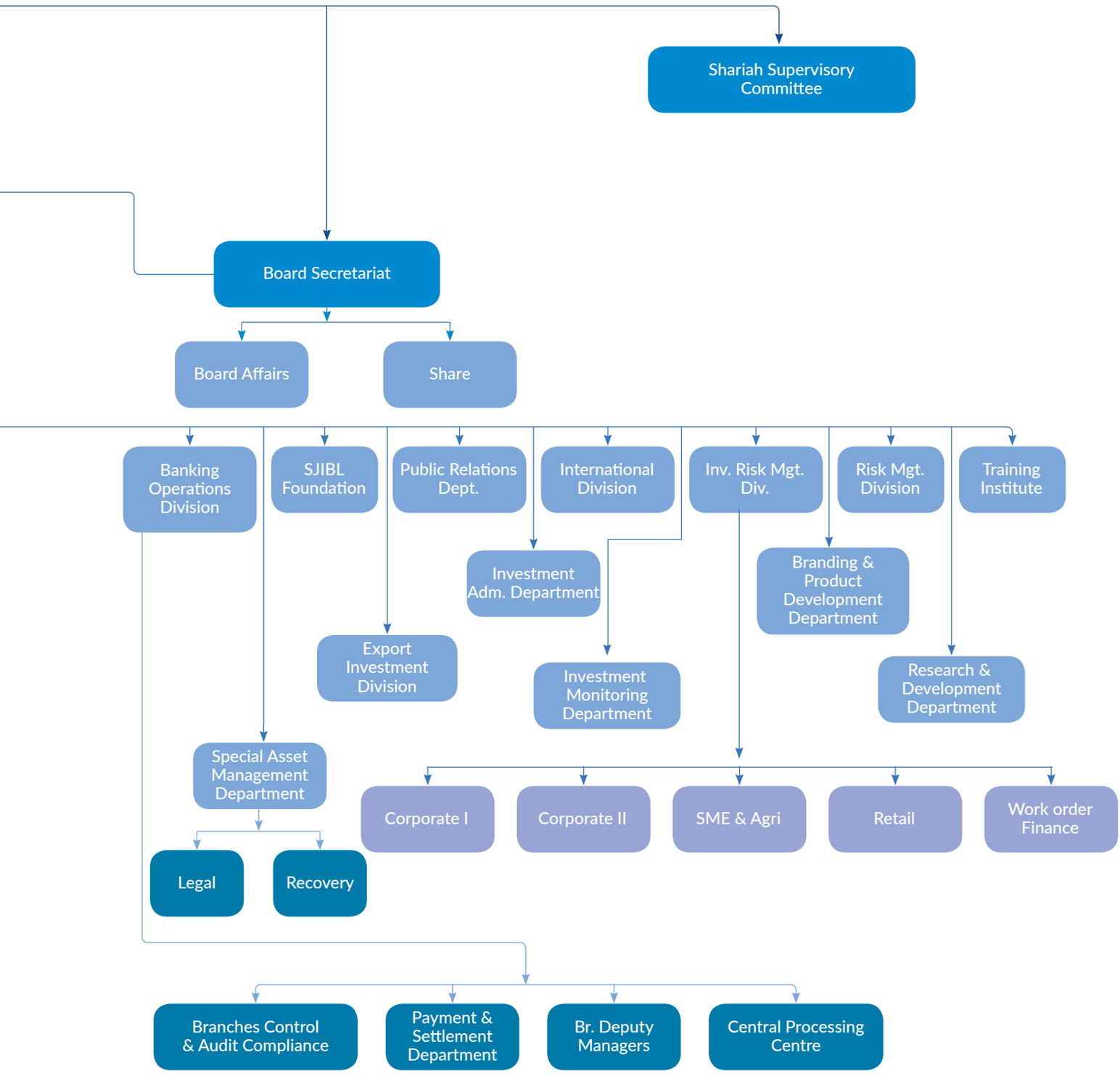
فَإِن لَّمْ تَفْعَلُوا فَأْذَنُوا بِحَرْبٍ مِّنَ اللَّـهِ وَرَسُولِهِ

And if you do not do it, then take a notice of war from Allah and His Messenger.

Surah Al-Baqarah, Verse-279

ORGANOGRAM


Board of Directors
Executive Committee of Board of Directors
Audit Committee of Board of Directors
Risk Management Committee of Board of Directors
Board Audit Cell
Managing Director
MD's Secretariat
Buss. Dev. & Marketing
IC & CD
Shariah Ins. & Comp. Div
FAD
CSD
IT Div.
HRD
Anti Money Laundering Division
Audit & Inspection
Monitoring
Compliance
Treasury Division
Agent Banking Division
Offshore Banking Division
Card Division
IT Security Department
Post Import Finance Monitoring Unit
Card Operation
Alternate Delivery Channel
Asset Mark. (SME, Retail, Agri Large Inv, Syndication etc.)
Liability Mark. & Cash Mgt.
Br. Manager
Front Office
Mid Office
Back Office


Shariah Supervisory Committee
Board Secretariat
Board Affairs
Share
Banking Operations Division
SJIBL Foundation
Public Relations Dept.
International Division
Inv. Risk Mgt. Div.
Risk Mgt. Division
Training Institute
Investment Adm. Department
Branding & Product Development Department
Export Investment Division
Investment Monitoring Department
Research & Development Department
Special Asset Management Department
Corporate I
Corporate II
SME & Agri
Retail
Work order Finance
Legal
Recovery
Branches Control & Audit Compliance
Payment & Settlement Department
Br. Deputy Managers
Central Processing Centre

PRODUCTS AND **SERVICES**

DEPOSIT ACCOUNTS

Mudaraba Savings Deposit Account
Mudaraba Money Spinning Account
Mudaraba Savings Account Payroll Scheme
Mudaraba School Banking Account
Al- Wadiah Current Deposit
Mudaraba Special Notice Deposit
Mudaraba Term Deposit Account
Mudaraba Cash Waqf Deposit Account

DEPOSIT SCHEMES

Mudaraba Monthly Deposit Scheme
Mudaraba Monthly Income Scheme
Mudaraba Hajj Deposit Scheme
Mudaraba Education Deposit Scheme

OTHER BANKING SERVICES

ATM Services
Remittance Services
Locker Services
Online Banking
SMS Push-Pull
SJIBL Student File
Evening Banking Services
Internet Banking Services (SJIBL NET)
Utility Bill Payment Services
Priority Banking Services
E-Account Opening Service
E-GP Services
QR Teller Services

RETAIL INVESTMENT PRODUCTS:

Household Durable Scheme
Housing Investment Program
Car Investment Scheme
Semi Pucca Housing Investment Scheme
Investment Scheme For Executives
Investment Scheme For Doctors
Investment Scheme For Marriage
Investment Scheme For Overseas Employment
Investment Scheme For Education

SUSTAINABLE INVESTMENT PRODUCTS

Biological or combination of Biological and Chemical ETP
Solar Grid
Machineries (Energy Auditor Certified)
Zigzag Brick Field (other than coal-based)
Green Featured Building
Organic Farming
Rooftop/ Vertical Agriculture
Cottage Industry
Financing in Green/Clean Transport Projects
PET Bottle, Plastic and Battery Recycling Plant

VISA CARDS

Debit Card
Classic Credit Card
Gold Credit Card
Platinum Credit Card
International Prepaid Card
Local Gift Card

CORPORATE INVESTMENT PRODUCTS

Bai-Muajjal
Bai-Salam
Murabaha
Quard-E-Hasana
Lease/Ijara
Hire Purchase Under Shirkatul Meelk (HPSM)

SME INVESTMENT PRODUCTS

Cottage & Micro Enterprise Investment Program
Small Business Investment Program
Medium Enterprise Investment Program
Women Entrepreneur Investment Program

AGRICULTURE INVESTMENT SECTORS (THROUGH OWN NETWORK AND NGO LINKAGE)

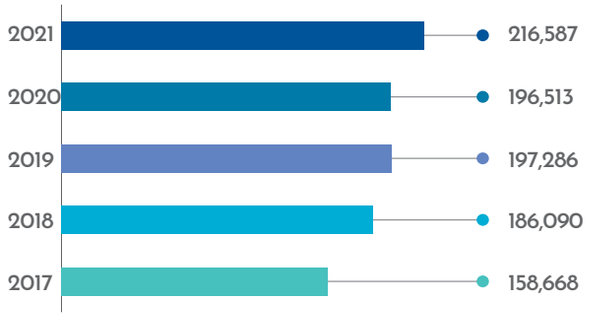
Crops
Fisheries
Live Stocks
Poverty Alleviation

OVERVIEW OF **DIVISIONS**

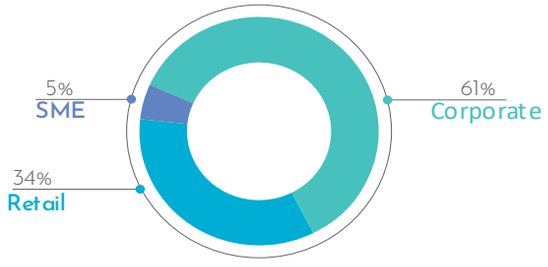
Navigating the investment portfolio through many uncertainties

Bangladesh economy has been experienced several stress from onset of the COVID 19 pandemic and passed another uncertain year. But SJIBL's Investment book in 2021 was moderately robust and continued to be resilient despite of the volatility and uncertainty caused by the COVID-19 pandemic and some other different issues. These were due to the underlying quality and commitment of our client base for meeting their obligations.

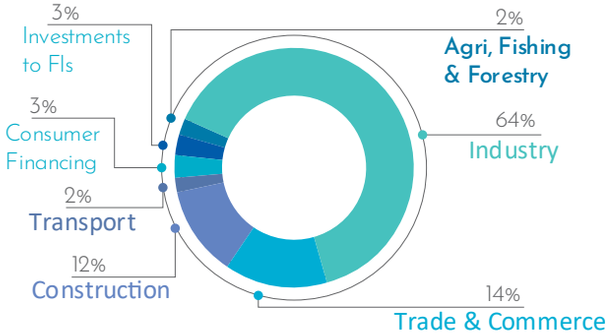
INVESTMENT PORTFOLIO GROWTH (Million BDT)



Investment mix in 2021



Sector wise Investment mix in 2021



Corporate Finance

SJIBL's corporate Banking remains committed to the strategy of becoming one of the best professional Corporate Bank in Bangladesh. The Corporate Finance provides customized solutions to corporate clients by analyzing their specific business and financial needs. It provides an array of financial solutions for working capital finance, project finance, export finance, trade finance, etc. The Corporate Finance comprises of several units focused on specific branches to facilitate effective and customized investment offerings. In the difficult economic environment during 2021, we focused on achieving the goal through greater capital efficiency, tighter control on the cost of fund, and a strong investment monitoring procedure. Despite an adverse investment environment, the Bank managed to maintain investment revenue to a commendable stage.

The Corporate Finance develops new corporate relationships and enhances the existing ones through continuous engagements. The relationship officers collaborate with relevant departments within the Bank to address specific needs of clients.

Our strong track record in financing and advising corporates on their financing requirement, cash management and global trade services focusing more on industry segmentation based on industry specialization, enabling us to develop a robust customer centric and analytic culture within the Corporate Banking function.

Corporate Finance



Trade & Export Finance

The Bank offers a complete suite of products and solutions for trade finance and foreign exchange business through its designated authorized dealer branches and rest other branches spread across the country supported by two Centralized Processing Center (CPC) in Dhaka and Chattogram.

In addition to the services offered through the branch network, Bank also leverages its tie-ups with reputed correspondent banks across the world to offer optimal Trade Finance services to its customers.

Export plays a dominant role in the national economy of our country. Like the national economy, Shahjalal Islami Bank Limited deeply recognizes the contribution of its export oriented customers towards the steady and sustainable growth of the bank over the years. All front ranking large to medium 100% export oriented customers like RMG, Textiles (Spinning & Weaving), Dyeing, Washing, Accessories, Leather & Footwear and other non-traditional exporters in the country are banking with us with full confidence and satisfaction. All export oriented customers of the bank irrespective of its nature and portfolio are privileged as corporate customers and dealt by the Export Investment Division (EID). Our specialized Export Investment Team is capable of making proper need assessment and of providing one stop business requirement of the customers. Despite different challenges faced by the export oriented industries in last 02 (Two) years due to worldwide pandemic COVID-19, growth and performance of our export oriented customers are remarkable.

Key Highlights of 2021:

The EID team of SJIBL is unparalleled in the third generation banks. Export Finance played a significant role in total profitability of the Bank in 2021. Though the export market was sluggish in the beginning of the year, the economy experienced a tremendous boost in export business in the later part. Eventually, SJIBL met-up the export target by 117%

- Bank extended investment facility to export clients under Financial Stimulus Package of Bangladesh Bank due to combat the economic crisis caused by the pandemic due to COVID-19.
- As on December 31, 2021, total RMG Sector investment was Tk. 48,795.30 million which was 22.53% of total investment portfolio of the bank, registering a growth of 35.85% compared to Tk. 35,917.80 million in 2020.
- Total Cotton & Textiles Sector investment was Tk. 15,986.30 million in 2021 which was 7.38% of total investment portfolio of the bank, registering a growth of 12.54% compared to Tk.14, 204.89 million in 2020.

Strategy for 2022:

Though financing to export sector is more challenging where industry dynamics, regulations and circumstances are continuously changing, however we are equipped to face any challenges and our future plans are; quality investment, grow the business with diversified portfolio to other non-traditional export, retaining worthy customers & hunting new prospective customers, sustainable profitability, better relationship management and ensuring regulatory compliance.

Work Order Finance

In line with nation's aspiration to become upper middle class income group by 2030, Government has been taken huge public sector projects to unleash this cherished dream. Shahjalal Islami Bank becomes one of the associates to accomplish this Government saga. SJIBL has developed array of tailored products to cater financing those demand in this sector. SJIBL has been providing Work Oder Financing facilities to different clients to complete public development projects and has already financed in different government sectors like- Airport, Metro rail, different National highways, Power sector, urban development project etc.

Key Highlights of 2021:

A challenging operating environment caused by COVID-19 pandemic led to a slowdown in new project commitments and implementation of existing project through out the year. SJIBL tried to become catalyst to our valued client particularly for their financing demand.

- As on December 31, 2021, total exposure against assigned Work Order (Funded & Non-Funded) was Tk. 49,831 million, registering a growth of 3.96% compared to Tk. 47,932 million in 2020.
- Total Number of Work Order clients was 1307 against 421 number of assigned Work Order in 2021 which was 1281 against 436 number of assigned Work Order in 2020.

Strategy for 2022:

As the infrastructure and core sector developments are critical to Bangladesh's growth. Last couple of years, the Government undertook a series of stimulus and policy initiatives to help revive the different public sectors. This sort of initiatives may give the opportunity

in coming day to explore financing and the Bank's sectoral expertise ensures tapping opportunities to invest judiciously for the long-term.

Moreover, as financing partner, we provide innovative financing solutions to meet all the financing requirements irrespective of the size being large or complexity of the projects.

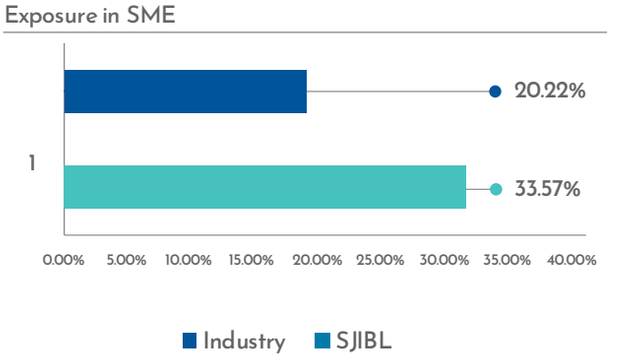
Syndication Finance

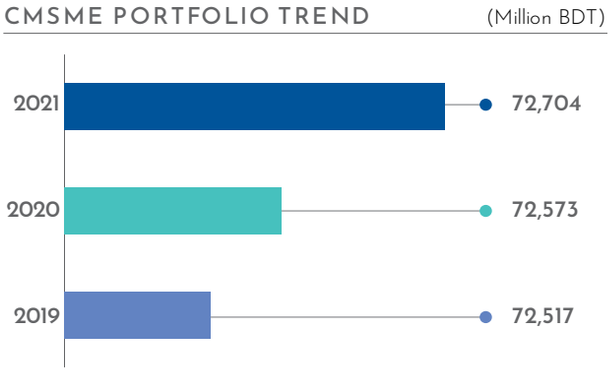
The Syndication financing works in synergy with our corporate finance functions. It works in the investment syndication for working capital and project finance transactions. It leverages strong relationships with market participants like banks, non-bank financial institutions (NBFIs), and other financial entities.

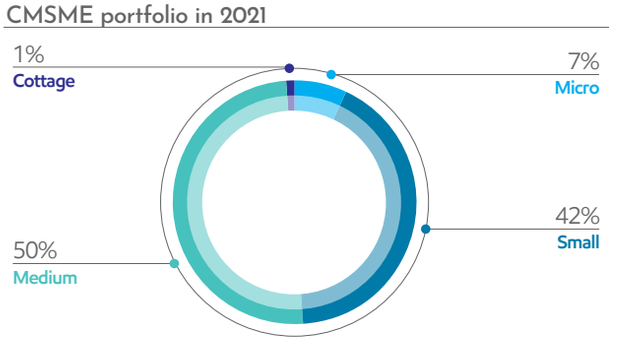
CMSME, Women Entrepreneur and Agri- Financing

CMSME Financing:

Cottage, Micro, small and medium enterprises (CMSMEs) are playing a very important role in employment generation, resource utilization and income generation to a large segment of the society. In a labour surplus country like Bangladesh, the sector accounts for 25 percent of Bangladesh GDP and employed 80% of civilian population. Appealing the significant contribution of CMSME in the economic condition of cross section of population, Shahjalal Islami Bank Limited (SJIBL) has accorded added priority to this sector in its pursuit of expansion of investment portfolio.







Facing COVID-19 challenges and SJIBL response:

SME financing is now at the central point of the Banking sector for its momentous role in socio-economic development. But MSME is one of the hardest hit by COVID-19 pandemic and MSMEs already has become vulnerable due to dependence on a shorter cash cycle, supply chain disruption, and loss of sales.

The shocks of the Covid-19 pandemic were divergent and varied across larger to smaller firms. The effects on cottage, micro, and small enterprises were more severe because of higher levels of vulnerability and lower resilience related to their size. SJIBL continuously tried to identify and to develop efficient financing conduits, not only to channel financial resources but also to be champion in providing workable solutions for accessing finance. The Bank continues to balance between to providing affordable (investment) loans to the segment and maintaining a sustainable margin to offset the risks involved in lending to high-risk borrowers. The stimulus package, credit guarantee scheme, collateral free loan, concessional interest rate (4 per cent), and start-up fund along with the existing credit policies are quite supportive of building resilience of the CMSMEs during the pandemic.

Shahjalal Islami Bank Limited (SJIBL) managed to retain high asset quality withstanding the unprecedented challenges faced by the financial sector and economy as

a whole. Disbursement of CMSME increased compared to last years in SJIBL. However, cumulative outstanding increased marginally in 2021 as some MSME portfolio shifted into Corporate portfolio as per new criteria set by Bangladesh Bank. Otherwise outstanding could have been increased significantly.

Strategic Focus:

In 2021, Shahjalal Islami Bank Limited (SJIBL) strongly focused on disbursement of Government declared 2 phase stimulus implementation to greater benefit of the economy as well as Bank's client. This year bank also gave enormous importance on cottage & micro enterprise financing, cluster financing, new entrepreneurship development financing, promoting rural people as well as rural women entrepreneurship, creating business network for CMSE entrepreneurs and financing in untapped areas to the unbanked new entrepreneurs. SJIBL also managed to retain high asset quality withstanding the unprecedented challenges faced by the financial sector and economy as whole. As we are listing down our initiatives in the year 2021, SJIBL continued close association with different CMSME activities like

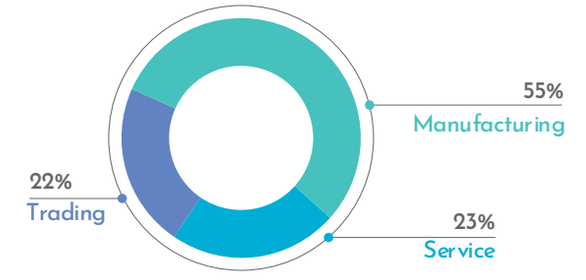
- Activated 9 (Nine) clusters i.e. Light Engineering, Chatal/Mill, Poultry Feed, Karuponno, Garments Accessories, Handloom/ Power loom & tantshilpo, Stone Crusher, Dry Fish, Shoes and Medical & Surgical Equipments to whip out better results from the cluster concept.
- Increased exposure on CMSME by BDT 131million, which is instrumental in extending the portfolio.
- Develop products to cater suppliers of different accessories and raw materials for existing corporate clients of SJIBL with their recommendation.
- Arranged 4 training /seminar sessions and provided training to 520 entrepreneurs on capacity building, business development and monitoring.
- Organized 05 training sessions and provided training to 310 officers of the bank through online Training program.

1st time Borrowers: Persuading towards financial inclusion, SJIBL always tries to reach those who have not yet been financed but have dire requirement for financing. As on December, 2021, SJIBL has maintained Tk. 10,412 million of fresh or first ever borrower through 2,067 clients.

Special Achievement

SJIBL is one of the top ranked Banks of the country appreciated for its strong sound track in SME Financing. Bank Successfully extended investment facility to its CMSME client under Financial Stimulus Package of Bangladesh Bank for combating the economic crisis caused by the pandemic. In the 1st phase (April 2020 to June 2021) Bank disbursed more than its target set by Bangladesh Bank and in the 2nd phase (September 2021 to June 2022), SJIBL continuously strive its best to achieve Bangladesh Bank target for the sake of customers as well as country's economy.

Sector wise CMSME exposure in 2021 (Million BDT)



Financial Highlights of 2021:

- CMSME Portfolio stood at Tk. 72,704 million compared to previous year's Tk. 72,573 million with a growth of 0.18%.
- In 2021 total Tk. 79,710 million disbursed to different CMSME client which was Tk. 47,040 million in 2020 with a growth of 69% .
- The Cottage, Micro and Small Enterprise portfolio stood at Tk. 36,391 million compared to previous year's Tk. 30,145 million with a growth of 21%.
- Medium Enterprise Portfolio stood at Tk. 36,313 million compared to previous year's Tk. 42,828 million with a de-growth of 15% owing to Bangladesh Bank new criteria.
- 4,134 new CMSE borrowers were added to the CMSE portfolio in 2021 with a volume of Tk. 10,411 million with 132 new customers on boarded in Mid Segment

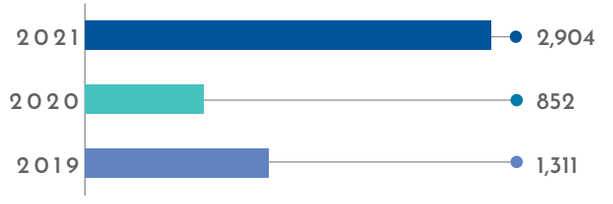
CMSME Women Entrepreneurs:

Empowering women through SME financing is an added remarkable inspiration in the development of women entrepreneurs. In the special framework of CMSME, Shahjalal Islami Bank Ltd is giving top priority in developing and inspiring women entrepreneurs. The Bank is working with women entrepreneurs to make them capable of earning by connecting with country's economic activities.

PORTFOLIO IN WOMEN ENTREPRENUERS (Million BDT)



Disbursement to Women Entreprenuers (Million BDT)



Strategic Focus:

Though couple of COVID wave disrupted our regular operation, SJIBL extended all of its strive to helm its women entrepreneur throughout the year of 2021. We know that major challenges faced by women entrepreneurs are inadequate access to credit facilities and lack of accounting and managerial knowledge. Women entrepreneurs need to be skilled in digitalization in order to avail the advantages of modern technology so that they can give a boost to their businesses. At SJIBL, we finance women considering their business ideas since financial inclusion has a direct impact on empowering women. We also try to facilitate for participation in the supply chain, enhancing skills and capacity building which are necessary for women to bounce back in achieving financial resolution.

Initiative for development of Women Entrepreneur:

- For broadening the facility from metropolitan to the root level, the Bank has already established a separate cell named "Women Entrepreneurs Development Cell" at Head Office of the Bank.
- The Bank has a separate "Woman Entrepreneur Dedicated Help Desk" which under each Branch of the Bank works to facilitate the Women Entrepreneurs and to ensure their easy access to bank finance.
- The Bank has a dedicated product named "Prottasha" for women entrepreneurs. To encourage women, the Bank provides Investment to the women entrepreneurs at much easier terms & conditions including low profit, relaxed collateral requirement etc.
- SJIBL gives priority to women entrepreneurs to invest on various productive sectors. Apart from collateral secured investment, collateral security free investment is also considered for Woman Entrepreneurs.
- For the improvement of entrepreneurship skill, the Bank arranges day long workshops for SME Women Entrepreneurs to listen to their opinion, requirements and then give them a way out with better solution.
- Bank has an exclusive branch for women which is helping to thrive women entrepreneurship.

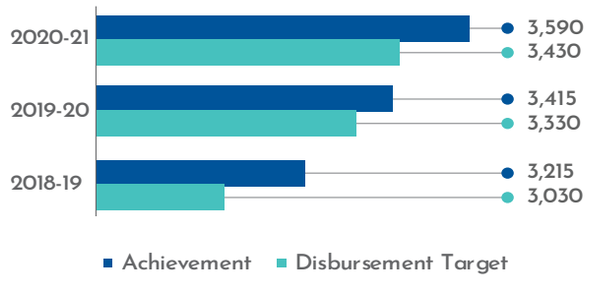
Agricultural Investment

Although Agriculture sector experienced declining trend towards GDP contribution but still about 40.62 percent of the labor force are directly or indirectly dependent on this sector. Realizing the importance of Agricultural finance in creating self – employment opportunities, ensuring food security and Socio-economic development of the country, Shahjalal Islami Bank Limited has been providing agriculture investment through own network and Micro Finance Institute linkage.

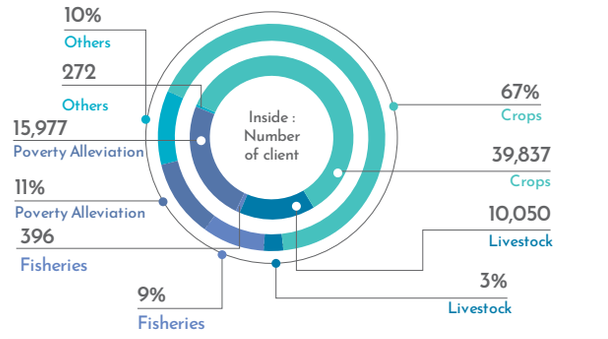
Though Year 2021 also was a stressful year for the Bank as well as industry but activities in the Financial Year 2020-21, SJIBL, had a good continuation of target achievement where Bank disbursed Tk. 3,590 million among 66,532 beneficiaries in Agricultural sector against its target of Tk. 3,430 million which is 105% of total target. Shahjalal Islami Bank also has been achieving the target of Bangladesh Bank in most of the years successfully and has received "Letter of appreciation" from the Governor of Bangladesh Bank for achieving Agricultural and Rural Investment Disbursement Target in several Fiscal Years.

Target Vs Achievement of Shahjalal Islami Bank in disbursement of Agricultural & Rural Investment of some previous Financial Year are.

BB Target Vs Achievement of SJIBL in Agri Investment (Million BDT)



Agri Investment



Retail Investment

Everyone has dreams of a better life, and given the pace of urbanization and the rising purchasing power this aspiration has become more palpable. The steady economic growth, huge young population and further improvements in the level of household income have created huge opportunities for consumer banking, i.e. retail banking. In recent years, Retail Banking has made tremendous progress and has played a positive role in boosting the economy and in meeting the needs and requirements of the consumers. SJIBL believes that retail investment is one of the vital sectors to give emphasis to strengthen entire investment portfolio as well as blending of different investment products which leads to diversification strategy.

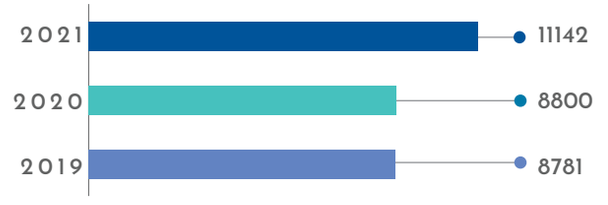
Though industry has experienced some turbulence, SJIBL exerts its prudence and efforts to carry out its tempo and commitment in retail investment. In 2021 SJIBL retail investment got the momentous of the revive economic demand and register a robust growth.

Key Initiative in 2021

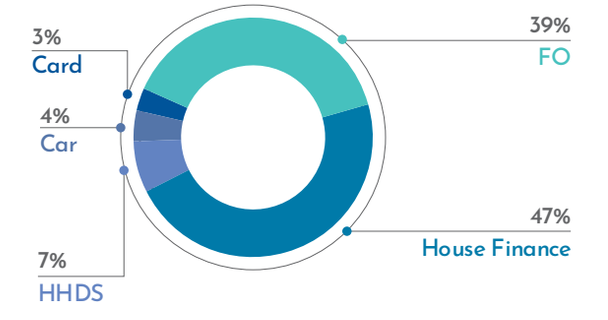
In 2021, SJIBL retail team has taken some initiatives to explore more horizon in retail investment.

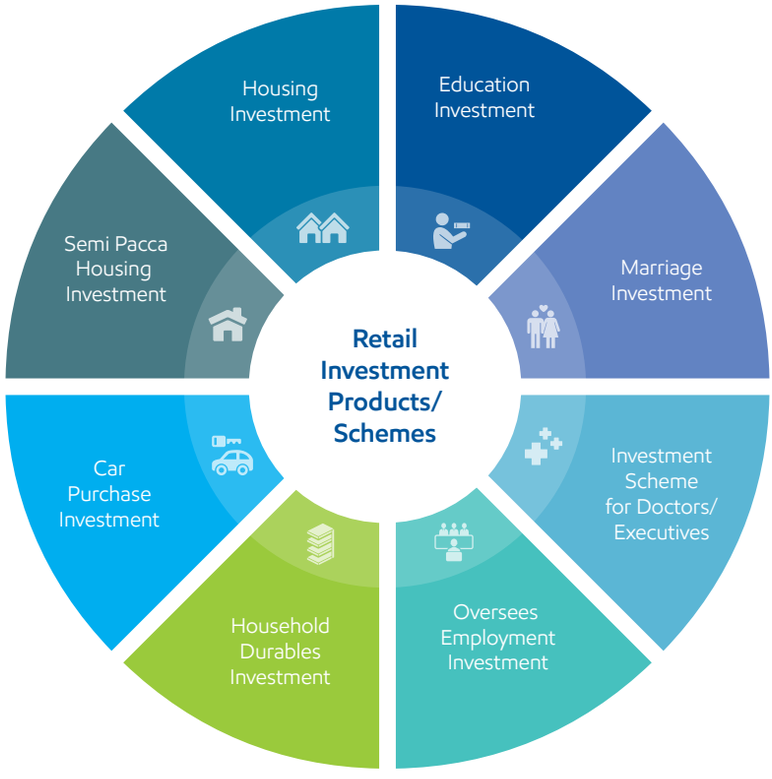
- Retail Investment has revised features and made personalized product for targeted customers. Product like Education Investment Scheme (EIS) and Marriage Investment Scheme (MIS) attracted the unexplored segment of customer.
- Included semi-pacca housing in retail product which helped Bank to provide housing facility even to the lower middle segment of the society as well as to ensure semi urban area coverage.
- Based on data repository and Bank's expertise, a Module has been formulated to understand customers' credit worthiness and repayment capacity.
- Division has launched successful campaigns to exert extra effort for boosting the retail investment.
- To improve the efficiency of our employees, 4 zoom meetings were arranged for smooth & efficient proposal handling.

RETAIL INVESTMENT PORTFOLIO (Million BDT)



Retail Segment in 2021





Financial Highlights of 2021:

- Retail investment Portfolio stood at the end of 2021 for Tk. 11,142 million compared to previous year's Tk. 8,999 million with a growth of 23.81%
- At the end of 2021, House Building Investment outstanding was Tk. 8,501 million with 88.86% growth which was Tk. 4,501 million in 2020.
- In 2021 Credit Card investment outstanding was Tk. 340 million where it was Tk. 176 million in 2020 with a growth of 93%.

Strategy for 2022

One of the major constraints for Islami banks is 'product scarcity'. So growing among them and with them requires strategic move, understanding time-befitting demands of clients and shariah complied products. In this context, retail banking and shariah division are jointly working to develop products based on customer requirements.

Retail Investment have a solid plan to navigate on 2 particular segments namely 1) House Building Investment Scheme: as low profit rate creates scope for salaried income personnel 2) Credit Card segment: as our comparatively new Credit Card would cater a niche of customers who seek shariah compliant credit card. We thought these 2 segments would be key growth drivers of retail investment in coming days.

Investment Risk Management Division

Bangladesh economy experienced the second wave of COVID 19 pandemic in 2021, that discouraged new investment and this challenging scenario amplified with frequent changes in regulatory norms, such as inflation adjusted term deposit rate & cap on financing rate and deferral of repayments. Whereas, a portion of investment clients lost the capacity to repay and the other major part grew the attitude of refraining from repayment and both the status turned the investment market volatile. The Bank had enough liquidity through-out the year resulted in brand image up-lift of SJIBL in recent years and an unpredictable investment field to utilize those fund was the main stimulating decision for the management. Tackling this fragile situation, the Investment Risk Management (IRM) leaders of the bank have been very successful in advancing very careful steps in investment decision keeping the profitability in mind dealing with the risk management in a smart way. As a result, the overall investment figure increased from Tk.196,513 million to Tk.216,587 million in the last year improving the investment income from Tk.4,810 million to Tk.7,170 million posing growth of 49.06% which were very credit-worthy.

In 2021, we made necessary adjustment to our investment procedures for specific sectors and

increased our governance and frequency of oversight on our investment clients.

In last year, revenue-generating capabilities of some of our clients under pressure. Particularly affected were the travel, hospitality and retail sectors, while some of the sectors continued with little less disruption. We worked tirelessly to accommodate to the new realities of our customers. Throughout 2021, we took proactive steps to ensure an adequate service infrastructure for our clients, while at the same time taking necessary pre-cautionary measures for providing a safe environment for our employees. This allowed us to seamlessly manage client relationships during the pandemic.

Bangladesh government and Bangladesh bank, through its stimulus and support packages, ensured stability and continuity. This enabled us to launch a series of supportive actions to help our clients navigate through the pandemic.

Bank's continued changes and re-engineering of Investment Risk Management process during the year, together with its sharper segment focus and a more assertive business development approach. The Bank managed to retain high asset quality withstanding the unprecedented challenges faced by financial sector and economy as a whole due to pandemic.



In most of our investment portfolio jurisdictions, our business benefitted from regulatory forbearance. These measures successfully assisted our customers to better weather the impact of the pandemic.

As a result of the rigorous controls we have put in place to manage our investment risk, our high-quality diversified portfolio and proactive measures taken throughout the year, we were able to maintain our NPL ratio at a minimum level.

Strategy for 2022

Just as the economy was sailing smoothly to make a turnaround from the coronavirus pandemic, the Russia-Ukraine war has suddenly emerged as a major obstacle standing in the way of faster and full revival, while the future remains uncertain and the timing of an economic recovery. The war situation is still fluid. It is difficult to predict when the war will end, causing an unstable situation in our commodity and financial markets but we are confident that our prudent approach to investment extension provides us with a strong framework to protect the interests of all our stakeholders. We are aware of the enormity of the challenges but we are ready to face it to resolve with concerted effort.

Treasury Operations:

Year 2021 started with record liquidity levels in the banking channel, aided by stimulus funds, as bank witnessed tepid credit growth amidst weak demand and uncertain outlook. But in later part the scenario has been changed. In year 2021, industry had experienced reversal tendency in its two half for particularly in foreign currency market. First half gone with plenty of liquidity both in money market and in forex market, thanks to robust growth of Net foreign asset owing to huge inflow of remittance, hefty export growth. But second half, experienced flip side, foreign currency liquidity crunch owing to higher import growth and lower remittance inflow which also cast stress in money market to some extent. This has created a genuine stress for fund managers. Our ALM desk timely analyzed and suggested how best should the Bank address the need to ensure flexibility and rapid decision-making, while maintaining balance sheet robustness during that time.

Key challenges in 2021 were managing spread as regulator imposed profit (interest) rate cape both on deposit and investment profit rate (interest).

Usually Treasury is exposed to risk due to the uncertainty prevailing in the dynamic business world. With the ever increasing pace of changes in technology, regulation and compliance within the banking industry, Treasury has been considered as a nerve center of a bank. One of the major functions of a Treasury department is managing and controlling the bank's liquidity as well as making sure that all parts of the bank can readily have access to the fund required for continuing their operations.

In Islamic Treasury environment, it is important to note that for any product or process, Shariah Board approvals are required, before any other processes, so that the pureness of the Islamic banking remains intact.

Shahjalal Islami Bank Treasury primarily focuses on the followings:

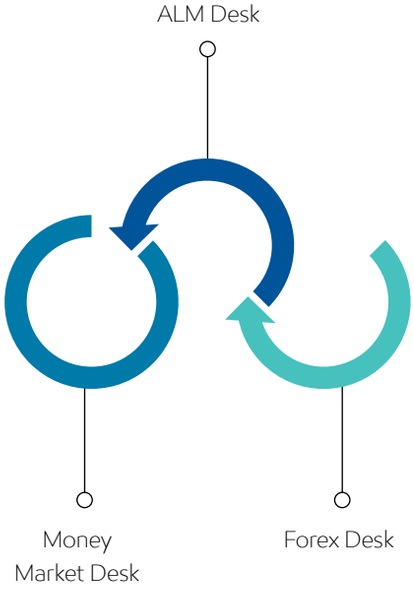
- Utilizing different market opportunities within all risk and regulatory limits.
- Strengthening ALM operations
- Creating a diversified fund management channel
- Enhancing profitability
- Minimizing market, liquidity and profit (interest) rate risks etc.

Therefore, in the process, Shahjalal Islami Bank Treasury has the following desks which operate through the integrated efforts of Money, FX, and ALM to achieve the desired goal.

Money Market Desk

Money market desk ensures that the bank remains sufficiently liquid, meeting all its financial commitments and obligations to its customers besides meeting the CRR & SLR and all ALM ratios requirement at minimum risk and cost to the bank. Depending on the overall liquidity and interest rate scenario of the Market, this desk in coordination with ALM desk sets the strategy. The money market of Bangladesh remained stable in 2021. In this year money market dealers were mostly busy in managing and blotting of excess liquidity which surfaced from earlier year due to Bangladesh Bank's expansionary monetary policy, sale proceed of foreign currency, low appetite of new credit.

Treasury Division



Foreign Exchange Desk

We have a separate Foreign Exchange (FX) desk where experienced dealers are engaged in foreign currency transactions. In order to settle the transactions of different foreign currencies throughout the year the desk closely monitored the exchange rate movement of USD and other currencies against BDT and accordingly set the exchange rates of major foreign currencies. The interbank foreign market experienced some turbulence in 2021.The Year started with very liquid market and Bangladesh Bank bought a huge amount of foreign currency to mop up excess liquidity but second half has experienced totally reversed scenario. The low inflow of remittances and higher import payments created pressure on the foreign reserve which led to the depreciation of Bangladeshi Taka. To stabilize the foreign exchange market, Bangladesh Bank intervened in the foreign exchange market with a total sale of USD 2483.00 million during H1FY22.The Exchange rate of Bangladeshi Taka started to depreciate from August 2021 and stood at BDT 85.80 at the end of December 2021 and the exchange rate depreciated by 1.16 percent as compared to its level at the end of December 2021.

Treasury's FX Desk focuses on foreign exchange (FX) business as well as management of FX risk. The desk is also responsible for maintaining net open positions of the bank in line with regulatory limits and forecasting exchange rates.

The Bank's FX Desk was able to forecast the situation very early and as such handled the situation pragmatically. At the same time FX Desk' was very active in the interbank Forex market and also dealing with corporate clients, focusing on meeting corporate needs. In 2021 Corporate FX Desk handled a total volume of USD 301 million compared to USD 211 million in 2020.

ALM Desk

Stewardship of the bank's balance sheet is given typically to the Asset-Liability Committee (ALCO). The key function of Asset Liability Management desk is to give insight to ALCO on Bank's balance sheet & off-balance sheet movement and also to give key insight regarding market and industry trend on liquidity, Interest rate movement. Over the time, the scope of treasury operations has significantly expanded and asset-liability management appeared as the heart of treasury function. In banking business, movement or transformation of the components in the balance sheet is an ongoing process which has a resultant effect on the profitability and overall strength of the Bank. SJIBL ALM plays an important role by identifying and

measuring those risks and minimizing or hedging those risks using various financial tools for stabilizing the balance sheet and maximizing profit for bank.

The primary responsibility of ALM is to ensure the implementation of the bank's balance sheet management strategy on a wholesale basis, ensuring liquidity requirements as well as managing the SLR portfolio. This desk also ensures full regulatory compliance. ALCO is responsible for running the ALM processes, thus enabling the bank to adopt compliant policies and relevant and pragmatic strategies, as well as competitive pricing of deposit and lending products for the Bank.

From onset of the COVID-19 pressure on markets and the subsequent "lockdown" policy response from the government has created a genuine stress on the economy. Our ALM desk timely analyzed and suggested how best should the Bank address the need to ensure flexibility and rapid decision-making, while maintaining balance sheet robustness during that time. The impact in 2021, changes in market liquidity and interest (profit) rates might expose banks to the risk of losing money. Throughout the year, ALCO proactively control the business in line with firm objectives, focusing on the entire balance sheet. In brief, throughout the year 2021, SJIBL's ALCO managed its balance sheet movement in right track to optimize changing market dynamics.

Future Strategy:

In the coming year, both local and global markets are predicted to be more volatile. Liquidity management for both local currency and foreign currency will be the main challenge for the banking sector in the upcoming year as credit growth get the momentum where outflow of foreign currency may surpass inflow and this trend may continue in coming months as major global commodity prices increase abnormally due to geo-political tension as well as pandemic induced supply chain disruption. SJIBL treasury would take its cautious position on balance sheet growth. Further, the SJIBL Treasury would introduce measures to manage declining trend of spread stemming from the said developments. Amidst this environment, the focus of the Treasury would be to:

- **Continue to improve Operational excellence:** Ongoing focus on strengthening the Treasury's operational framework, market responsiveness in order to strengthen core business activities.
- **Mapping market trend:** SJIBL Treasury try to prudently observe movements in interest rates and foreign currency market in coming days and will take position on the bank's balance sheet accordingly.

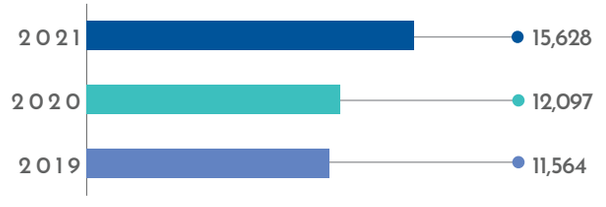
Offshore Banking Unit

Offshore Banking is a window of a bank across the globe to carry out international banking business through foreign currency by borrowing, depositing and placing such currency. The Bank established its Offshore Banking Unit (OBU) for catering such opportunities.

Catalyze the opportunity

In 2021, through facing 2 wave of the pandemic disruption, Bangladesh economy rebounded particularly, in export and import business with great extent. As OBU business directly correlated with foreign trade business, Offshore Banking also experienced robust business growth throughout the year. Though OBU faces tremendous pressure to manage its fund supply in home and abroad. At the end of this year Offshore Banking business faced major shifting for phasing out (some also may continue up to 2023) from LIBOR linked pricing mechanism which may leads fund pricing fluctuation to some extent as well as impact on spread. But our OBU showed tremendous resilience in their business operations as well as profit performance in 2021 mainly due to firm commitment, excellent service quality, expertise in trade business despite of all odds.

OBU Investment Outstanding (Million BDT)

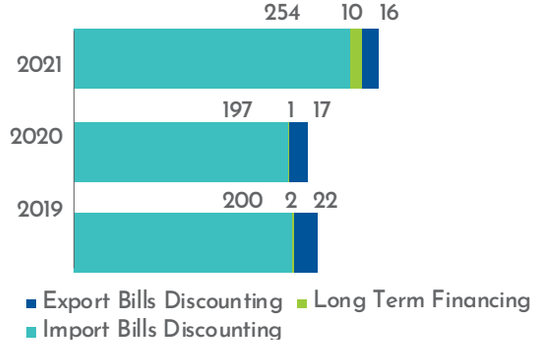


Financial Highlights of 2021:

- Outstanding investment of OBU is USD182.14 Million (BDT15,627.90 Million) at the end of 2021 which was 7.22% of overall investment portfolio of the Bank.
- In 2021, OBU has been able to maintain 0.22 % marginal negative growth in profit though robust 29.19% investment growth from earlier year as spread became very thin.

- OBU has discounted 2,548 numbers of Import Bills for USD253.73 million and 584 number of Export Bills for USD16.36 million. OBU has also disbursed Long Term Financing for USD9.61 Million in 2021.
- OBU has advised 353 numbers of L/Cs and certified 293 numbers of EXPs. It has made export of USD1.40 million against 243 bills and Import of USD0.81 million against 13 contracts.

OBU BUSINESS MIX TREND (Million BDT)



Future Strategy:

- Proactively and delicately handle the LIBOR transition period.
- Diversify the borrowing sources to avoid concentration risk.
- Enhance the business with wholly foreign owned enterprises in EPZs, PEPZs, and EZs & Hi-tech parks.

Card Division

Digital payment takes a giant leap

People are appreciating the technological transformation that is taking place in Bangladesh as indicated by the fact that payments through the digital platforms are on the rise. Users of mobile financial services, digital payment services and debit and credit card-holders of banks all can make payments digitally using phones. The transition from manual banking to its digital means is certainly not a new phenomenon for Bangladesh's banking sector. But the advent of the coronavirus pandemic has had clients from all walks of life honing in on internet banking to cut chances of contracting the deadly flu.

The move is expected to reduce the use of cash to a large extent and pave the way for a cashless society in Bangladesh, which is reliant on cash. Shahjalal Islami Bank card division has tried to take full advantage of this opportunity and has been largely successful.

The Shariah base of SJIBL Islamic Credit Card:

The Bank launched Shariah based EMV Chip complied Islamic Credit Card in 2019. SJIBL credit card has followed the "Wakalah" concept to operate the Credit Card operations. "Wakalah" is a process where the Bank will apply advocacy fee/commission on every card transaction from the cardholder. In this process, Bank will provide a Quard facility to a Cardholder and he/she will preserve that amount to the Bank as "Amanat". As and when required, the cardholder will charge his/her card to purchase goods and services. As requested by the cardholder, Bank will pay the transacted amount to the respective providers and take some fees from cardholders named as 'Uzrat of Wakalah'.

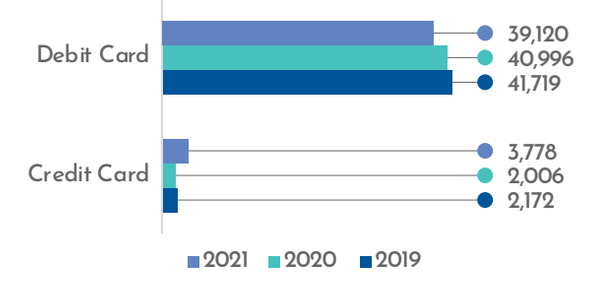
Security is first concern of SJIBL Card:

All cards issued by SJIBL, both Debit & Credit, are EMV Chip compliant. Bank sends each and every transaction alert to the customer through SMS and e-mail. Bank ensure 2FA (Two Factor Authentication) for more security in case of online (E-commerce) transactions.

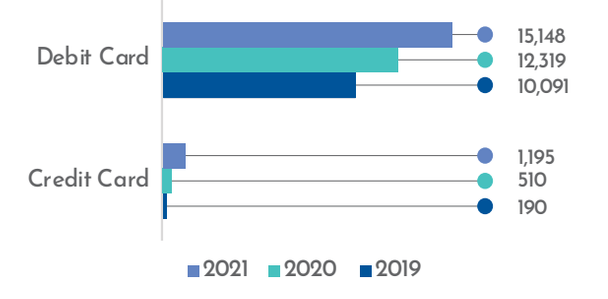
Key Business Performance in 2021

The financial and operational performance key indicators of 2021 have shown in below through graphical presentation:

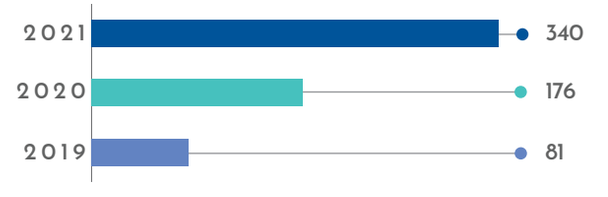
Number of Card Issue



Amount of Card Transaction (Million BDT)

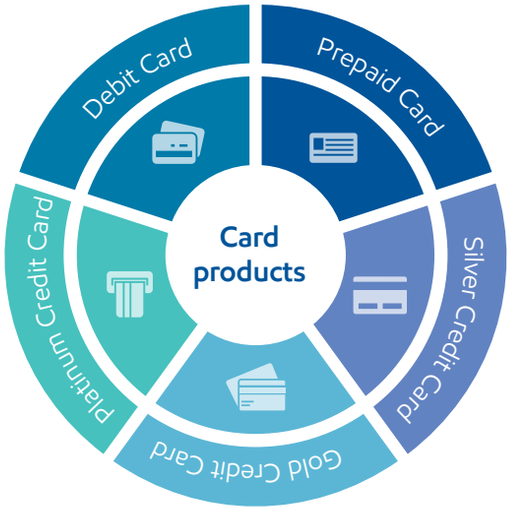


Credit Card Investment Outstanding (Million BDT)



SJIBL Credit Card Products

The bank issues credit cards under three categories: 1. Classic, 2. Gold & 3. Platinum. Platinum cardholders can enjoy Balaka executive lounge facility at the Hazrat Shahjalal International Airport. Besides that, Platinum cardholders are entitled to get Priority Pass service, So Platinum cardholders can enjoy 800 + International Airport lounge facilities. SJIBL credit card has an EMI facility with 0% profit rate at selective merchants as well.



Key Initiative in 2021

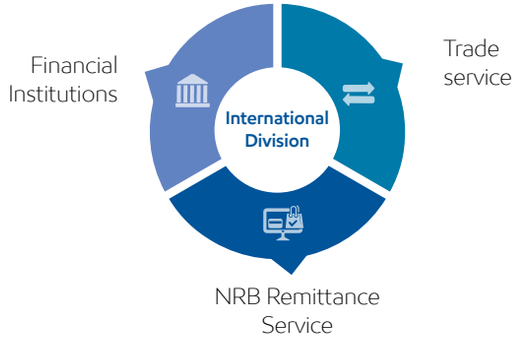
To accept as 'First Choice to a Customer', we are working dedicatedly to cover every accepted sector through Islamic Credit Card to feel secured and convenient. Card Division take series of initiative to cater growing customer demand of different digital banking service.

- In 2021 new addition in SJIBL Net is 'QR Cash' service. Customer can withdraw cash from branch through QR scan without having any cheque.
- In 2021 Bank introduced Priority Pass service for the SJIBL Platinum Cardholder(s), by this facility, SJIBL Platinum cardholder(s) can enjoy 800+ International Airport Lounge access facility.
- To attract the cardholders and extended their wide range of facility, we have already made a good number of discount and EMI Partners in the country and more partners are going to be accumulated. In 2021, we have on boarded 15 and 19 partners under EMI and Discount category respectively.

International Division

International Division covers supervision of Shahjalal Islami Bank's foreign trade related transactions, facilitate trade payment settlement, mitigate various risks related to foreign trade, maintain and improve correspondent relations internationally and locally.

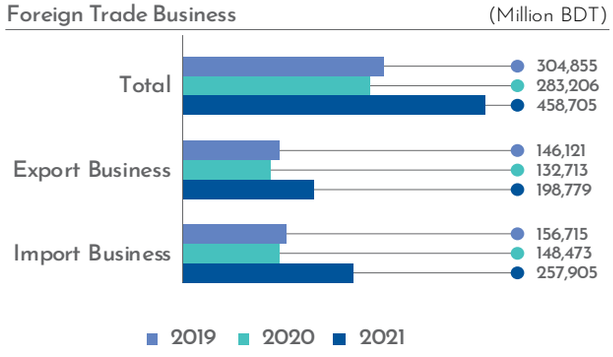
Currently, International Trade Service is provided from 19 AD Branches, 2 Central Processing Centre, 1 Offshore Banking Units (OBU) under the supervision of International Division. International Division coordinates, supervises and supports International Trade Transactions of AD branches through following units-



International Business Performance:

Bangladesh's overall foreign trade business have increased significantly in 2021, following gradual reopening of economic activities - both at domestic and global levels - after more than one year of COVID-19 pandemic upset. The pandemic has had an immediate and negative impact on foreign Trade Business and Shahjalal Islami Bank has strongly rebounded from the pandemic-time constraints. The particulars of Foreign Exchange Business are given below: -

Total Foreign Trade Business handled during the year 2021 was Tk. 456,684 million as against Tk. 281,186 million in 2020 registering an increase of Tk. 175,498 million, i.e. 62% positive growth, which is far above industry average. The individual section growth of Import, Export business were 74%,50% respectively in 2021 compared to 2020.



Financial Institutions:

SJIBL Financial Institutions unit covers a big spectrum which facilitates the bank trade business through 436 correspondents around the globe across 58 countries. The Bank is successfully maintaining such relationships around the world to facilitate international trade transactions. The bank maintains 35 Nostro accounts in 9 major currencies with reputed international banks around the world in the major global financial centres. The Bank is also enjoying sufficient credit lines from correspondent banks for add confirmation to Letter of Credits to facilitate international trade.

The Bank has been able to establish new relationships with 35 world renowned banks in 2021 during the ongoing pandemic facing the complex AML compliance and De-risking environment.

By improving financial indicators and quality in all aspects as well as effective negotiation, the Bank was able to enhance line of credit to $0.55 billion at the end of 2021 despite the ongoing pandemic.

Trade Service:

Trade Service Unit of International Division provides guidance and necessary logistic support so that the ADs can handle foreign trade and foreign exchange business smoothly. This unit maintains liaison with Bangladesh Bank and other regulatory authorities. Trade Service Unit of the division plays important roles in supervising activities of Foreign Trade and Foreign Exchange of Authorised Dealers, Offshore Banking Unit and Centralized Trade Processing Centres.

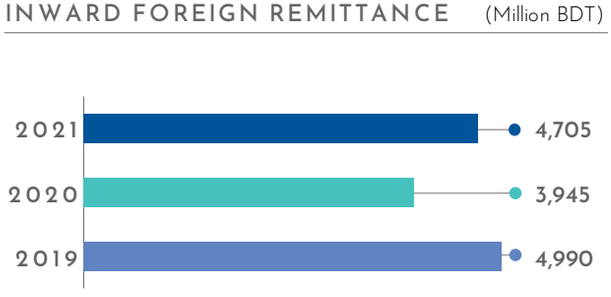
There is a forum of trade professionals of the Bank which is known as SJIBL AD Forum. This unit prepared a working paper for the meeting of the forum convened on quarterlyy basis. Due to ongoing pandemic in 2021, SJIBL AD Forum meeting were conducted in virtual platform.

NRB Remittance Service:

With a view to cater better services to the expatriates and their beneficiaries by streamlining the procedure for handling speedy payment of inward foreign remittances, a Remittance Cell has been there under International Division at its Corporate Head Office.

The Bank is now maintaining relationship with various global leaders in money transfer business such as Western Union, MoneyGram, Xpress Money, Ria Financial Services etc including some other renowned regional money transfer companies.

During 2021, the Bank made a new drawing arrangement with National Exchange Company Ltd, Italy.



Major Highlights of 2021:

- A Remittance Management System has been developed which went under deployment in 2021.
- Swift Message Management System has been introduced which enables input of updated status of single customer's payment in compliance to SWIFT's Application Program Interface initiatives.
- Shahjalal Islami Bank has been enlisted as approved Foreign Financial Institution under Export Credit Guarantee Program (GSM-102) and Facility Guarantee Program (FGP) of Foreign Agricultural Service, United States Department of Agriculture. As an approved Foreign Financial Institution, Shahjalal Islami Bank would be able to support its valued customers for import of US food and agricultural commodities like cotton, soybeans, grains, cereals, woods, nuts, fruits etc. under the Export Credit Guarantee Program administered by USDA.

- Correspondent relation including nostro account has been established with Citibank NA, USA.
- Arrangement has been made with National Exchange Company Ltd, Italy.
- The Bank has been able to establish new relationships with 35 world renowned banks in 2021 during the ongoing pandemic facing the complex AML compliance and De-risking environment.
- By improving financial indicators and quality in all aspects as well as effective negotiation, the Bank able to enhance line of credit to $0.55 billion at the end of 2021.

Strategy/plan for 2022

- To provide more facilities to our importer in International trade, the Bank will continue its efforts to enhance line of credit extended by FIs/ DFIs globally.
- To facilitate the foreign Remittance inflow from non-residence Bangladeshi, the Bank will continue its efforts to enhance drawing arrangements with exchange houses abroad in 2022.
- To keep updated on regulations and best practices in international trade, The Bank will continue to conduct customized workshop/seminar for trade professionals.

IT Division

Financial institutions around the world are under considerable stress because of the pervasiveness of COVID-19. Since the start of the Coronavirus, consumer demand for digital banking has never been greater and Financial industry is experiencing a major shift in service delivery across the globe and SJIBL take this opportunity to thrive in this arena in full scale.

Key Initiative in 2021:

In 2021, SJIBL IT division has taken a series of initiatives which will help the Bank to improve customer experience in the coming days.

- **Digital Account Opening:** introduced eAccount service. Through this service any Bangladeshi individual having National Identity Card will be able to open a bank account at The Bank. This service is open for both Internet Banking and Mobile Application channels.
- **Implementation of Full Functional Disaster Recovery Site:** Implemented full functional Disaster Recovery Site during this year. Through this, The Bank became capable to run most of the critical business services from the Disaster Recovery Site, located at Kashimpur, Gazipur in case of disaster situation at Data Center, located at Gulshan, Dhaka.
- **Ensuring Data Security and Availability:** To ensure more Data Security and Availability, The Bank implemented Cross-Platform data migration at storage level. This enabled The Bank to store critical business data at two different branded (XtrimIO and NetApp) storage devices resulting more security and availability.
- **Mobile Application based Service Enhancement:** During this year The Bank enhanced its services through Mobile Application. A new and unique service named "Cash by QR" was introduced during this tenor. Customers can withdraw cash from his/her account from any branch of the Bank without using cheque by scanning QR Code using the Mobile Application. Among others, fund transfer form Bank Account to Nagad Account was also introduced in this year.
- **Ensuring ICT Security:** Protection against cyber threats is a growing concern for every organization specially for financial institutions. To ensure more security against ICT Security threats, The Bank formed a separate department named "ICT Security Department" with special skilled professionals to dedicatedly deal with ICT security issues.
- **Dynamic GL Profit Calculation:** The Bank introduced Dynamic GL Profit Calculation in this year. Through this process GL profit is distributed or collected based on the Cost of Deposit and Deposit Mix to the lending or borrowing branches respectively.
- **People, Process and Technology:** Ensuring business efficiency with best level of security is a combined effort involving People, Process and Technology. With this concept, The Bank assigned its combined effort at all these three important issues. During this year, The Bank recruited sufficient skilled manpower, redefined old and inefficient business processes and deployed new technologies.
- Beside all above, in 2021 IT Division upgraded its Core Banking Software as well as In-House

Developed Software for providing efficient and better customer service as well as to handle high volume data base.

Future Plans for 2022:

- **Implementation of Assisted EKYC:** The Bank is planning to implement Assisted EKYC service where KYC process will be more authenticated through matching customers' finger print data with Election Commission Database.
- **Implementation of Corporate Payment Module:** To provide priority service to the corporate customers, The Bank is planning to implement Corporate Payment Module. Through this module corporate customers will be able to perform most of their banking activities from their own office without coming to The Bank.
- **Implementation of Automated Sub-Branch and Centralized Trade Finance:** The Bank is planning to automate the Sub-Branch activities for more efficiency as well as planning to introduce automated Centralized Trade Finance module.
- **Enhancement of Services through Digital Platforms:** The Bank is planning to introduce more customer oriented services through its different Digital Platforms like Internet Banking, Mobile Application, eAccount, Website etc. Important services will be Chatbot, Green PIN, QR Payment, Cash by Code, fund transfer to bKash etc.

Banking Operations Division

Banking Operations Division (BOD) has been established to guide, control, monitor & regulate the Branches of the Bank and concerned Department/Units at Head Office in managing different operational affairs/aspects having close coordination with all other Divisions/Departments. The Division has been entrusted to keep liaison with regulatory bodies since inception. Throughout 2021 Banking Operations Division strived to equip all resources to enable the bank to serve the customers promptly.

Key Achievements in 2021:

- Successfully implemented the "e-KYC" Solutions for SJIBL as "e-Account" (Individual Mudaraba Savings Deposit Account only) as well as developed Standard Operating Procedure (SOP) for "e-KYC" Solutions.
- Introduced the "Automated Challan System (ACS)" toward issuance of Government Treasury Challan at SJIBL.
- Developed & circulated an Operating Procedure for checking & verification of Daily Operations Activities of Branches as well as preservations of vouchers at the Branch end.
- Standard Operating Guidelines for SMS service has developed.

Future Plans for 2022:

- Starting "Centralized Account Opening Management" to reduce Operational Risks at branch level as well as to rationalize the related volume of man hour consumed.
- Introduction of Term Deposit, Scheme Accounts through digital "e-Account" opening platform.
- Implement of live operation of FC Cheque/FC DD and BEFTN Operations in different foreign currencies through BACH-II.
- In order to minimizing cash fraudulent activity to zero & to provide better client services at branches, BOD has a future plan to introduce Cash Deposit Confirmation Slip.

Financial Administration Division (FAD)

Financial Administration Division (FAD) plays a crucial role in ensuring smooth operation of the bank's activities subject to internal control measures. The division is carrying out the responsibilities of developing and implementing strategies to support the bank's commitment to its stakeholders through financial accountability. Principle duties of the division are to organize, direct and supervise and control the financial undertakings while applying management principles to the financial assets and liabilities of the bank. Preparation and maintenance of financial statements and budgetary control are also under the authority of the financial administration division.

Financial Administration Division ensures:

- Business supports at minimum Turnaround Time (TAT) ensuring effective compliance and control in line with ever increasing regulatory developments
- Financial stability while supporting the bank in its vision
- Business improvement initiatives in order to add value to the company
- Providing accurate data for effective decision making
- Three Es (Effectiveness, Efficiency and Economy) in every amount expensed
- Develop operational & analytical query tools
- Standardize accounting & reconciliation of transactions of the bank
- Highest Combination of People, Process & Technology.



2021

Financial Control

Financial Control helps management in making informed decisions while overseeing reconciliations and making payments. FAD is in charge of keeping records of all financial transactions of the bank and is the custodian of the financial statements.

Pre-Audit:

- Bills processed: 23441 nos.
- Amount: Tk. 20629 Million

Payment Processing and Book Keeping:

- No. of Bills/ Vouchers: 22972 Nos
- No. of Transactions: 56833 Nos
- Voucher Maintenance

GL Control:

- Monitoring of different GL of 132 branches and Head Office.

Reconciliation:

- Reconciliation of General Account

Operation

FAD provides necessary business support in day to day operations while reporting on a timely basis. MIS assistance to the management and branches are also provided on regular basis. It also plays the lead role in managing and optimizing expenses for the bank.

Reporting:

- Monthly Reports: 17 Nos
- Quarterly Reports: 10 Nos
- Half Yearly Reports: 7 Nos
- Yearly Reports: 9 Nos.

Supportive Role:

- Provide continuous guidelines & support to the branches.
- Provide required MIS to the Management.

Leadership

FAD is pivotal in the overall policy and process development of the bank.

Policy and Process Development:

- Review of systems, processes and policies to facilitate consistent delivery across the entire spectrum

Planning & Strategy

The division involveson continuous evaluating, planning, and adjusting to keep the company focused and on track toward long-term goals.

Budget and Business Plan:

- Budgeting and business planning through forecasting with necessary inputs
- Capital planning and issue management
- Appropriate direction for changes in business and finance strategy for business improvement initiatives

Key Initiative in 2021

In order to manage through another year of extraordinary global turbulence and position the Bank for recovery from COVID-19, Financial Administration Division (FAD) drives for operational improvements necessary to navigate the challenges by strategically positioning and utilizing assets. FAD has taken a series of initiative which help the Bank to improve operational efficiency and retain profitability as under:

- Contribute significant amount of profit earned through successfully managing the Bank's portfolio in Capital Market. In 2021, total income from capital market was BDT38.34 crore against investment of BDT225.59 crore which was 17% return on investment.
- Initiatives taken throughout the year in managing the spread by trimming down the cost of deposit through improving deposit mix of the bank.
- Regular monitoring of GL in order to find out the loophole while ensuring the highest value for money in every types of expenditure as well as maximizing the utilization of Bank's assets.
- ConductedVirtual Business Review Meeting with Branches at regular intervals in order boost up profitability.
- In order to strengthen the long term capital base of the Bank, FAD played instrumental role in raising Additional Tier-1 Capital through issuance of "SJIBL Mudaraba Perpetual Bond" for BDT 5,000 million of which 90% i.e. BDT 4,500 million issued through private placement and the rest 10% i.e. BDT 500 million issued through Initial Public Offer (IPO)
- Introduction of Dynamic Profit Rate application in General Account

Special Achievement

The Bank has received a number of Awards on Annual Report 2020 from different prestigious bodies around the globe as recognitions of its best work, accountability, transparency and good governance.

1. 21st ICAB National Awards

i) First Position in Private Sector Bank Category

ii) Second Position in Corporate Governance Disclosures Category

2. SAFA Awards

i) 1st Runner Up in Private Sector Banking Institutions Category

ii) 1st Runner Up in SAARC Anniversary Award for Corporate Governance

iii) Overall 2nd Runner Up

3. 8th ICSB National Award

i) Gold Award (1st Position)

4. ICMAB Best Corporate Award-2020

i) Bronze Award

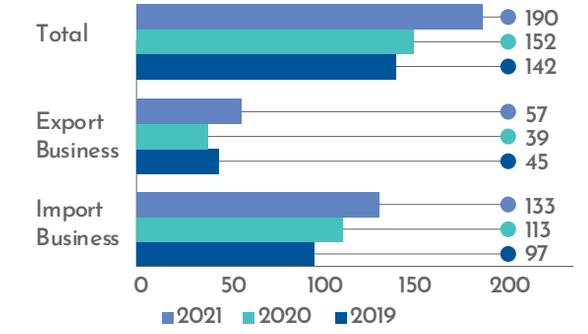
Future Strategy

The Division is instrumental in ensuring streamlined operation of the bank by providing information and support quickly and efficiently. This helps senior management in devising comprehensive and sustainable strategies to ensure that long term targets are fulfilled. FAD is committed to further seek out areas for improvement to ensure excellence of the highest degree in every aspect of the bank.

Central Processing Centre (CPC)

One of the core activities of the Bank is to facilitate international trade. With an aim to deliver Foreign Trade Services to the doorstep of our clients of Non-AD branches, the management of the bank has formed Central Processing Centre (CPC-Dhaka) at Corporate Head Office and Central Processing Centre - Chattogram (CPCCTG)" at Zonal office Chattogram in January 1, 2013 & September 1, 2020 respectively. Since its inception, CPCs have been working as a service center of the Non-AD Branches of the Bank for trade services. Day by day SJIBL CPCs has reached to all the Non-AD branches with its all-out quality trade services and became a comfort zone of the Non-AD branches. In 2021, foreign trade business of Non-AD branches has recorded a significant growth.

CPCs Trade Business (USD million)



Shariah Inspection and Compliance Division

Shahjalal Islami Bank has always strived to operate Islamic banking activities by following the guidelines of the regulatory authorities and internationally recognized Shariah standards as well as the guidelines and instructions of the Shariah Supervisory Committee(SSC). Since its inception, Bank has formed a Shariah Board consisting of a group of eminent jurists and Shariah Scholars to ensure compliance with Shariah in all its activities avoiding all elements of interest.

As an independent division of Shahjalal Islami Bank Limited, Shariah Inspection & Compliance Division, with a pool of Muraquibs whose are well conversant in Fiqhul Muamalat and Islamic Jurisprudence, observes and ensures the Shariah compliance of the Bank and guides the Bank to the straight and practical ways to implement Shariah principles as prescribed by the Shariah Supervisory Committee and the directives of Bangladesh Bank Guidelines in all of its banking operations. The Division generally performs the following functions:

- Oversee and guide for implementation of Sharia Principles in the entire Banking affairs of the Bank.
- Conduct regular Shariah Audit and Inspection at the branches and divisions.
- Arrange the meetings of Shariah Supervisory Committee, Shariah Sub Committee, Shariah Inspection Report Review Committee on regular interval as per requirement of the bank and to undertake necessary measures for implementation of the decisions and recommendations.
- Refining existing products & services and developing new ones.
- Coordinating with the Management and Shariah Supervisory Committee.

Number of Branches Shariah Audit made



Muraquibs conduct Shariah Audit functions round the year. The objective of Shariah audit is to ensure proper execution of transactions as per Sharaih, evaluation and assessment of Shariah control systems that are in place. If an audit observation is raised on transactions of particular investment deal, then the income treated as doubtful and transferred to the Compensation Realized Account.

Overview on 2021:

By the grace of Allah, the Almighty, the division

completed the year successfully by taking a number of initiatives. Few of them are mentioned below:

- Conducted Off-site Shariah inspection, due to severity of COVID-19 pandemic, in all 132 branches of the Bank.
- Introduced the restructured Cash WAQF deposit product with new feature.
- Arranged 4 (four) meetings of Shariah Supervisory Committee and 2 (two) meetings of Shariah Sub-Committee to review and confer decision on the issues referred by the board of directors and management of the Bank.
- Reviewed Shariah compliance status of the branches and divisions of the bank convening 5 (five) meetings of Shariah Inspection Report Review Committee
- Arranged 2 virtual trainings for where about 1500 employees have been trained on different aspects of Islamic finance, operations and documentations.

Plan for the year 2022:

To ensure maximum level of Shariah compliance in all operational dimensions of the bank, the division have made a calculated plan for the future. The highlighted points of the plan for the year 2021 are given below:

- Formation of Shariah Compliance Cell in all branches of the Bank for ensuring better Shariah Compliance.
- Establishment of a separate Shariah Research Cell for conducting research on Islamic Banking issues and developing new products.
- Publishing "Shahjalal Islami Bank Shariah Guidelines".
- Preparing "Shariah related Five Years Plan" for better implementation of Shariah principles in all activities of the Bank.
- Taking necessary steps to obtain membership of AAOIFI (Accounting and Auditing Organization for Islamic Financial Institutions), IFSB (Islamic Financial Services Board) and CIBAFI (Council for Islamic Banks and Financial Institutions).

Anti-Money Laundering Division (AMLD)

Money laundering (ML) and terrorist financing (TF) are burning issues for the entire world. Money laundering involves taking criminal proceeds and disguising their illegal sources in order to use the funds to perform legal or illegal activities. In this context, to strengthen and reinforce the stability and integrity of the country's financial systems, Anti-Money Laundering Division (AMLD) of SJIBL has engaged in relentless efforts to combat money laundering, terrorist financing and proliferation financing. A group of talented officials are posted in AMLD of the bank. Most of the officials of the division are Certified Anti-Money Laundering Specialist (CAMS) including head of AMLD. The dedicated team works on proactive basis applying Risk Based Approach (RBA) according to national and international standards.

Overview on 2021:

Shahjalal Islami Bank maintains sound defenses against money laundering, terrorist financing and proliferation financing on weapons of mass destruction. In order to ensure strong and sustainable regulatory compliance in its operations, the division performs the following functions:

- Using world class Vessel Tracking Solution from Lloyd's List of Intelligence for prevention of Trade Based Money Laundering.
- Total 69 nos. accounts reported to BFIU where 13 nos. accounts marked as 'STR' and 56 nos. accounts marked as 'SAR' as a part of transaction monitoring.
- Conducting Inspection on AML and CFT issues on 132-branch as per instruction of CCC.
- Arranging of a day long workshop as a Lead Bank on 'Prevention of Money Laundering and Combating Financing of Terrorism' for the officials of different commercial banks located in Jashore district.
- Arranging of daylong workshop on "Strategies to improve AML/CFT Compliance of the Bank" for all BAMLCOs and other officials of the Bank
- Reviewing and updating the Money Laundering and Terrorist Financing Risk Management Guidelines;
- Reviewing and updating Guidelines for Prevention of Trade Based Money Laundering;

Plan for the year 2022:

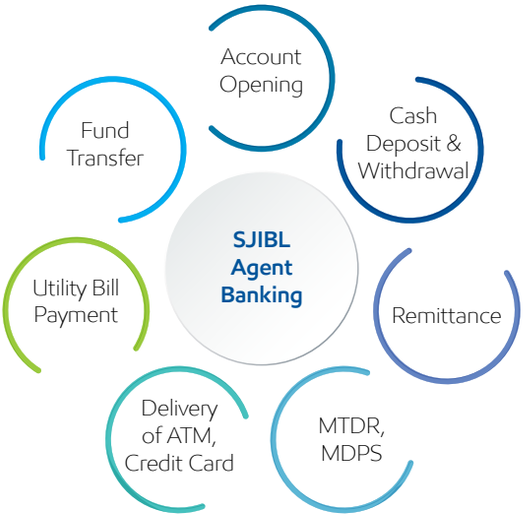
- To arrange special training/workshop for Board of Directors of the Bank.
- To arrange BAMLCOs Conference Conducting need based training for all the officials and executives and agents
- To develop necessary infrastructure for price verification in line with the exposure to international trade, automated trade customers risk grading & trade alert escalation.

Agent Banking

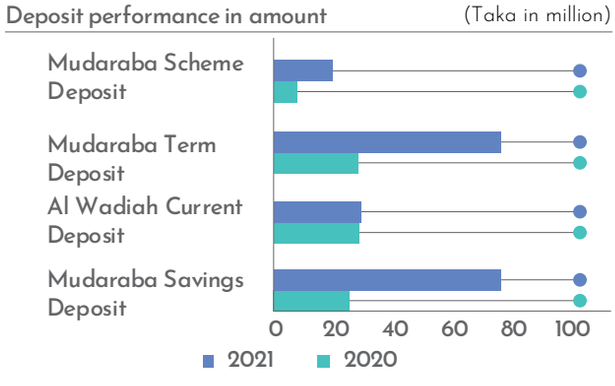
Agent Banking has been a catalyst in financial inclusion in Bangladesh. Agent Banking is defined as the banking services provided outside of regular bank branches by engaging agents under a valid agency agreement. The aim is to provide financial services to the underserved and poor segments of the population, especially those from the geographically dispersed locations. Shahjalal Islami Bank Limited (SJIBL) realized the potential to increase customer reach by offering Agent Banking services through agents for the customer of remote areas where they do not have access to formal banking system. SJIBL started its agent banking segment from 2020 and its operations have grown rapidly.

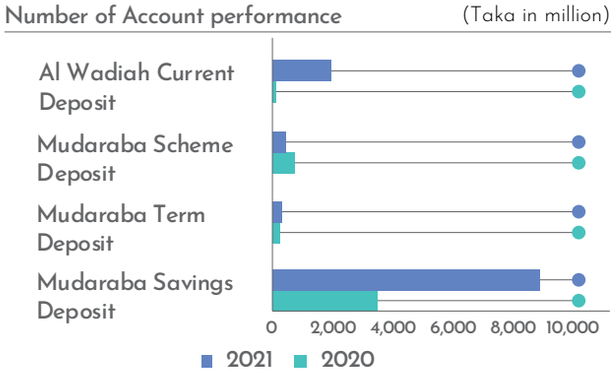
SJIBL Agent Banking Products & Services:

Providing financial services that are convenient, affordable and reliable, SJIBL aims to widen the network of financial inclusion through Agent Banking. SJIBL wants to provide a complete banking financial service solution to increase access to a broader range of financial products & services for every citizen of Bangladesh and promote sustainable banking solution to achieve the ultimate goal of financial inclusion. SJIBL Agent Banking Outlet will offer the below mentioning products and services:

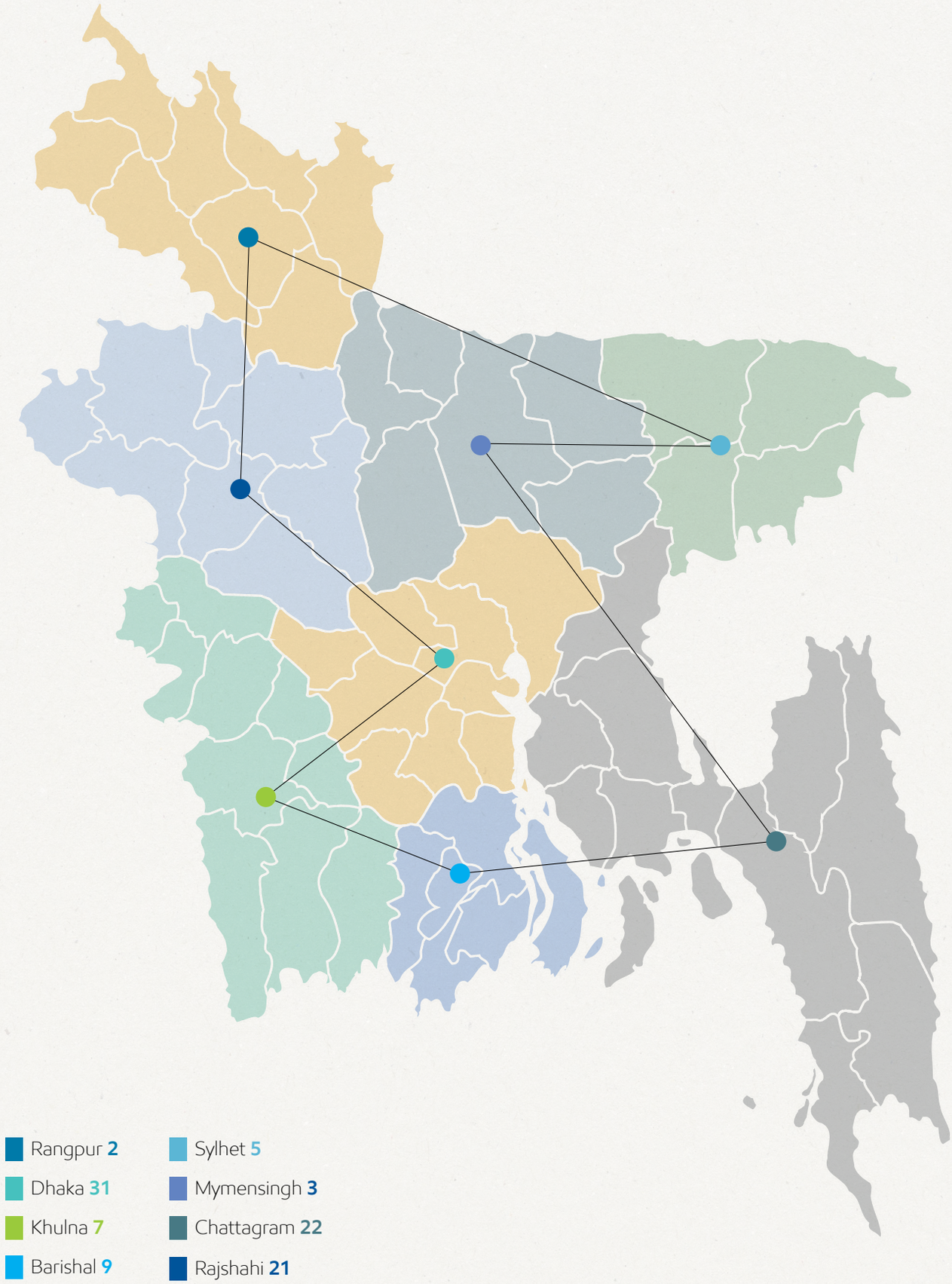


Shahjalal Islami Bank made Agent Banking Structure with secured technology and real time banking for customers. Agent Banking customer can enjoy transaction that are on real time basis and the Agent Banking System is integrated with the Core Banking System. Customers get instant SMS notification and system generated money receipt for each transaction.





Geographical Coverage of Agent Banking 2021



REVIEW OF
SJIBL SUBSIDIARY

Operating environment in 2021

The market was mostly bullish from the beginning of 2021 amid growing investor participation driven by various regulatory measures and favorable macro-economic conditions while the corporate tax cut for listed companies has protected corporate earnings from a potential detrimental impact. Moreover, regulatory interventions with supportive policies such as extended credit facility by repealing index-linked margin loan, raising paid-up capital of small-cap companies, mandatory 30% shareholding for sponsors has boosted investors' confidence even more. Besides, BSEC's initiatives for long term sustainable development of capital market namely board reformation and appointment of independent directors in poor performing companies, commencement of SME board, abolishment of OTC market and formation of delisting rule for non-performing companies has further boosted the investors' optimism. Moreover, liquidity driven stock market rallied in 2021 supported by expansionary policy, decrease of National Savings Certificate sales, lower interest rate on bank deposits, and the absence of investment alternative options during lock-downs prompted the investors to channel funds in stock market.

On the eve of the country's Golden Jubilee of Independence in 2021, the prime index of Dhaka Stock Exchange (DSEX) touched a new high of 7,367 points. DSEX, the broad-based index, upsurged 1,083 points with a holding period return of impressive 25% and ended at 6,756 points with an attractive valuation (market P/E) of 17.1x in contrast to its Asian peers. The market capitalization of the prime bourse also rose by BDT 939 billion or nearly 21% during the period to reach 5,422 billion at the last trading day of 2021. Besides, earlier on9th Sep, 2021 total market capital stood at record high of BDT 5,863 bn.

However, later in 2021, the market became a bit shaky as normal economic activity resumed, putting profit booking spree in the capital market. The money market started to feel liquidity contraction as rising inflation prompted Bangladesh Bank to introduce Bangladesh Bank Bill as part of a precautionary measure to avert possible asset bubble which added more stress to the capital market. Consequently, rising interest rate enticed investors away from stock market to channel funds in other investment options. Both the regulators i.e. BSEC and BB sat several times to resolve ongoing issues related to banks' exposure limit, exclusion of bonds in exposure limit, transfer of unclaimed dividends to designated Fund which perplexed investors in the later part of the year thus participation also remained subdued towards selective issues during the last few months of 2021.

Particulars	2017	2018	2019	2020	2021
Market Cap(BDT in Billion)	4,229	3,873	3,396	4,482	5,422
DSEX Index	6,245	5,386	4,453	5,402	6,757
Avg. Daily Turnover(BDT in million)	8,748	5,510	4,803	6,489	14,749
Market P/E (Times)	17.3	14.6	11.9	16.5	17.1

Key Drivers

- Favorable macro-economic conditions and Impressive economic recovery of Bangladesh.
- Corporate tax cut for listed companies
- Attractive market valuation in many sectors.
- regulatory interventions with supportive policies such as extended credit facility by repealing index-linked margin loan, raising paid-up capital of small-cap companies, mandatory 30% shareholding.
- Surplus liquidity in market owing to the stimulus package &expansionary monetary policy.

ShahjalalIslami Bank Securities Ltd. (SBLSL) is one of the top 20 brokerage houses in Bangladesh and a fully owned subsidiary of ShahjalalIslami Bank Limited. SJIBSLis a TREC-holder of both Dhaka Stock Exchange Ltd. - DSE (TREC #233) and Chittagong Stock Exchange Ltd. - CSE (TREC # 134) and holds both broker & dealer licenses.

SJIBSL Products & Services

Brokerage Services:	CDBL Services: Full Service DP	Research Services	Daily Electronic Notification
Error free & compliant trade execution and margin trading	BO account opening & maintenance, share transfer and transmission through CDBL	Equity valuation, industry & macroeconomic review, daily & weekly market updates	Daily portfolio statement, trade confirmation & research reports through email & SMS
Foreign Trade	**Margin Investment Facilities**	**Panel Brokerage**	**Trade with Ease**
Trading for foreign investors & NRBs	Competitive rates and easy processing	Special trading services/terminals for institutional investors	Trade instruction through DSE Mobile & Desktop App, Telephone, Email and Fax

Key financials

Million BDT

Particulars	2020	2021
Margin Investment outstanding	3,098	3,502
Operating income	320	671
Operating profit	27	337
Net profit(loss)	6	253
Operating profit margin (%)	1%	10%

Market Outlook for 2022

The capital market of the country had an exceedingly strong performance in the early 2021 but the market has been witnessing some volatility and scrip-wise price correction over the past few months for a number of reasons. Firstly, as the market has made tremendous gains in the last year, some fund withdrawal due to profit booking is happening. Meanwhile as the economy has reopened, some funds from the market is being shifted to other sectors, while some investors remained cautious to observe the market amidst the on-going volatility. Last year the stock market rallied with huge liquidity due to expansionary monetary policy, but changes in the money market is expected to affect capital market performance to some extent in 2022. Moreover, rising of private sector credit, selling dollars to maintain exchange rate, re-fixing bank deposit rate above inflation rate, limiting liquidity in money market by bills auctions may put further pressure on the money market. However, the economy is now shifting from the recovery to the growth phase, which should result in a monetary and fiscal policy setback in 2022 as against the previous expansionary stance in order to tame accelerating inflation. Year 2022 might be an even year for the capital market compared to the year we have passed due to the anticipated spike in interest rates as well as inflation. Unlike 2021, which has been the year of bull-run for the broad market, companies with sound fundamentals from the consumer goods, pharma, engineering sectors, well governed Bank, NBFI and insurance stocks may stand out in 2022 based on the rebound of the economy. The squeezing liquidity scenario in the money market started to hurt market participation and some of the investors favored to channel funds in other alternative options due to recent bearishness of the market. Owing to that, the average daily turnover in 2022 is expected to remain subdued than what we experienced last year (average daily turnover in DSE was BDT 14.75 bn in 2021). The prime index, DSEX may hover around the psychological threshold of 6500-7500 points with more pending IPOs as well as bond to be listed in the bourses.

Strategy for 2022

- Ensuring service excellence throughout the organization by engaging all employees in product and service innovation process, and offering customers new-to-the-industry products and services.
- Increasing fin-tech platform to connecting customers through online media.
- Enhancing capacity of research team and increasing its equity and industry coverage to attract more institutional individual clients.

INITIATIVES OF **MANAGEMENT IN 2021**

Customer Service Excellence

- **Digital Account Opening E-account:** The Bank has launched E-Account Opening Services with an aim to providing virtual account opening services to its customers from anywhere, anytime maintaining all security measures.
- **QR code Banking Service:** Bank has also inaugurated QR Code Banking service for cash withdrawal for its customers. They are now able to withdraw cash by using QR Code from any branch without any cheque or card.
- **Automated Challan System:** The Bank has signed an agreement with Bangladesh Bank on Automated Challan System. Under this agreement, Bank able to collect revenue from the individuals & institutions and deposit the same to the government treasury on the same day.
- **Miss call alert balance enquires service:** The bank has introduced miss call based account balance enquires service for its customers. Now any customers can get their account balance instantly through a return SMS by a miss call from their authorized number to Bank's registered number.
- **Implementation of Full Functional Disaster Recovery Site:** The Bank has implemented full functional Disaster Recovery Site during this year. Through this, The Bank is now capable to run most of the critical business services from the Disaster Recovery Site, located at Kashimpur, Gazipur in case of disaster situation at Data Center, located at Gulshan, Dhaka.

Operational Efficiency

- **Dynamic GL Profit Calculation:** The Bank has introduced Dynamic GL Profit Calculation in this year. Through this process GL profit is being distributed or collected based on the Cost of Deposit and Deposit Mix to the lending or borrowing branches respectively.
- **Formation of Post Import Finance (PI) Monitoring Department:** SJIBL has formed Post Import Monitoring Department to ensure compliance as well as to closely monitor post import related activities.
- **Introduce "ICT Security Department":** Protection against cyber threats is a growing concern for every organization especially for financial institutions. To ensure more security against ICT Security threats, the Bank has formed a separate department named "ICT Security Department" with special skilled professionals to dedicatedly deal with ICT security issues.
- **Setting up "Work Order Financing Department":** SJIBL continuously works on restructuring its Organogram based on volume of business, change of technology, business complexity and functionality. In the year 2021, a new department called Work Order Financing Department has been established with a view to emphasize upon work order investment business of the bank.
- **Leveraging online technology maximum:** Very immediate after COVID-19 breakout, Bank has been conducting numerous zoom-based workshops and training which can accommodate 2000 employees per training or workshop. Due to the second wave of the pandemic, it was really very difficult to take promotion interview of the banks employees. As such, SJIBL Management introduced zoom based confirmation and promotion interview of the Bank employees for the first time.

Bank's Capacity building

- **Enhancement of Tier 1 Capital:** In order to strengthen the long term capital base, Bank has raised Additional Tier-1 Capital through issuance of "SJIBL Mudaraba Perpetual Bond" for BDT.5,000 million. After that Bank's Capital to Risk Weighted Assets Ratio (CRAR) stand 15.04% on Solo basis as on 31.12.2021.

Patronizing ethical and respectful banking

- **Recruitment of Female Agents:** In order to promote female entrepreneurship, SJIBL has recruited 08 female agents in the year 2021. Prior to that, SJIBL had only male agents to operate agent banking booths. This is also the reflection of SJIBLs commitment to create gender equal opportunity for all.
- **Rebuilding SJIBL Training Center:** As SJIBL believes training and development are the major

factors to achieve sustainable competitiveness, Bank has rebuilt it's training institute and shifted its training center from Motijheel to Badda area, close to Head Office of SJIBL with all modern amenities.

- **Showing humanitarian attitude to women:** Bank shows relaxation in work to female employees during severe COVID-19 period in 2021.
- **No penalty for late payment:** No penalty was imposed for late installment payment of all deposit scheme in COVID-19 period.
- **Giving Integrity Award:** Integrity awards was given to employees having good ethics to motivate other employees.

Ensuring Health and Hygiene in all operational aspect:

- **Bearing COVID-19 treatment cost:** The Bank has borne all cost of COVID-19 medical and test expenses of all affected employees.
- **Recruitment of medical assistant:** SJIBL recruited a medical assistant in 2021 to assist bank's regular physician to ensure proper medical care of its staffs.
- **Allowed quarantine leave:** Allowed quarantine leave for containing COVID-19 from the other employees, when and where required.
- **Safety kit distribution:** Free distribution of mask and sanitizer have been frequently made among all employees.

Employee Motivation

- **Attractive bonus for all employees:** On the basis of Annual Appraisal Report, minimum yearly cash incentive has been given to all employees on the basis of performance of 2021.
- **Enhanced Insurance Coverage for all employees:** The Bank enhances insurance coverage to all employee with their family members for covering all major disease with all sort of accidental causality.

REPORT ON **GOING CONCERN**

Going concern is a fundamental accounting concept that underlies the preparation of financial statements of companies. The Board of Directors of Shahjalal Islami Bank Limited (SJIBL) has made annual assessment about whether there exists any material uncertainty which may cast significant doubt upon the bank's ability to continue as going concern. This assessment involves making appropriate inquiries including review of budget & future outcome and other inherent uncertainties in existence. The Directors are convinced from the following indications, which give reasonable assurance as to the bank's continuance as a going concern for the foreseeable future.

Financial Performance Indications

2021 was challenging year for banking sector amid COVID 19 pandemic. In 2021 SJIBL manages to attain progresses in almost all the financial indicators which exhibit the bank's excellence in operating performance. The operating profit growth was 46.62%, investment growth was 10.22% and total assets growth was 6.89% keeping NPI at 4.42%. SJIBL's ROA and ROE for the year 2021 was 0.85% and 13.70% respectively. The financial performance of the bank was impressive and this was the primary basis of conclusion of our going concern status.

Cash Flow Analysis

The cash flow statement of the bank represents the ability of the bank to repay its obligations, ability to adapt in changing circumstances and generate sufficient cash and cash equivalents which will lead the bank to a sustainable future growth. The Operating Cash Flow before changes in operating assets and liabilities generated in 2021 was BDT 3,685.86 Million and net Operating Cash Flow after changes in operating assets and liabilities shows inflow of BDT 632.06 million. The cash flow from operation of the bank was impressive and this indicates the appropriateness of our going concern assumption.

Payment of Obligations

Shahjalal Islami Bank has strong credibility in terms of payment of its obligations to the depositors, lenders and suppliers. The bank is very particular in fulfilling the terms of payment agreements without any exception. This has evident from our effective liquidity management plan. Even in the tightening liquidity scenario, the bank has paid all of its obligations in time. All of this has contributed to the bank achieving a very good credit rating.

Expansion of Business

SJIBL continues to expand its touch points geographically by opening new branches, sub-brunches, agent banking outlets and ATM booths in different places considering the economic significance of the locations. The management's initiatives to expand business indicate the appropriateness of going concern assumption.

Consistent Payment of Dividends

SJIBL has been paying consistent dividend to its shareholders over the years, which reflects the bank's long term vision and firm commitment to its shareholders. In 2021 the bank has paid 15% dividend which consists of 10% cash dividend and 5% stock dividend. The dividend payment reflects the bank's long term operational viability. The payment of dividend for last five years is given below.

Particulars	2021	2020	2019	2018	2017
Total Dividend	15%	12%	10%	10%	10%
Cash Dividend	10%	7%	5%	-	-
Stock Dividend	5%	5%	5%	10%	10%

Maintenance of Sufficient Capital

As per Risk Based Capital Adequacy Guidelines of Bangladesh Bank in line with Basel-III, banks are required to maintain a Capital to Risk Weighted Asset Ratio (CRAR) of 12.50% (including capital conservation buffer) of total risk weighted assets (RWA) of the bank. During the year 2021, SJIBL maintained CRAR well above the minimum requirements of 12.50%. The CRAR of SJIBL was 15.04% in 2021. To strengthen the capital base, the bank issued Mudaraba Perpetual Bond for the first time in the bank's history for Tk. 5000.00 million with due approval from competent authority. The bond was fully subscribed and listed with the DSE and the CSE. This also indicated the support and confidence of stakeholders on our Bank.

Risk Management

Effective risk management is of immense importance at SJIBL. A robust approach to risk control enables the

bank to identify, assess and manage risks efficiently. The bank's Board is ultimately responsible for setting and stewarding the bank's risk strategy and framework. For ensuring effective risk governance the Board entrusts this responsibility through various committees within the bank. The Board promotes a strong risk culture and expects every employee to adhere to these high standards to enable the bank to eventually achieve the bank's vision of being one of the best Islami bank in Bangladesh.

Other Indications

Satisfactory Credit Rating

Emerging Credit Rating Limited (ECRL) has rated the bank in 2021 with "AA" (Pronounced as Double A) in the long term and "ST-2" for the Short Term based on audited financial statements up to 31 December 2021 and other available information up to the date of rating declaration. The outlook on the rating is Stable. The rating reflects the strengths of the bank which is backed by a strong management team, significant growth in operating profit, adequate capital coverage with high Tier-1 capital, improved asset quality and well controlled liquidity position.

Strong equity base

As on 31 December 2021, total equity of SJIBL stood at BDT 19,802.99 million which was BDT 17,948.76 million in 31 December 2020, representing a growth of 10.33% over last year and reflects the bank's long-term viability.

Changes in Government Policy

SJIBL Management anticipates no significant changes in legislation or government policy, which may materially affect the business of the Bank.

Based on the above mentioned indications, Directors feel it is appropriate to adopt going concern assumptions. Adequate disclosures have been made in the financial statements and different sections of the annual report to understand the appropriateness of going concern basis in preparing the financial statements.



account

নিমিষেই নতুন একাউন্ট

আপনি যেখানেই থাকুন না কেন, সেখান থেকেই তাৎক্ষণিক
একাউন্ট খুলুন **e-account** এর মাধ্যমে।

সহজেই সেভিংস একাউন্ট খোলার নতুন ডিজিটাল সেবা **e-account**

24/7 Call Center
Committed to Cordial Service
16302

Scan to find us on facebook

শাহ্‌জালাল ইসলামী ব্যাংক

লি মি টে ড

আন্তরিক সেবায় প্রতিশ্রুতিবদ্ধ



SUSTAINABILITY REPORTING

MESSAGE FROM THE MANAGING DIRECTOR **& CEO ON SUSTAINABILITY**

The bank celebrated its 20th anniversary in 2021. The bank was founded in 2001 with the purpose of delivering Shariah-compliant financial services and a mission to create sustainable value for all our stakeholders. We strive to provide positive value to the communities in which we operate. Throughout the value chain, the bank encourages each unit to create constant engagement with stakeholders, which include customers, employees, shareholders, society, the environment and regulators. Our sustainability policy strives to give the people of the country a better tomorrow.

The global spread of COVID-19 in 2020 has triggered a rise in worldwide interest in environmental and social issues. In 2020 and continuing into 2021, the COVID-19 pandemic placed enormous challenges on society. The impact of the pandemic remains with us and reminds us of the fragility of human life and the planet. We remain on alert and vigilant as COVID-19 remains an ever-present threat into 2021. However, the way in which we navigated this crisis gives us confidence that we will emerge from it more resilient and stronger than ever. Our primary focus was, and is, to protect our employees and continue to meet our customers' needs. We remained operational as a result of our employees' dedication and commitment, and I have the utmost respect for our resilient workforce.

Our employees' well-being has always been a key driver in our sustainability efforts. We focused first and foremost on ensuring their safety while maintaining business continuity and actively supporting our communities as they adapted to the pressures of COVID-19. We quickly mobilized our Quick Response Team (QRT) to ensure employee safety and oversee preventive measures at our branches, including increased health and security protocols and proper protection and sanitation. We acted swiftly in following and implementing the guidelines of the government and adopted the necessary workplace controls.

During the COVID-19 pandemic, the importance of sustainability became even clearer, with citizens demanding change. Climate change, the most challenging issue of our time, has become, in the eyes of many, a climate crisis. Diversity, inclusion, and equality are urgent issues for global society. Deforestation and the need to create a circular economy may have received somewhat less attention in 2020, but they remain critical issues for the planet and relate directly to our business activity. Our business impacts people and the environment in many different ways, and by thinking of the issues in totality, rather than in isolation, we can achieve a greater positive impact.

Since the inception of its journey, Shajalal Islami Bank Ltd. has believed that its financing activities are key enablers that impact sustainable development. As SJIBL is engaged with all segments of business and society, we can make a big difference in building a more secure future by providing financial solutions that support our customers' sustainability journey, including the pursuit of climate change and green business opportunities.

We acknowledge our responsibility to support less energy consumption and a low carbon economy to protect nature. The bank also admits that the impact on our communities and our economy will become much more significant if we leave the causes of climate change unchecked. We encourage our employees to think twice before printing any materials. Our lending activities do not include lending to businesses that are classified as high carbon emitters and treated as high-risk as per environmental and social risk assessment and red category as per DoE categorization. A tree plantation program has been conducted to combat climate change and facilitate the harmony of the environment. We have also strengthened the financing of the sustainable and green initiatives identified by Bangladesh Bank.

Bangladesh has set targets in its perspective plan of Bangladesh, National Sustainable Development Strategy, 8th five-year plan, Intended Nationally Determined Contributions (INDCs) with an effective drive in SDG implementation by involving all the target groups. Shahjalal Islami Bank Limited has been strengthening its efforts to assist the SDGs by accelerating its contribution and enhancing its activities on key environmental issues while rendering services to its customers.

The SJIBL Foundation as well as the Sustainable Finance Unit of the Bank were formed with the aim of strengthening the CSR program and streamlining the

activities of sustainable finance in a more systematic, structured, and sustainable manner. Since its inception, we have been contributing to the development of our economic aspects through dedicated investment, sponsorship, and volunteer programs through our Corporate Social Responsibility (CSR) drives. This year's initiatives provided continuous support to the community through human, educational, environmental, and climate change mitigation and adoption, and other areas like sports and culture, disaster management, women's empowerment, income-generating activities, and blanket distribution in line with the SJIBL vision, as well as proactively protecting, helping, and supporting our local community during the pandemic. We look forward to continuing our support of the community through activities that are consistent with our strategy and adopting purposeful programs that add value in the fields of education, health, environmental preservation, and other activities consistent with our vision. Shahjalal Islami Bank Ltd. has awarded scholarship to 500 meritorious students in 2021 under regular program who have passed SSC or HSC with GPA 5 but not economically able to continue further studies. Among the 500 under privileged students, 160 male students and 140 female students got scholarship for continue their studies at HSC level, 120 male students and 80 female students got scholarship to continue their studies at Bachelor level. In 2021, SJIBL has enhanced CSR activities by giving more focus to the health sector in view of addressing the COVID-19 pandemic, while environmental preservation, and other activities have been under consideration.

The bank focuses its efforts on promoting inclusive financial accessibility as well as cultivating financial literacy for customers and the general public, especially among the vulnerable population. The bank has increased its agent banking outlets across the country in remote areas to cater to the banking services of the unbanked people in 2021.

Concluding Words

We face enormous challenges in the world we live in. If we put sustainability at the core of our hearts and at the center of our planning process and operations, we can make a genuine contribution to resolving these challenges. By collaborating with our partners and stakeholders, we can create more social, economic, and environmental value.

Our commitment to sustainable finance and corporate responsibility will not change; rather, it will be stronger in the future. Efforts will continue with regard to new initiatives to enhance Shahjalal Islami Bank's engagement and involvement in our communities, as well as opportunities to assist in scaling up environmentally friendly finance to ensure the overall sustainable growth of our beloved country.

Finally, I would like to express my gratitude to our employees, stakeholders, business partners, and associates for their continued supports in making 2021 a year of accomplishments despite the challenges.



M Shahidul Islam
Managing Director & CEO

ABOUT SUSTAINABILITY **REPORTING**

Sustainability Performance Highlights in 2021:

- 25,000 number of Trees Planted
- TK. 232.93 Million CSR Expenditure
- LEED Green Certified Building
- SJIBL Green Office Guide
- Water Filter In all touchpoints
- 9,457,566 number of SMS sent
- 359 number of Clients opened e-account
- Instant Balance Inquiry
- 37,294 number of e-Statement
- 24/7 Call Centre
- Cash Withdrawal via QR Code
- 2,657 Trained Employees
- 178 number of ESDD Conducted
- 19 number of Solar Powered ATMs
- 52 number of in-house training
- 20% Women in workforce
- 29,393 Number of Mobile Apps Users-SJIBL NET
- 10,20,873 number of Customers
- 208 number of enlisted suppliers
- CAR 15.04%

MILESTONES OF SJIBL'S SUSTAINABILITY IN 2021

JANUARY — Target fixation & allocation of Green Finance & Sustainable Finance

FEBRUARY — Capacity Building of the employees by conducting training via Zoom

MARCH — Meeting of SFU was held

APRIL — Observing Cleanliness day to raise awareness about hygiene

MAY — Practical workshop on Fire-drill practice for the employees

JUNE — Upgradation of MIS

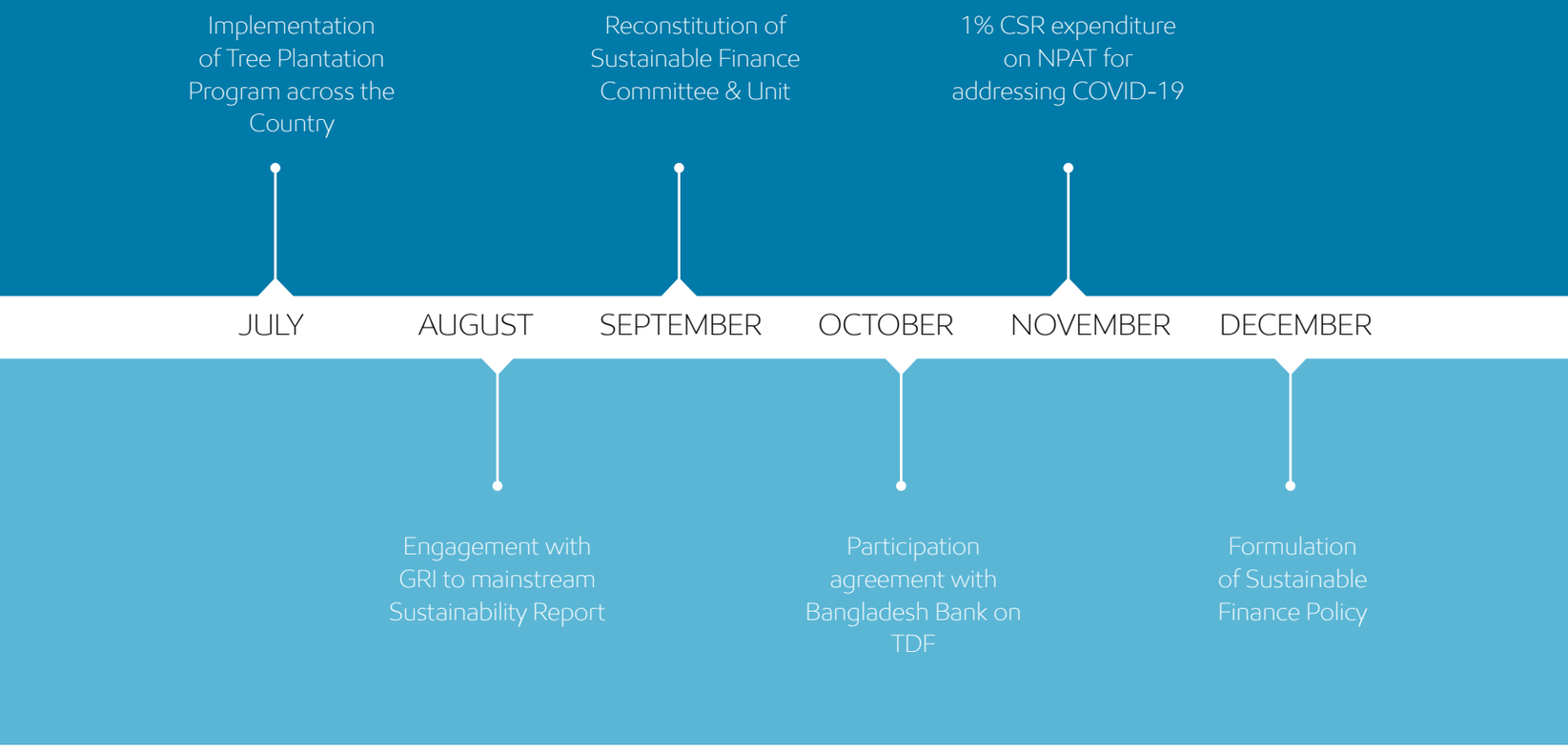
Awards and Accolades



3G Green Champion Award 2020



3G Excellence in Sustainable Practices Award 2020

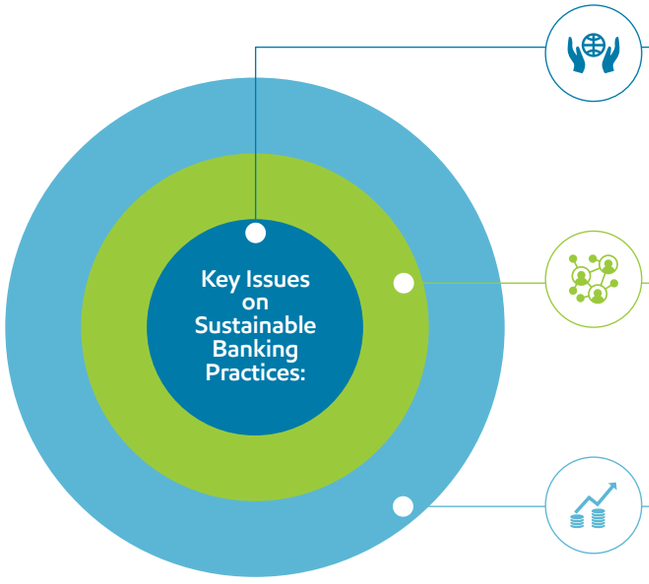


Sustainability During the Pandemic:

Sustainable development is an important and integral part of the pursuit of value creation for the customers, the employees, and the society. We are exerting our continuous effort to set sustainability as an integral part of the overall business strategy. As a responsible stakeholder of the society, SJIBL has also been addressing the issue of climate resilience and sustainable banking practice ranging from financing to philanthropy. With this has been added further investment on digital-onboarding especially due to COVID -19.
The COVID-19 Pandemic has been a wake-up call and the ultimate 'Stress-test' for a world afflicted by environmental degradation and social inequalities. The pandemic has shown that sustainability and resilience are now a necessity for the operation of any businesses. The outperformance of ESG indices and funds during this period of economic uncertainties is a testimony of the demand by the stakeholders for greater business transparency, accountability and innovation.



Key Issues on Sustainable Banking Practices:



Environmental Sustainability

Growth of digital on-boarding & paperless banking,
Head Office -Leed Certified Green building,
Financing Environment Friendly Products like ETP,
Solar Panel

Social Sustainability

Group health insurance facility for all staff
CSR & Zakat with special focus on healthcare for pandemic
SME investment for employment generation

Economic Sustainability

Profitability (SJIBL obtained sustainable profit)
income tax and vat paid duly to Government Treasury
Retained Earning, EPS

About this Report

This report illustrates how we bring our sustainability commitment to life through our activities; it provides information about our economic, social, environmental and governance activities and commitments up to December 31, 2021. We have focused our reporting on issues that we thought are of greatest importance to our stakeholders. A comprehensive overview of our impact and engagement is covered in the different parts of this report, highlighting our activities and the main operation. We have used all information and data of Shahjalal Islami Bank Limited in line with our reporting policies. In this report, we have also included an in-depth reporting showing the bank's response to the Sustainable Development Goals (SDGs). Most importantly, this report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: "Core Option" for the very first time in our sustainability reporting.

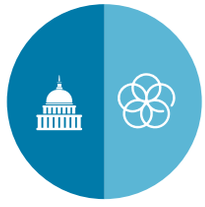
Scope of this Report

This report covers all significant economic, social and environmental impacts resulting from SJIBL's activities from January 01, 2021 to December 31, 2021. There is no significant change regarding scope, boundary or measurement methods and explanation of the effect of any restatement of information comparing to the previous report of the year 2020.

Content and Boundary of this Report

The content of this Sustainability Report mainly considers two crucial issues of 21st century:

ESG (Environmental, Social & Governance)



SDG (Sustainable Development Goals)

While Sustainable Finance and ESG are still far from being mainstream, United Nations are emphasizing on implementation of SDGs in order to build a prosperous society. In one sense, ESG and SDG are interdependent since execution of ESG will expedite SDG in many forms whereas implementation of SDG will automatically promote the concept of ESG.

SJIBL's Movements to Sustainability:

Resource degradation and social inequality remain a challenge at both national and global levels and are partly caused by economic expansion, increasing demand for natural resources and lack of resource accessibility to sustain decent livelihood. The above challenges have led to a push for "sustainable development" in economies around the world. Since the transition to a sustainable economy requires capital and time, the finance and banking sector which acts as

an intermediary for capital mobilization and resource allocation serves an important function of driving sustainability for the business and supporting financial health for the individual. SJIBL recognizes and fulfils its role in promoting sustainable finance by incorporating Environmental, Social, and Governance (ESG) criteria into its lending and investment advisory decisions. The Bank is also committed to developing and delivering social and eco-friendly financial products and services in parallel with continuous promotion of financial accessibility and literacy among customers and people in the general public. To ensure that the Bank's sustainable finance commitment is carried out systematically and with continuity, the Sustainable Finance Committee (SFC) headed by Additional Managing Director was set up in 2017 to establish long-term plans and align these plans to the business decisions to ensure sustainability.

The Bank focuses its efforts on promoting inclusive financial accessibility as well as cultivating financial literacy for customers and the general public, especially among the vulnerable population.

In addition, the Bank also forms partnerships with Bangladesh Bank by signing an agreement on refinance scheme to build a financial balance for the unbanked group that facilitates sustainable development to narrow economic inequality, raise standard of living for people in the society, and foster inclusive growth. In 2021, the Bank has enhanced its digital capability and transformed the work model with the development of digital banking and business ecosystems to attract and deepen engagement with customers. The Bank has focused on creating business opportunities for exponential growth by investing in new digital businesses in the form of direct investments and committed towards fostering a better work place and cleaner environment through its varied initiatives. SJIBL has adopted a culture of excellence, good governance, transparency and integrity by ensuring the way of activities to be conducted in a manner that is ethically responsible and beneficial for all stakeholders. SJIBL has a well-defined Code of Conduct policy that serves as a guideline for the behaviour and ethics of the employees. The Bank's approach to sustainability is founded on its duties as a financial services provider and its responsibilities toward society and the environment as well as its role as an employer. The bank has in place a dynamic Sustainable Finance Committee and Unit which set out its strategy in managing material sustainability matters, namely economic, environmental and social risks and opportunities associated with the bank's day to day operation.

In Sum-Up, our movements to sustainability demonstrate our never-ending efforts to integrate sustainability and environmental, social and governance considerations at the core of our operations. In line with this, we have initiated our solid journey towards sustainability aligned with the objectives of national and international plans adopted by the government of Bangladesh; such as Perspective Plan of Bangladesh (2021-2041), Government 8th Five Year Plan (2021-2025), National Sustainable Development Strategy, National Social Security Strategy (NSSS) of Bangladesh, Bangladesh Climate Change Strategy and Action Plan, National Agricultural Policy, Intended Nationally Determined Contributions (INDC), National Disaster Management Policy 2015, National Financial Inclusion Strategy, UN declared Sustainable Development Goals (SDGs). Our sustainability commitments are grounded in the belief that technology can help solve some of the most pressing challenges we deal. As part of this, we have given emphasis on digitalizing our products and services – to widen customer access, increase resource efficiency, minimize waste and deliver more cordial services in the fastest way.

GRI Materiality Disclosures in Sustainability Report:

On the basis of GRI-2016 (as mentioned below) effective from 1st July 2018, some disclosures have been made:

GRI-2016

GRI-100
GRI-101 Foundation
GRI-102 General Disclosures
GRI-103 Management Approach

GRI-200 Economic
GRI-201 Economic Performance
GRI-202 Market presence
GRI-203 Indirect Economic Impact
GRI-204 Procurement Practice

GRI-300 Environmental
GRI-302 Energy
GRI-304 Biodiversity
GRI 305 Emissions
GRI-307 Environmental Compliance

GRI-400 Social
GRI-401 Employment
GRI-402 Labor/Management Relations
GRI-404 Training & Education
GRI-405 Diversity & Equal Opportunity
GRI-406 Non-Discrimination
GRI-408 Child Labor
GRI-410 Security Practices
GRI-412 Human Rights Assessment
GRI-413 Local Communities
GRI-414 Supplier Social assessment
GRI-415 Public Policy
GRI-416 Customer Health & Safety
GRI-417 Marketing & Labelling
GRI-418 Customer privacy
GRI-419 Socioeconomic Compliance

Besides, following GRI Parameter which have recently been introduced are also important:

GRI-207 Tax (effective from 1 January 2021)

GRI-303 Water & Effluents (effective from 1 January 2021)

GRI-403 Occupational Health & Safety (effective from 1 January 2021)

GRI-306 Waste (effective from 1 January 2022)

Bangladesh Bank has introduced sustainability rating from the year 2021. This rating considers some financial indicators performance. SJIBL works on all of them to get better rating:

Ratio considered in measuring Sustainability and SJIBLs status in 2021

NPI rate	Capital Adequacy Ratio	Liquidity Coverage Ratio
4.42%	**15.04%**	**181.95**
Return on Asset	Return on Equity	Net Interest Margin
0.85%	**13.70%**	**2.52%**

NATIONAL SUSTAINABLE **DEVELOPMENT STRATEGY (NSDS)**

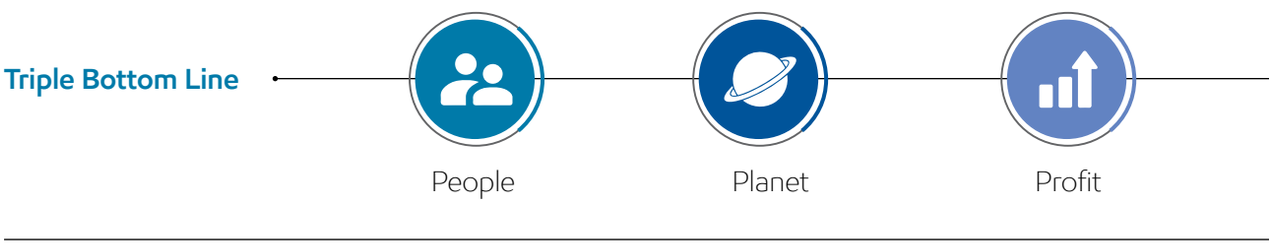
National Sustainable Development Strategy of Bangladesh have pointed out some environmental issues which are supposed to be addressed by both public and private sector organizations. The relevant part of National Sustainable Development Strategy (NSDS) of Bangladesh that specifically highlight on environmental issues have been mentioned below with SJIBLs status:

National Sustainable Development Strategy	SJIBLs Status
In the crop sub-sector, the key challenge is to achieve and maintain food security in the face of growing population, environmental pressure and climate change.	SJIBL disbursed agriculture loan/investment through NGO linkage and reputed NGOs are given responsibility in this case.
The objective of industry sector strategy is to accelerate the rate of its growth without degrading the natural capital.	SJIBL has been integrating environmental considerations into management practice.
The power sector strategies include enhancing power supply by gradual switching over to cleaner technology side by side with conventional one.	SJIBL invested into solar panel and roof top solar system in many of its projects.
The key elements of strategies include giving priority to railway sector and revival of inland water transport system through dredging.	SJIBL has many work order finance in construction sector.
The major challenge of health sector is to meet the diverse health care needs of a growing population.	SJIBL disburses considerable CSR on healthcare sector each year.
While housing development has served growing urban population, loss of wetland, open spaces, public parks, and trees have strong negative impact on environmental sustainability. Some of the strategies that have been suggested for sustainable urban development include green buildings.	SJIBL has financed for many green buildings inside and outside Dhaka.
It is especially important to shift from ground water to surface water as a source of water supply.	SJIBL has financed many constructions having rain water harvesting system and reservoir for surface water preserve.
Strategy for urban transport revolves around giving prioritization to pedestrian traffic and mass transit (such as Metro Rail, Bus Rapid Transit, and Circular Waterways).	SJIBL has many green and clean transport in its finance. Besides, banks Green Office Guide promote clean transport for employees.
Since most of the forest and biodiversity resources are in a degraded state, wildlife conservation through expanding protected area, development of coastal green belt and social forestation are recommended.	Under sustainable finance scheme, SJIBL promotes social forestation, eco-tourism park etc.
The challenge Bangladesh now faces is climate change that should be addressed by all concerned.	CSR activities are accomplished for managing disaster management each year by SJIBL Foundation along with Sustainable Finance Unit of the Bank. Different branches go for tree plantation and blanket distribution.
Urban areas particularly the big cities including Dhaka have serious pollution problems with respect to solid waste management, growth of slum areas without supply of clean water, and sanitation facilities. Decentralization should going on to bring Bangladesh outside Dhaka.	SJIBL has been working with great effort for diversifying its investment portfolio on geographical location basis. Besides, SJIBL branches are being set up both in Dhaka and other regions.
Waste management should be developed for some service sectors that create adverse environmental impact. For example health sector generates medical waste, I.T. sector generate e-waste etc.	SJIBL has financed for waste management in different projects.

National Sustainable Development Strategy	SJIBLs Status
Compliance of both government and the private sector with environmental rules, regulations and laws has to be ensured. Further, capacity of DoE will be strengthened to ensure compliance.	SJIBL follows all rules and regulations of Department of Environment (DOE) and Bangladesh Bank on environmental issues. Besides, Environmental and Social Risk rating is duly conducted for the investment proposals relevant to the specific sectors as identified by Bangladesh Bank, wherever applicable before financing any project.
Three important cross cutting areas have been identified to support the Strategic Priority Areas of the National Sustainable Development Strategy (NSDS). These crosscutting areas are Good Governance, Gender and Disaster Risk Reduction and Climate Change.	SJIBL has been working in all these cross cutting areas through community investment.

Triple Bottom Line Approach

As an institution that has embraced a holistic approach to sustainability, SJIBL follows the '3P' concept of 'people, planet and profit' under the ambit of its CSR aspirations and goals. Triple Bottom line approach suggests that we will ensure economic growth by not sacrificing environmental and social sustainability.



The bank has been working ardently to fulfill Sustainable Development Goals (SDGs) of the United Nations which include Inclusive Growth, Poverty Reduction, Gender Equality, Climate Action, Sustainable Cities and Communities, Quality Education and Good Health and Well-Being for the People. These Sustainable Development Goals (SDGs) commensurate with Triple Bottom line Approach in perfect way.

People (related to Social Sustainability):

SJIBL always participates in contributing financial support to the society all over the fiscal year and this philanthropic participation will be a continuous process. To work with different kind of customers, regulators and suppliers, SJIBL delivers services with transparency and fairness to build trust and integrity among all the stakeholders which also creates everlasting value for us.

People/ Society	Year 2021
Number of incidents of Discrimination	Nil
Number of incidents of Child Labor	Nil
Number of incidents of Human Rights violation	Nil

Planet (related to Environmental Sustainability):

We encourage our branches to invest in environment friendly projects which will be advantageous to our planet without making any threat in the long run. We also adopt and strictly comply in-house Green Office Guide of the bank to minimize the unnecessary consumption of the limited resources.

Planet/Environment	Year 2021
Number of imposed fines/ penalties by Department of Environment (DOE)	Nil
Number of environmental grievances	Nil

Profit (related to Economic Sustainability):

SJIBL generates profit and experiences an upward trend of profit growth each year including in the last two years in spite of having a downturn due to the outbreak of COVID-19. However, the organization believes in the generation of profit in such a way that will lead the Bank to the sustainable growth.

Profit/Financial Gain	Status in the Year- 2021
Maintenance of minimum (10%) Capital Adequacy Ratio	Yes
Maintenance of minimum (2.5%) Cash Reserve Ratio	Yes
Maintenance of minimum (5%) Statutory Reserve Ratio	Yes

The bank has been working keenly to be focused on achieving Sustainable Development Goals (SDGs) of the United Nations along with different national strategic plans of the government of the People's Republic of Bangladesh on environmental issues. CSR, Green Banking and Financial Inclusion are the three major banking tools to address:





Economic Dimension	Social Dimension	Environmental Dimension
Business Objectives		
Maximizing shareholder's wealth	Value creation for society	Conducting business without damaging the balance of the environment
Addressing Stakeholder Expectation		
SJIBL obtained sustainable profit	Adding value to the society by being a good and transparent corporate citizen	Implementing Green banking practices
Creating Value		
Return on Investment	CSR, Zakat, Cash Waqf	Green Banking initiatives
Indicators		
EPS & Cash Dividend	Branding, Sponsor	Sustainable Finance Portfolio, Reduction in GHG emission
Engagement Techniques		
Website and AGM	Training, Meetings	Training, Meetings Workshop, Green Office Guide

Triple Bottom Line Approach of SJIBL:

PEOPLE

- CSR donation: Tk.232.93 Million
- Number of Agent Banking Outlet :100
- Number of Female Employees: 457
- Number of Total School Banking Account: 27,970
- Number of No-frill Account: 5,727
- Amount in Cash Waqf Account: Tk.18.22 Million
- Zakat Fund: Tk.179.87 Million
- Borne expenditure of COVID Test of all employees
- Total SMS Sent to Customers: 9,457,566

PLANET

- Total Outstanding amount of Green Finance: Tk.770.37 Million
- Total Outstanding amount of Sustainable Finance: Tk.21,638.84 Million
- Total Outstanding amount of SME Sector: Tk.72,704 Million
- No finance in Tannery, Shipbreaking Industry & any other prohibited area
- Active presence in social media sites like SJIBL Official Facebook, Linkedin
- Launching of Automated Challan & QR Code for Cash Withdrawal

PROFIT

- Net Profit After Tax: Tk.2,585.24 Million
- Profit from digital platform Total RTGS :1,44,652
  Total EFTN: 17,27,938
- Achievement of 03 prestigious award from SAFA including Corporate
- Number of Total Issued Debit Card 39,120

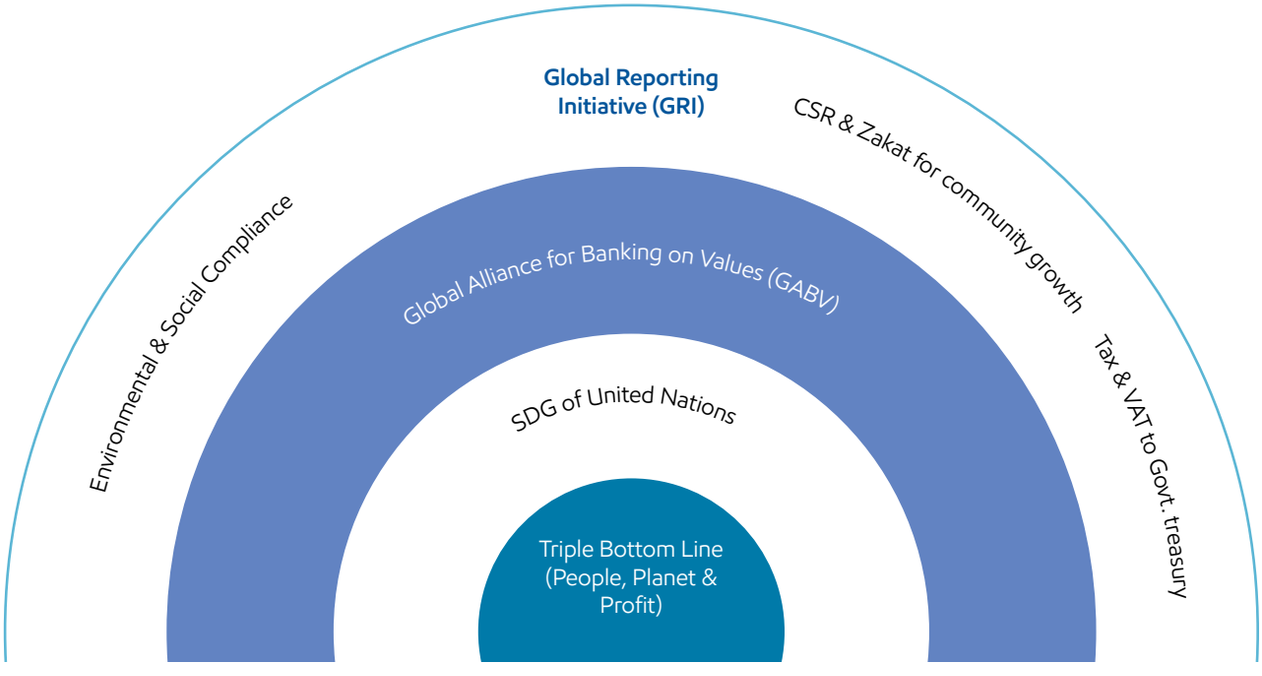
CORPORATE
SOCIAL RESPONSIBILITY

Many companies view CSR as an integral part of their brand image, believing that customers will be more likely to do business with brands that they perceive to be more ethical. Now-a-days Corporate Social Responsibility is synonym with Corporate Social Investment where company looks beyond mere profit. Apart from all, running pandemic of the world opened up newer avenues of doing CSR.

As a responsible stakeholder of the society, SJIBL made CSR amidst pandemic with especial focus on health care in order to ensure "new normal" society as much as possible. How lower and lower middle class community of Bangladesh could survive the pandemic was the main target of CSR of SJIBL throughout the year 2021.

American President Calvin Coolidge said in the 1920s that "the chief business of the American people is only business." It was a popular observation in a time of economic prosperity, when issues such as energy security, climate change, CSR were practically non-existent all across the world. But starting in the 1960s and 1970s, the environmental impact of an ever-expanding economy was generating more and more protest from citizens of different countries. The result was a wave of legislation designed to reduce the pollution produced by business activity. This is how the concept of environmental obligation and social responsibility came into existence. Today's terms like green banking, CSR are actually outcome of such chain of regulations.

Unlike conventional philanthropy, in which the corporation is simply donating money, CSR involves a hands-on approach to solving social and environmental issues in which the corporation is involved as part of ethical banking. The concept is transformative, and has the ability to generate positive effects through entire industries. CSR follows the '3P' concept of 'people, planet and profit' under the ambit of SDG and inspired by Global Alliance for Banking on Values (GABV) which is ultimately disclosed through reporting by pursuing Global Reporting Initiatives (GRI):



GUIDING PRINCIPLES FOR CSR ACTIVITIES OF SHAHJALAL ISLAMI BANK LIMITED

According to CSR Policy Guidelines of Bangladesh Bank, circulated in January, 2022, all banks including Islami banks should spend expected level from their net profit after Tax for annual CSR activities. Besides, Islami Shariah based banks may spend as CSR from their Compensation Realized account, Zakat fund, Doubtful Income and any other income which are not included into operational income and not distributed to the shareholders.

As a shariah compliant bank, Shahjalal Islami Bank Limited has disbursed Tk.232.93 million from SJIBL Foundation account while Tk.179.87 million was disbursed from zakat account. In addition, SJIBL has also complied with Bangladesh Bank circular that instructed all scheduled banks to make extra CSR equivalent to 1% of their last years' i.e. year-2020 net profit to address COVID-19 affected people of the country.

SJIBL is continuously pursuing its Corporate Social Responsibility (CSR) activities with utmost importance. We have espoused and embarked upon diverse activities particularly in the areas of education, poverty alleviation, healthcare, national and sponsoring environment friendly initiatives for the greater benefit of present and future generations.

CSR Under Environmental Responsibility (GRI-307):

Climate resilience is now the burning question. Continuously rising temperature of the world reminds us every day how much crucial CSR has become from long term perspectives. Though SJIBL is still confined within tree plantation, Management has plan to approve social forestation and environmental disaster management as CSR for climate resilience. It can be mentioned that Shahjalal Islami Bank Limited has spent Tk.1.06 million for tree plantation in different areas of Bangladesh by its remarkable number of branches in the year 2021.

CSR under Ethical Responsibility:

CSR Policy Guideline of Bangladesh Bank has emphasized CSR under ethical responsibility with especial emphasis upon women empowerment, Sports & Culture and financial literacy. SJIBL consider following CSR issues under the banner of ethical responsibility:

- Financial assistance to female education.
- Skill development program for unskilled women.
- Construction of female hostels.
- Providing separate transportation to female.
- Proving funds for domestic sports and culture.
- Bearing operating expenses of places of public interest like museums, libraries etc.

Shahjalal Islami Bank Limited has reinforced the CSR activities under ethical responsibility align to above mentioned areas to ensure women empowerment and cultural development in the rural areas. In 2021, SJIBL has disbursed Tk2,903 million for women entrepreneurship at concessional profit rate mainly for ensuring woman empowerment.

CSR under Economic Responsibility:

In broader aspect, disbursement of micro finance or agriculture finance are also considered CSR since entrepreneurship development, job creation etc. can be easily obtained by such micro and agriculture finance and these sectors get privilege in getting fund at lower rate. Here profit concerns gets priority side by side with public welfare.

Particulars of special CSR for COVID-19	Meeting No. & Date	Number of Beneficiary	CSR Amount Spent	Purpose
1% of Net Profit of 2020 i.e.19.08 million distributed as CSR	42nd Foundation Meeting dated 5th May, 2021	25,462	Tk.19.08 million	Assistance to COVID affected poor & jobless people with special focus to Rajshahi and Khulna region

Mentionable that Tk.1,893.7 million which was spent for CSR was not reported as CSR for the year 2021 to regulatory bodies with routine report; because it will be absorbed and reported next 03 years starting from the year 2022 part by part with future CSR as per regulatory instruction of Bangladesh Bank.

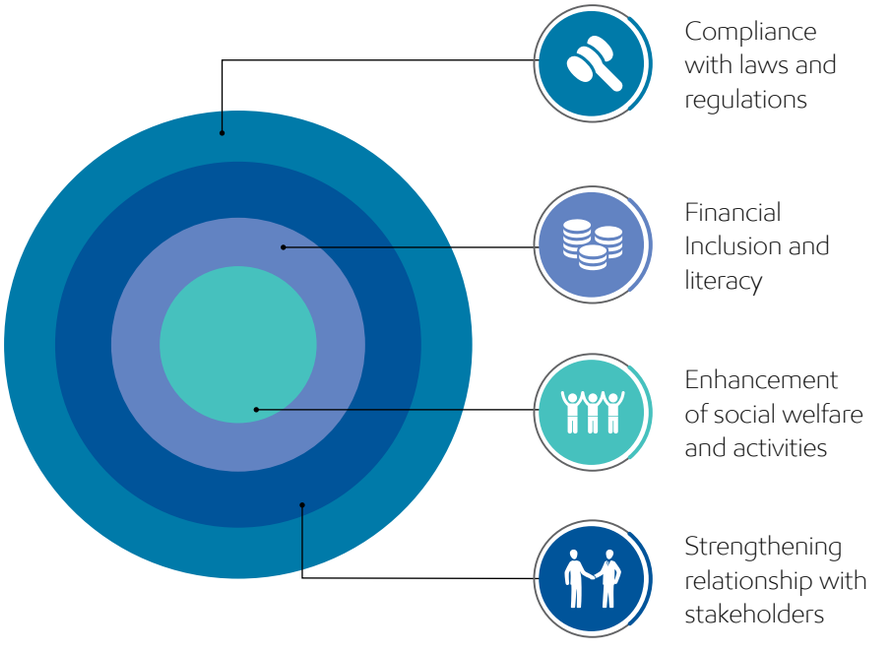
In-House CSR:

Lastly, In-House CSR Activities means donating CSR to the staff or their dependents. However, conventional accounting treatment considers such in-house donation more as internal expenditure rather than CSR at all.

Particulars	Amount in BDT & Million
Health and Well-being Issue of the Staffs and their dependents	1.78
Health Insurance Premium Paid	13.2

Objectives of SJIBL Foundation & Sustainable Finance Unit (SFU):

The CSR regulation sets a broad framework and gives direction for better sustainable future and for better implementation of the SDGs. The objective of SJIBL Foundation is to benefit all stakeholders rationally that somehow align with SDG Goals ranging from 1 to 4 and 13; i.e. No Poverty, Zero Hunger, Good Health & Well-being, Quality Education and Climate Action.



SJIBL Foundation and SFU work in collaboration to stimulate CSR functions smoothly

Since inception in the year of 2006, SJIBL Foundation has been working for improving the living standards of underprivileged, marginilized and deprived segment of the society. Later Sustainable Finance Unit has been formed to facilitate the functions of SJIBL Foundation and currently SJIBL Foundation and SFU work jointly for the purpose of carrying out responsibility towards our people, our society, and our country. The Bank's branch networks have dispersed across the country engaging with their respective communities by being an active partner in the social and trade related activities in the localities while responding with empathy at times of crisis caused by natural disaster, weather phenomena, etc. SJIBL Foundation also dedicates funding and support towards worthy and charitable causes throughout the year guided by the Bank's CSR policy which determines the parameters for Corporate Social Responsibility (CSR) activities of the Bank.

CSR Budget Allocation:

Bangladesh Bank has recommended following steps for CSR budget determination and its implementation on the basis of banks Net Profit After Tax and also from compensation for islami banks. In this backdrop, SJIBL adopts the below steps meticulously:

SFU will determine CSR Budget as per TOR of Bangladesh Bank and Board approved CSR Policy

SFU will assign Foundation for budget implementation

Monitoring of budget implementation by SFU as a regulatory responsibility

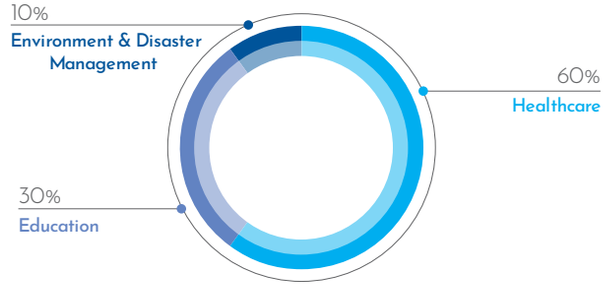
Sector-wise CSR allocation:

GBCSRD Circular No-07 Date: 22.12.2014		SFD Circular Letter No-01 Date: 22.03.2020	SFD Circular No-01 Date: 09.01.2022
Previous Scenario		Pandemic Scenario	Present Scenario
Sector	**Minimum Threshold**	**Minimum Threshold**	**Minimum Threshold**
Health	20%	60%	30%
Education	30%	30%	30%
Environment & Climate Change	10%	10%	20%
Others:	40%	-	20%
Total	**100%**	**100%**	**100%**

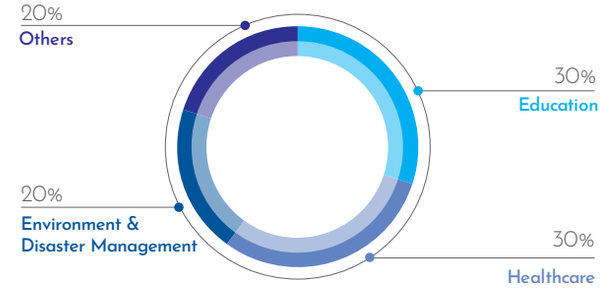
Considering the COVID-19 pandemic, Bangladesh Bank has modified its CSR circular and instructed all scheduled banks to spend on healthcare instead of education or other sector for the year 2020 which was also applicable for 2021 for the continuation of pandemic situation. However, health and education were given equal emphasis since 2022.

In January, 2022 Bangladesh Bank has developed its Policy Guidelines on Corporate Social Responsibility which has changed minimum requirement on CSR disbursement in terms of amount for the scheduled banks and FIs which is as under:

Regulatory Requirment on CSR Budgeting during COVID period



Regulatory Requirment on CSR Budgeting as per CSR Policy of Bangladesh Bank



SJIBL's CSR Scenario in the last 03 consequtive years (amount in million) :

Sectors	Year-2021	Year-2020	Year-2019	Alignment to SDG
Education	23.31	39.05	52.40	GOAL 4: Quality Education
Healthcare	51.48	7.46	5.69	GOAL 3: Good Health and Well-being
Environment & Disaster Management	33.39	67.14	10.81	GOAL 13: Climate Action
Blanket Distribution	68.51	56.08	127.34	GOAL 3: Good Health and Well-being
Others Including PMs Relief Fund	56.24	153.75	23.93	GOAL 1: No Poverty GOAL 2: Zero Hunger
Total	**232.93**	**323.48**	**220.17**	

CSR ACTIVITIES IN 2021 AT A GLANCE



Health

BDT 51.48 million



Education

BDT 23.31 million



Environment & Disaster Management

BDT 33.39 million



Blanket Distribution

BDT 68.51 million



Others including PM's Relief Fund

BDT 56.24 million

In 2021, SJIBL has conducted CSR activities in the specific sectors as identified by Bangladesh Bank by spending certain amount of money from NPAT, Compensation Realized Account, Zakat Fund and Doubtful Income which helped the nation to come out of COVID-19 adversity, to widen the educational activities across the country, to address the negative impact of the environment and minimize the consequences of the natural calamities, and also to help the needy people by distributing warm clothes. CSR amount was decreased in the year 2021 compared to the year 2020; because all scheduled banks have to make additional CSR in the year 2020 as regulatory instruction so that nation could get rid of the curse of the pandemic. But the year 2021 was a new normal period when business activities all revived more or less and many people got their jobs back for which need of extra CSR also decreased nationally. Economy started to revive from 2021 amidst pandemic to some extent and people disposable income also got back to normal at least partially for which SJIBL started normal business activities in full swing again. SJIBL has also made a donation of Tk.50.00 million to Hon'ble Prime Minister's Fund.

Education (GRI-404):

As part of regular CSR activities, Shahjalal Islami Bank Ltd has provided stipends or scholarships to meritorious students of SSC, HSC and varsity going students since inception. Due to COVID-19 pandemic, when all educational institutions were closed during the 1st three quarter of the year 2021, SJIBL had looked after the students who lost their tuition by granting a monthly amount . From September, 2021 educational institution started to reopen gradually in the backdrop of the fall of COVID-19 infection all across the country. As such, SJIBL has started its regular CSR activities in full swing by distributing hand sanitizer, surgical mask, disinfection tunnel to the schools, colleges, madrasha, vocational institution and universities.

In 2021, cleanliness and sanitary issue of educational institutions got prioritized side by side providing scholarship. Because most of the schools and colleges premises got extremely grubby for being closed since March, 2020.



Distribution of Health sanitary items among the students in a school of Noakhali by SJIBL Foundation

Healthcare (GRI-403 & 416)

The death of millions of citizens in the developved countries like Italy, USA, France led the whole world thinking that healcare should be treated with much importance and attention than ever before.

To combat against COVID-19 pandemic, the government and the central bank have prioritized healthcare sector over anyother activities and taking this into consideration , SJIBL has focused on healthcare sector especially providing medical equipment to the COVID-19 prone area. The CSR Trust of the bank has made a series of donations of essential equipment to hospitals to support doctors and healthcare personnel battling to treat victims and prevent the spread of COVID-19. SJIBL has donated-

- Personal Protective Equipment (PPE) kits
- N-95 protective masks
- Surgical masks
- Hand sanitizers
- Hand gloves



Distribution of Health sanitary items among the students in a school of Noakhali by SJIBL Foundation

Environment & Disaster Management (GRI-307)

Implementation of tree plantation program and blanket distribution are common CSR programs of SJIBL for the welfare of the community. SJIBL has successfully conducted tree plantaion program through its 50 Branches across the country to minimize the negative externalities of the environment particaularly in the rural area, to reduce land contamination and erosion of upper layer of the land

25,000 trees
have been planted

5,000 trees have
been distributed
among the students

Different types of fruits, forests and herb plants such as Teak, Mahogany, cocunut, guava, nim have been planted based on the nature of the weather and soil of the selected location along with ensuring the primary protection by buliding fence around the plant. Around 25,000 number of trees have been planted and around more than 5,000 plants have been distributed among the students from different educational institutions.



Tree plantation program implemented by SJIBL Baipail Branch.



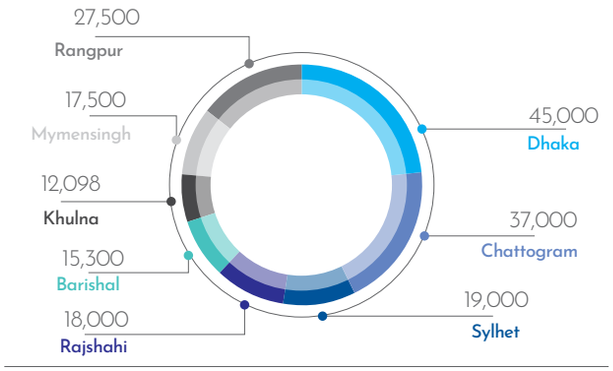
Tree plantation at Madhobdi by SJIBL Madhobdi Branch

Winter season brings harsh consequences in the northern region of our counrty every year and the intensity of the winter causes an unbearable pain to the people. SJIBL has come forward to deal with such intolerable situation by distributing adequate number of blankets to the victims of the intensity of the cold. Especially rural branches are usually prioritized for blanket distribution since rural Bangladesh are much more poverty striken than its urban counterpart. In 2021, SJIBL has distributed 191,398 number of blankets among the needy and vulnerable group in the eight divisons. Many scheduled banks have MOU with different NGOs for CSR fund disbursement. However, SJIBL prefers to distribute CSR fund through its own channel mostly instead of any NGO.

Division-wise Blanket Distribution:

Name of the Division	Number of Blanket Distributed/ Beneficieries
Dhaka	45,000
Chattogram	37,000
Sylhet	19,000
Rajshahi	18,000
Barishal	15,300
Khulna	12,098
Mymensingh	17,500
Rangpur	27,500
Total	**191,398**

Division-wise Blanket Distribution



Besides, SJIBL has plan to approve reduced profit rate for the following socially responsible finances which are supposed to be considered as CSR according to CSR Policy of Bangladesh Bank as circulated in the year 2022:

- Financing in green / clean transport projects.
- Financing in floating/movable houses in coastal areas.
- Financing in government approved eco-tourism projects, etc.



Relief distribution to the COVID affected poor and jobless people in Pabna by SJIBL, Pabna Branch

Other Aspects of CSR (GRI-413)

Bangladesh Bank has developed and circulated its Policy Guidelines on Corporate Social Responsibility in January, 2022 for scheduled banks and FIs which has included following financial inclusion activities under CSR:

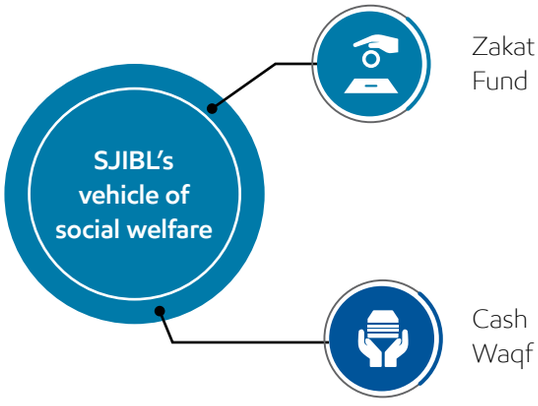
- Cost borne by banks for no frill accounts for students, farmers and RMG workers.
- Financial assistance to inhabitants of backward zone like hills, haors etc.
- Financial assistance for street urchin, working children and financial literacy.
- Financial assistance for folk music, folk craft etc.

Since this policy has been circulated in 2022, SJIBL will ensure compliance this year like other scheduled banks.



Financial & Non-Financial assitance to poor people by SJIBL, Bogura Branch through Bogura DC Office

In Bangladesh, banks contribute to Prime Minister's Relief Fund for the socio-economic development of our country. SJIBL contributes a healthy amount to Prime Minister's Relief Fund in every year to participate in this movement of socio-economic development. SJIBL has two other vehicles to promote social welfare:



Unlike conventional banks, Islami banks are supposed to give zakat from their last years retained earnings which Shahjalal Islami Bank maintains every year. SJIBL has also gone for rebranding its Cash Waqf product, which is a deposit product developed with the intention to benefit the society. Population of the world has been increasing day by day; but our lands and resources are very limited. Because of this shrinking opportunity of land waqf, everywhere cash waqf has been becoming popular as a form of public donation. SJIBL has organized a workshop in 2021 in order to educate all the in-house employees and motivate them to the philanthropic activities by creating cash waqf fund.

The accumulated fund from SJIBL cash waqf have been used for the establishment and renovation of mosque, madrasha and also for the flourishment of Islamic tradition and culture. SJIBL management has approved highest provisional deposit rate among all deposit products on Cash Waqf to promote philanthropy among mass people.

Number of total Cash Wafq Account	Amount of Cash Waqf
115	Tk. 18.22 mn



Workshop on Cash Waqf

Corporate Social Responsibility also implies staff welfare for which staff can also accumulate fund which may be further contributed by the bank. Provident Fund is one such NBR approved fund which is equally contributed by the employee and the employer. Same is with Super Annuation Fund. There is also Benevolent Fund for the confirmed employees of SJIBL.

Special Focus of SJIBL in Some CSR Arena:

More emphasize on Healthcare to address prevailing pandemic situation.

Assisting to Women entrepreneur by facilitating finance at the easiest terms and conditions.

Tree Plantation Program for minimizing environmental issues.

The movement towards CSR has had an impact in several domains. For example, SJIBL has taken steps to improve the environmental sustainability of their operations, through measures such as installing LED bulb in branch premises, strengthening tree plantation program, maximum usage of day light etc. In managing supply chains, efforts have also been taken to eliminate reliance on unethical labor practices, such as child labor. SJIBL makes its outsourcing companies who provide gunmen and cleaners accountable on how much salary is given to them for doing duties.



A deceased-carrying freezing Van was donated to Al Rashid Foundation under CSR scheme of SJIBL.

Special Instruction of Bangladesh Bank on CSR and its compliance

According to CSR Policy of Bangladesh Bank, all banks must have due diligence checklist before disbursement of CSR fund. Besides, CSR has to be given in such a way so that it covers all divisions of Bangladesh in a given year. Foundation of any bank or FI must respond to Bangladesh Bank's instruction during national emergency for CSR. All financial transaction related to CSR must be done in proper channel. SJIBL comply special instructions of Bangladesh Bank in every possible way.

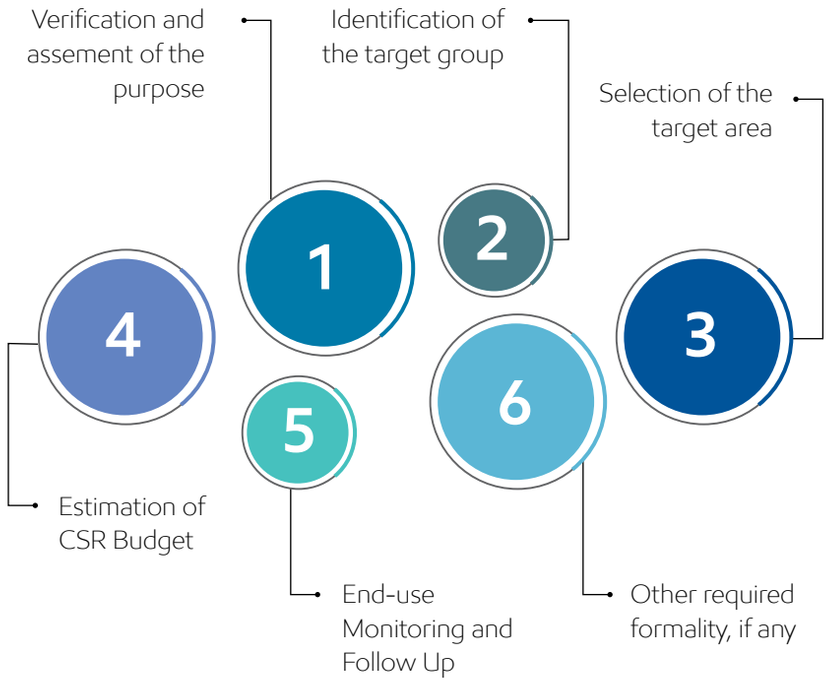
For delivery of CSR there can be 03 ways:

1. Banks own human resources can co-ordinate CSR delivery.
2. NGO can be involved as third party for doing CSR.
3. CSR can be donated through District Commissioner (DC) Office.

SJIBL mainly follows 1st method because of its having rural branches apart from urban one.

Screening Process of CSR

CSR Policy of Bangladesh Bank has instructed all scheduled banks to move on through screening process in order to manage and use CSR fund appropriately. The process as recommended by the regulatory body is as follows:



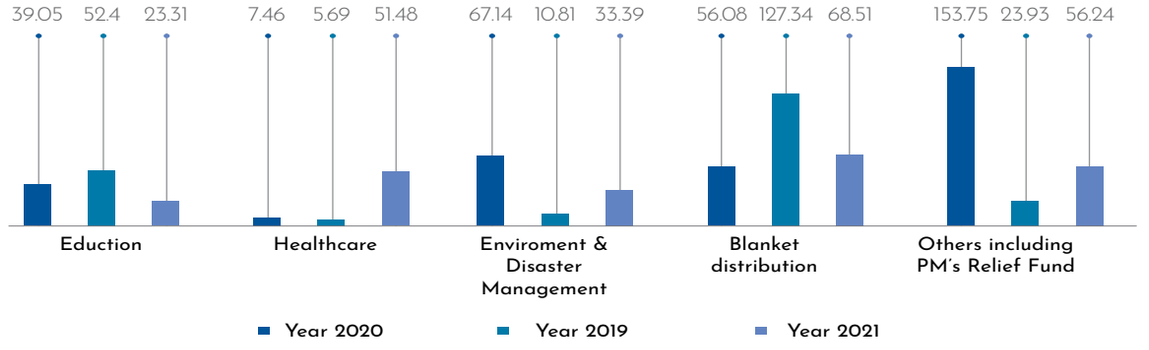
SJIBL makes a thorough screening process before performing CSR activities and moves consistently with budget to address target groups problems. The number of individuals and institutions/organizations that have been benefited from the CSR of SJIBL in the last 02 years are as follows:

YEAR	Number of Individual Beneficiary	Num ber of Institution/ Organization as Beneficiary
2021	280,388	108
2020	230,816	32

SECTORWISE CSR EXPENDITURE IN THE LAST 03 YEARS

If we make a comparison of last four years CSR in terms of segment or sector, it is evident that prior to the commencement of pandemic i.e. in the year 2018 and 2019 education sector was the main focus of SJIBL. All scheduled banks and FIs were being instructed to give much focus on "Education for All" campaign of government in their CSR activities by government itself especially since 2000. Climate or environment came into CSR focus when environmental risk rating started in banking sector since the year 2013. Though scheduled banks also donated for tree plantation prior to the year 2013, tree plantation and other CSR climate resilience got more emphasis under the banner of environment since the year 2014. Different branches of SJIBL have arranged tree planation under CSR scheme in the last few years across the country. However, the advent of the pandemic shifted focus of banks CSR into healthcare sector since March, 2020 which is still on-going. Mentionable that blanket distribution has been a common philanthropy not only for corporate world but also for government and non-corporate bodies since independence of Bangladesh i.e.1971.

Sector wise CSR Status in last 03 years (Taka in million)



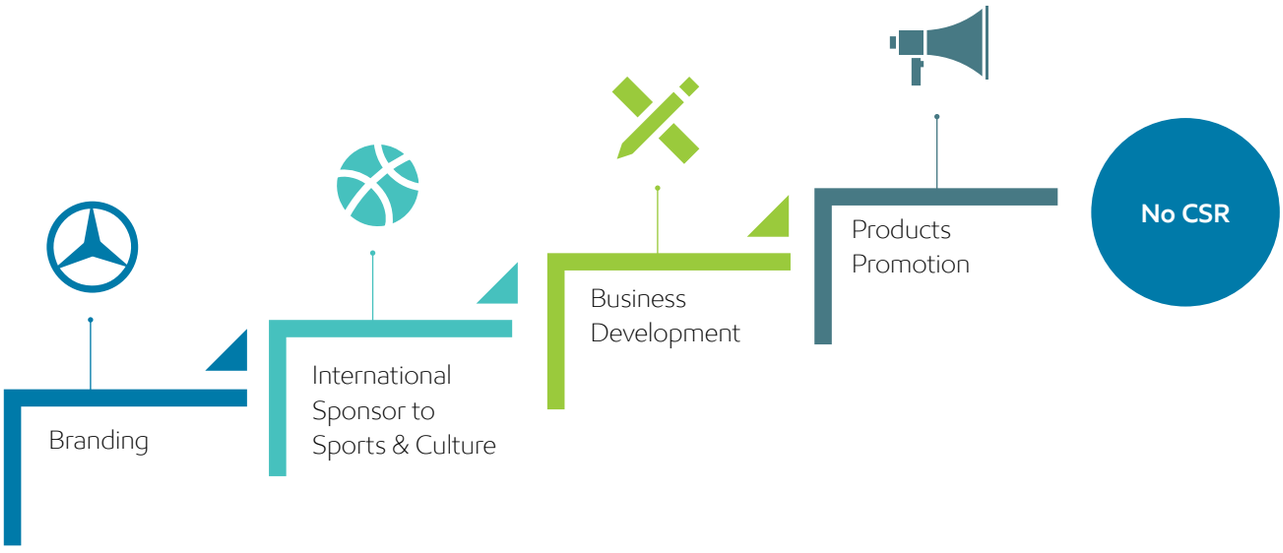
Proponents argue that corporations increase long-term profits by operating with a CSR perspective, while critics argue that CSR distracts from businesses' economic role. But there is no debate on one thing-the number of people affected due to the recent pandemic and its resulting impact on CSR has transformed the outlook of businesses towards society all over the world.

Key CSR Activities performed by SJIBL in the year 2021

Prime Minister's Relief Fund	Bio-Trade International for distributing healthcare equipment	Bangladesh Olympic Association	Bangladesh Cancer Society
Tk.77 mn	**Tk.12 mn**	**Tk. 5 mn**	**Tk.4.5 mn**

Prohibition of CSR activities

In January 2022 Bangladesh Bank has declared prohibition areas for doing CSR for Banks which SJIBL pursue prior to this policy formation as a responsible stakeholder of the society:



The above diagram shows that areas of sponsor or branding or marketing/businesses cannot be considered as CSR area on the ground that branding and sponsor are done mainly from profit motif whereas CSR must be done with non-profit motive. Taking this into consideration, SJIBL makes sure that the CSR activities undertaken by the Bank must serve the needs and desires of the people in our society who truly deserve the assistance to come out from the situation they have been struggling.

CSR related Case Study

Financial Assistance to a cancer affected school teacher

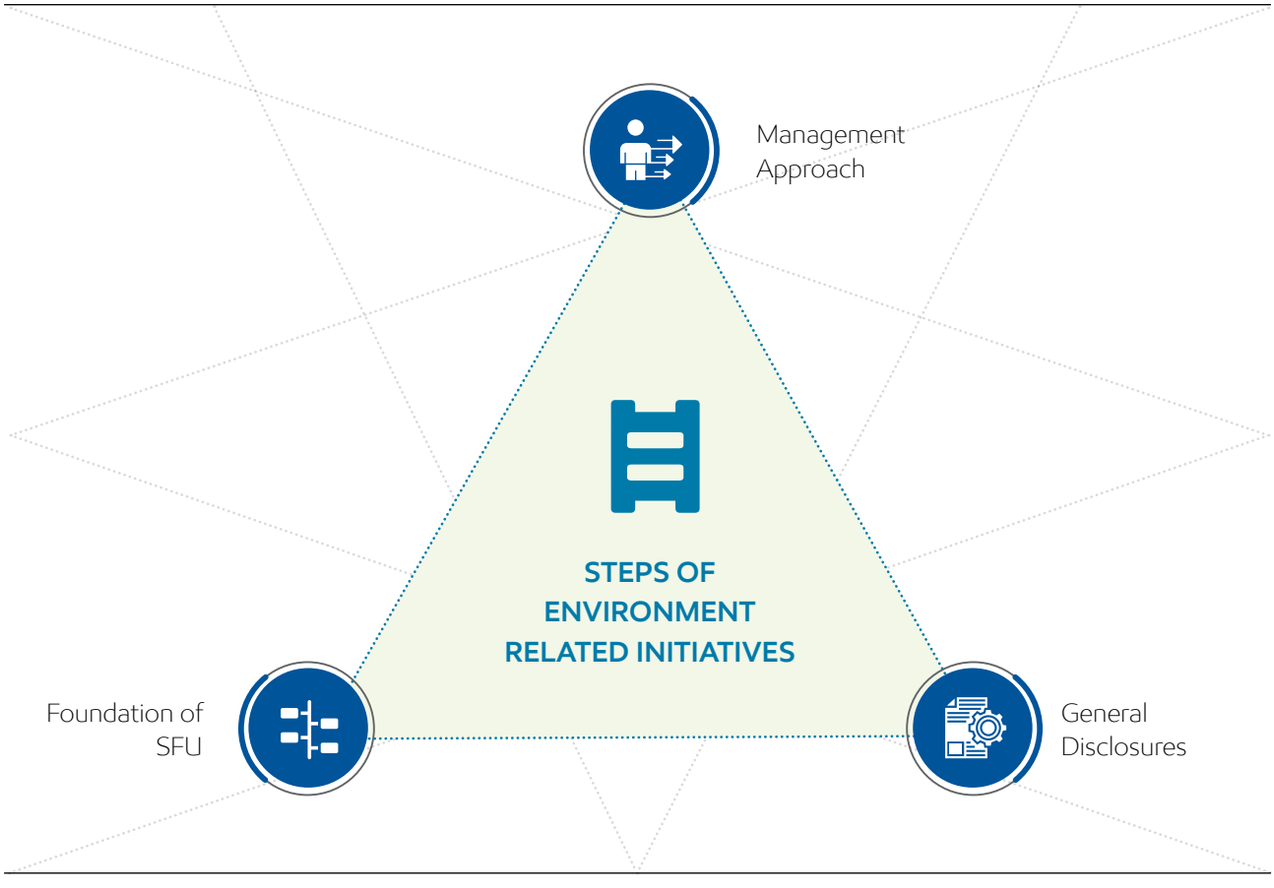
A private school teacher named Rejina Hossain applied to SJIBL Foundation through Bangladesh Bank for financial assistance for her cancer treatment. Rejina is resident of Malibagh Chowdhurypara and she belongs to a lower middle-class family. Treatment of cancer patient is usually an expensive one which requires buying expensive chemotherapy. As such, Bangladesh Bank wrote letter to seven banks including SJIBL to jointly bear the cost of her chemotherapy. SJIBL Foundation made an investigation into her status and found out that she was severely ill and her family was not in a position to bear the cost of her medical treatment. But she needed 17 chemotherapy within August, 2021. Each chemotherapy will require Tk.84 thousand (approx.). As such, SJIBL management approved Tk.1.00 lac for the medical treatment of the patient. GM of Sustainable Finance Department of Bangladesh Bank Mr. Morshed Millat handed over the Pay Oder as donation to the family of the concerned patient. The patient had taken chemotherapy from a private hospital with the money donated to her. Later family members of the Rejina Hossain including herself expressed their gratitude to Bangladesh Bank, SJIBL and all other banks that extended helping hands for her treatment.

Financial Assistance to a lymphoma patient in Rangpur

Md. Mahmudul Hasan is a resident of Rangpur. Recently he was diagnosed by concern specialist Dr. ATM Quamrul Hasan and was found lymphoma (stomach cancer).Considering physical condition of the patient, his doctor suggested 08 chemotherapy in first phase and 02 other chemotherapy in second phase. As such, he needed 70 to 80 thousand taka for per chemotherapy. Md. Mahmudul Hasan belongs to a lower income group and he is the only earning member of the family. He has four children apart from his old mother to take care. For this, it is quite impossible for him alone to bear cost of treatment of cancer. As a result, SJIBL Foundation has assisted him financially considering it a humanitarian cause. SJIBL Foundation got an approval of Tk.1.00 lac to donate him in the form of Pay Order in the month of February, 2021.

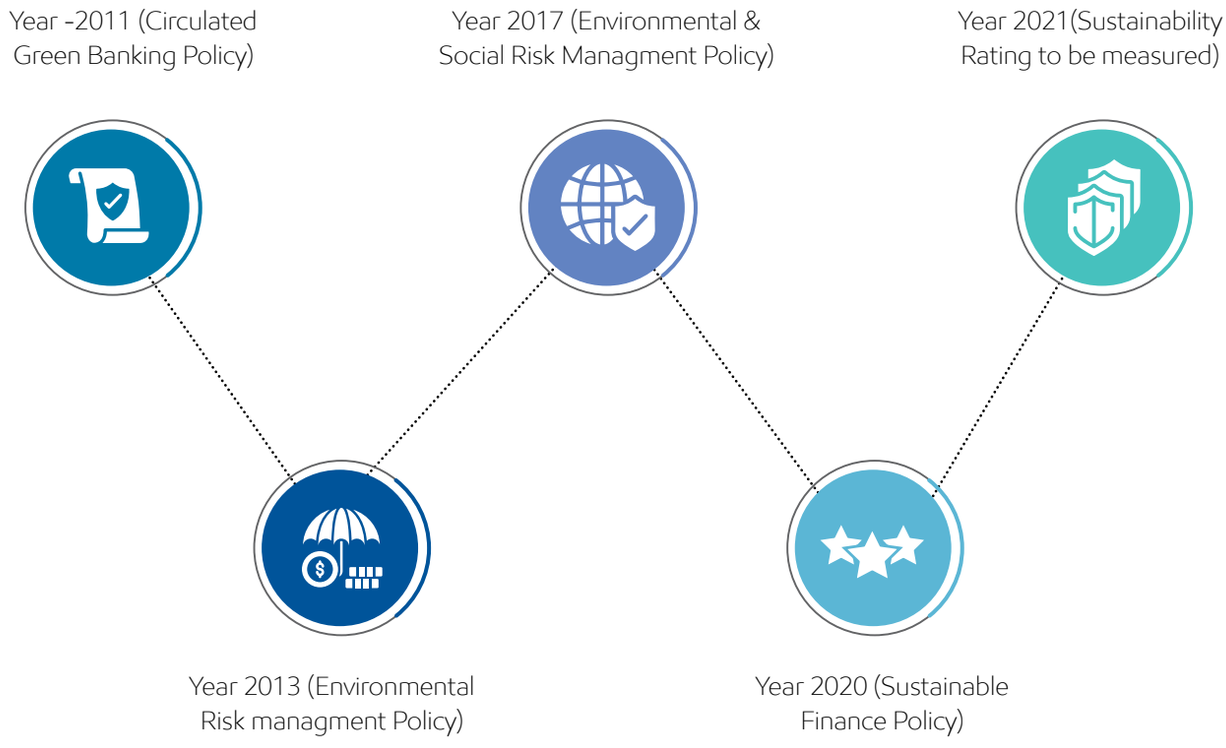
ENVIRONMENT
RELATED INITIATIVES

For the very first time, Bangladesh Bank has formulated Sustainable Finance Policy to promote zero carbon economy nationally. This policy has been prepared align to Perspective Plan of Bangladesh 2010-2021, National Sustainable Development Strategy, 8th 5-Year Plan, Intended Nationally Determined Contributions (INDCs), Bangladesh Delta Plan 2100 and Sustainable Development Goals (SDGs) of United Nations. Shahjalal Islami Bank Limited has been working to cope up with all these with a view to contributing to the development of a real sustainable Bangladesh. The Board of Directors of SJIBL approved Sustainable Finance Policy of Shahjalal Islami Bank Ltd in its meeting held on dated 30th November, 2021 and the same was circulated among all staffs for meticulous compliance.



Foundation (GRI-101):

The growth of sustainability is a historical issue. But in the banking sector of Bangladesh, the formal beginning of the movement for sustainability started when Bangladesh Bank has issued some time-worthy circulars from 2011 to 2021 for directing the Banks to minimize resource consumption and also to reduce Green House Gas (GHG) emission per employee. Prior to 2011, scheduled banks had very little or no attention for green finance and the issue of environment was considered as something alien to banking culture. Except some foreign banks, the concept of environmental risk was a new world to explore for entire financial sector of Bangladesh prior to the year 2011.



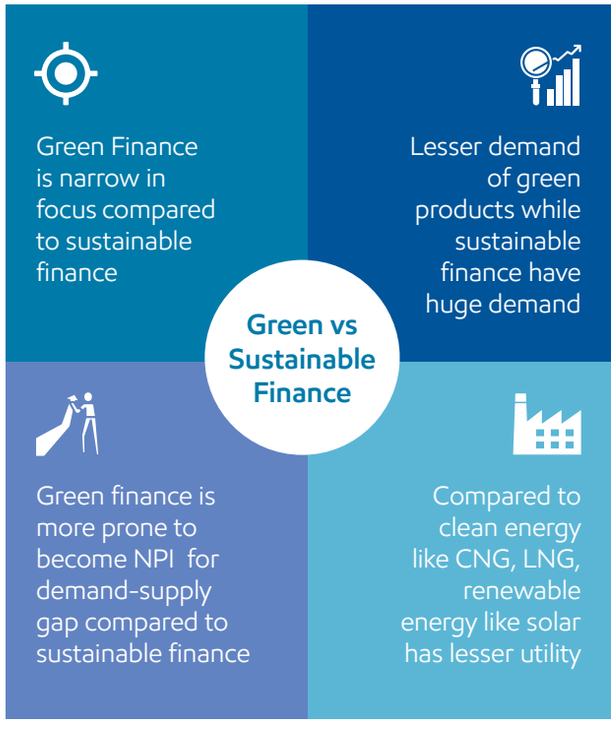
Sustainable finance refers to any form of financial service integrating environmental, social and governance criteria into the business or investment decisions for the lasting benefit of both the clients and the society at large. In 1992, at the Earth Summit in Rio de Janeiro a group of visionary leaders saw that transforming private finance would be key to achieving sustainable development. This marked the beginning of the United Nations Environment Program Finance Initiative. In Bangladesh formally financing initiative was started by central banks motivation.

Objective of Sustainable Finance (SF) of SJIBL are as follows:

- Re-orient investments towards technologies instead of manual (like Auto rice mill instead of conventional rice mill)
- Finance growth over the long-term instead of short term (like Jute and cane made goods to replace plastic goods)
- Contribute to the creation of circular economy (Promote recyclable goods to replace one-time products).

Regulatory paradigm shift from Green Product financing into Sustainable Financing:

There are some challenges for green product financing for which sustainable finance has been opted as better option by regulatory body:



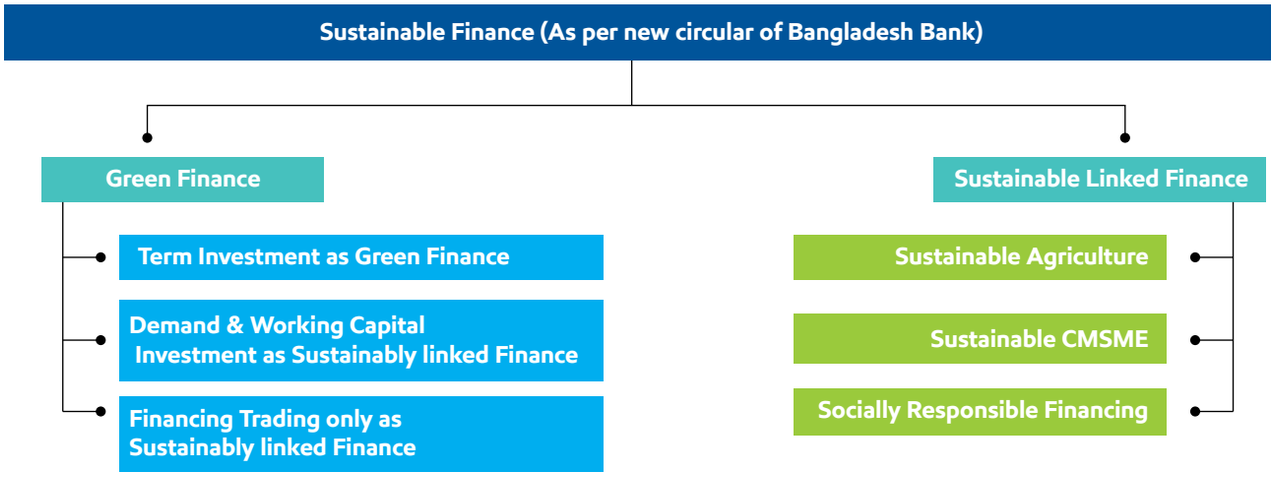
Until December 2020, Bangladesh Bank recognized 55 green products for all scheduled banks as green finance. With the passage of time, these 55 green products have been upgraded to 68 number of products and a bunch of new criteria have been established which are as under:

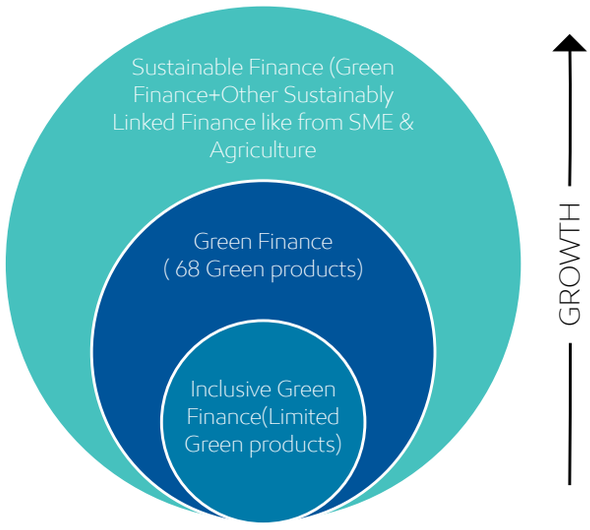
Traditional Green Products to Continue	Inclusion of New Green Products
• Renewable Energy- like Solar, Bio Gas Plant etc. • Energy Efficiency-like Energy Auditor Certified Boiler • Alternative Energy-like Bio Fuel Plant • Waste Management-like E-Waste or Medical Waste Management Plant • Green Brick Manufacturing-like Compressed Block Brick, Foam Concrete Brick etc. • Green Establishment-Green Building	• Green Agriculture-like Organic Farming, Rooftop Gardening etc. • Green SME-Cottage Industry • Green Socially Responsible Finance-like financing cycle, electric vehicles etc.



A Poultry firm financed by SJIBL Sylhet branch.

The paradigm shift from green into sustainable finance category will embrace green finance, sustainable agriculture finance, sustainable CMSME Finance, Trading of Green & Eco-Friendly Products and Socially responsible finance altogether. From 2021 and onward instead of merely green finance, sustainable finance will be center of focus from all policy making to reporting to Bangladesh Bank and other regulatory bodies.





Management Approach (GRI-103)

In conformity with SFD Circular No. 02 dated: 01, December 2016 of Bangladesh Bank, the Sustainable Finance Unit (SFU) of Shahjalal Islami Bank Limited has been formed which is responsible for overall sustainable finance activities. The operational responsibility lies with the Head of Sustainable Finance Unit nominated by the Managing Director. SFU is supposed to ensure environmental compliance both inside and outside of SJIBL in all its activities. The sustainability of the governance of the Bank has been ensured under different layers which are depicted below:

Sustainability Governance of the Bank



Operational Layer consists of two (02) Sub-Units: SFU Desk and CSR Desk. While sustainable finance is monitored and reported by SFU, CSR is monitored and reported by Foundation of SJIBL. At present, there are 07 members in Sustainable Finance Unit (SFU) of SJIBL who have been selected from different divisions of the bank on the basis on job requirement. This Sustainable Finance Unit (SFU) has been monitored, supervised and guided by Sustainable Finance Committee (SFC) which has been designed with the selected executives of the Bank as per directives of Bangladesh Bank.

Sustainable Finance Unit (SFU)

Name	Designation	Division	Status in the Unit
Mr. Mohammed Ashfaqul Hoque	EVP	Risk Management Division	Head of SFU
Mr. Alam ur Rahman	SAVP	Investment Monitoring Department	Member
Mr. Mohammad Manzur Rahman	AVP	Financial Administration Division	Fallback Person
Mr. Sharif Hasan Mamun	JAVP	SME & Agri. Investment Division	Member
Mr. Md. Sariful Islam	JAVP	Risk Management Division	Member
Mr. Jabed Chowdhury	FEO	Risk Management Division	Member
Mr. Md. Kamal Miah	FEO	Shahjalal Islami Bank Foundation	Member

SJIBL is creating sustainable business by integrating sustainability into all products and services. SJIBL has designed its products and services ensuring the environmental benefit in the economy and society. The products, services and investment of the bank play an important role in the lives of individuals, business and communities. Our Bank extends investment facility to clients whose business activities lessen ecological damage, endorse energy efficiency and support communities who are vulnerable to climate change. By doing so, we ensure that we constantly meet our stakeholders' business needs and maintain customers' trust and business continuity. As such, the bank also contributes for socio-economic development of Bangladesh.

Partners/Stakeholders of Sustainable Finance

There are some organizations/associations that are considered as active stakeholders or partners for sustainable economic growth of Bangladesh. These are also the organizations which SJIBL considers as active stakeholders to propel the growth of sustainable business of SJIBL. Either SJIBL has MOU (memorandum of Understanding) for pre-finance or post-finance or to go by binding regulations declared by them. These organizations also sponsor many workshops and seminars to be freely participated by financial institutions like SJIBL to educate them on the latest update of sustainability. Their main objective is to ensure stakeholder engagement to form and implement any sustainable policy:



Compliance of the terms of Department of Environment (DOE) and Environmental & Social Risk Rating (ESRR) of Bangladesh Bank:

Environmental and climate change risk refers to the uncertainty or probability of losses that originates from any adverse environmental or climate change events (natural or manmade) and/or the non- compliance of the prevailing national environmental regulations. This is a facilitating element of investment risk arising from environmental issues. These can be due to environmental impacts caused by the prevailing environmental conditions. If un-addressed, environmental and climate change risk can hamper the business stability of the investment client in respect of both- i) profitability and ii) reputation. As such, Shahjalal Islami Bank Limited deals environmental and social risk issues mainly in two major parameters:

1) DOE (Department of Environment) Categorization for Business are as follows:

GREEN

Not harmful for environment. However, not all green products/finance are green business for which DOE (Department of Environment) differ with Bangladesh Bank.

ORANGE-A & ORANGE-B

Environmental Clearance Certificate required for doing business.

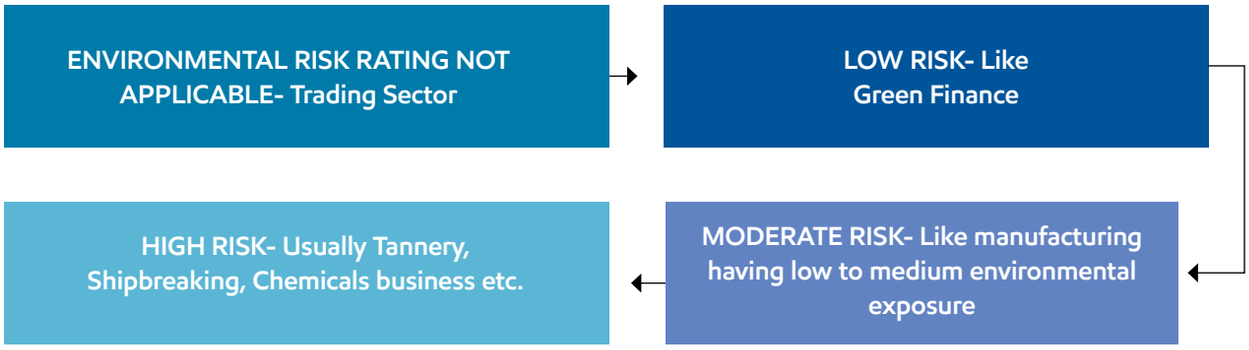
RED

Environmental Impact Assessment (EIA) may be required from DOE apart from Environmental Clearance Certificate for running business.

As per ECR 1997 issued by DoE, all industrial units are categorized into Green, Orange A, Orange B and Red category with respect to pollution level. Among these industrial units, Orange B is considerably more polluted and Red category units belong to the most polluting industries. Business is not prohibited in red category. But to do business in red category maximum environmental precaution is supposed to be taken by any bank. SJIBL has also provided finance in red category with sufficient environmental precaution:

- Cement
- Fabric dying and chemical processing (like in Garment factory)
- Production of iron and steel
- Production of plastic raw materials (PVC, PP/ Iron, etc.)
- Battery
- Hospital
- Detergent
- Carpets
- Board mills
- Construction of road, bridge etc. (under work order)

2) ESR (Environmental & Social Risk) Rating Criteria of Bangladesh Bank for investment are as follows:



SJIBL always monitors the business of its investment clients and inspires them to shift from High Risk business to Low Risk business by complying all the requirements of Bangladesh Bank and Department of Environment (DOE). From 2021, SJIBL however, has strengthened investment in green finance as well as sustainable finance as per new circular requirement of Bangladesh Bank. In that case, financing in cottage industry, a substantial portion of SME, Agriculture and all socially responsible businesses as specified by Bangladesh Bank under the umbrella term "sustainable" is considered from now and onward.

Different types of Sustainable Finance area that Shahjalal Islami Bank has explored are as follows:

Under Sustainable CMSME category
(i) Herbal cosmetic manufacturing industries
(ii) 100% local ingredients-based milk processing industry
(iii) Handicrafts, Handloom and alike
(iv) Agro feed manufacturing industry
(v) Jute made products manufacturing industry
(vi) Unani/Ayurvedic/Homeopathic manufacturing industries
(vii) Rice processing industry
(viii) Agro equipment manufacturing industry
(ix) Production of bio pesticide, production of organic fertilizer
(x) Bran wood projects
(xi) Horticulture processing industry
Under Sustainable Agriculture category
a) Crops
b) Fisheries
c) Livestock
d) Agro-equipment
e) Poverty Alleviation
Under Trading of Green & Eco Friendly Products category
Jute-made products e.g. crafts, shopping bags, packaging bag
Cane made products e.g. craft, furniture

National Environmental Policy, Environment Conservation Act, Labour Policy, Bangladesh Labour Act, Occupational Health and Safety in the Working Environment, World Cultural and Natural Heritage (Paris) are some of the remarkable National Regulations and International Treaties which SJIBL has been adopted since the inception of its journey and now-a-days focus has been strengthened to other crucial regulations and treaties.

Green Office Guide of Shahjalal Islami Bank Limited:

The Management of SJIBL has taken an endeavor to drive a paradigm change in how ESG (Environmental, Social and Governance) and its parameters are perceived in the banking sector. Management has successfully built ESG parameters which have been implemented into our own business strategy through our products and services by screening potential opportunities and addressing risks.

- Online communication for office management
- Double-side printing to save paper
- Eco-font in printing to reduce use of ink
- Use scrap paper as notepads
- Avoid disposable cups/glasses
- Energy efficient electronic equipment for office
- Installation of 'Power save Mode' in Computer
- Switching-off fans, lights, air coolers etc. during office exit
- Energy efficient electronic equipment for office
- Lesser Corporate Business Travel to save energy
- Encouraging employees to use rickshaw or walking for short distance
- Maximum utilization of day-light for office
- Minimum utilization of electric bulb in day time
- Minimum use of AC during the rainy season and winter
- Keeping AC temperature at 24 degree in summer
- Encourage customers for e-statement and email communication
- Encourage the clients to use ATM cards instead of cheque books
- Advertising through electronic media avoiding the print media
- Tele conference and video conference to avoid travelling
- Reduce wastage of water
- Reduce usage of tissue papers
- Leave the office in due time
- Introduction of e-filing
- Use email instead preserving hard copies
- Develop corporate culture to check emails everyday among employees
- Start sending meeting invitation, presentation and meeting minutes etc. in e-form instead of printed form

Digital On-Boarding (GRI-203)

We have been living through a digital revolution over the last few years. Conventional business models and ecosystems are being rapidly transformed, and the rate of technological change and the rush of new, agile, entrants to the financial landscape has intensified competition. Again, with the increasing trend of smartphone penetration coupled with the new generation's affinity towards technology, banking can no longer survive on the coverage of their premises. Rather, the game has changed to digital coverage and customer convenience. SJIBL Management has welcomed these challenges as a trigger for meaningful innovation, spurring it to emerge as a strong player in the digital banking space.

As Bangladesh as well as all the countries in the world kept on fighting the unfortunate advent of COVID-19, the traditional Banking rules got drastically upended. What had once been a harmless activity like placing a check at local SJIBL branch for encashment, is now a health hazard issue because that requires outdoor activity. Rising to the challenges of customer interactions and requirements during this pandemic, SJIBL has made it top priority to provide absolute best digital customer experience.

Besides, digital transformation is essential for boosting economic progress and delivering a more inclusive growth as well as to ensure paperless banking. To excel in this new era of technological triumph, SJIBL has successfully used digital mechanism in following segments of operations:

Conventional Step	Digital Transformation
Cheque based transaction	Card based Transaction
Letter communication	Email communication
Meeting physically	Meeting digitally
Training & Workshop Physically	Zoom-based Training & Workshop
Reporting manually	Development of MIS for different reporting to Bangladesh Bank
Disclosure through newspaper	Disclosure through newspaper and website
Manual HR database	EHRM database
Manual KYC	e-KYC
Manual attendance	Biometric thump impression
Phone Reception	Call Center
Account Statement	e-Statement, SMS Banking
Branch Banking	App-based Digital Wallet and Internet Banking
Manual ACR reporting	e-ACR reporting
Conventional GL rate	Dynamic GL rate
Conventional Account	e-Account
Manual Requisition for Stationery Items	Online Requisition System for Stationery Items (Under process)
Client Communication Physically	Whatsapp Banking (Under process)

Bangladesh Automated Clearing House or BACH in short is the first ever electronic clearing house of Bangladesh which has two components - the Automated Cheque Processing System (ACPS) and the Electronic Funds Transfer (EFT). Both the systems operate in batch processing mode- transactions received from the banks during the day are processed at a pre-fixed time and settled through a single multilateral netting figure on each individual bank's respective books maintained with the Bangladesh Bank. A state-of-the-art Data Center (DC) and a Disaster Recovery Site (DRS) have been established comprising of most modern software and hardware for dealing with the operations of BACH. SJIBL has a dedicated BACH Department to deal with them. Besides, SJIBL has been focusing on revamping the technology platform where up-gradation of Data Center and Disaster recovery Center was designed and planned to ensure the most important aspects of technology readiness to deliver superior services to businesses and customers.

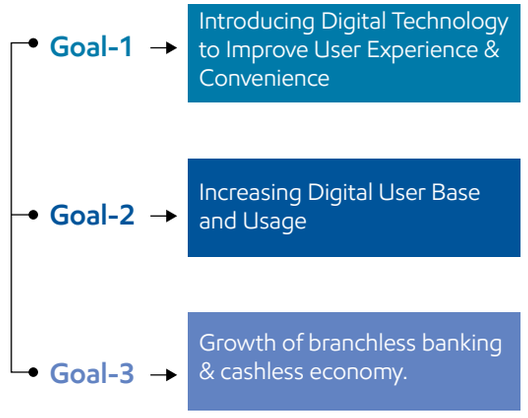


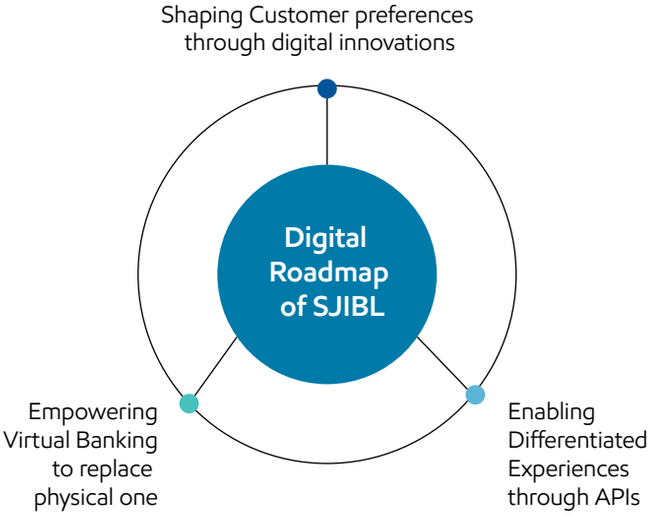
SJIBLs e-account launching ceremony

To keep pace with the fastest changing banking technology, we have been focusing on efficient use of technology and innovation. SJIBL has been moving for paperless banking with a view to reducing resource consumption:

Particulars	Number of frequency used in 2021	Consumption Saved due to introduction of digital banking (in BDT & Million)
SJIBL ATM Card punched through SJIBL ATM Booth	8,50,882	3.83
SJIBL Credit Card punched	2,038	0.01
EFTN-Outward	9,36,843	4.22
EFTN-Inward	7,91,095	3.56
RTGS-Outward	90,564	0.41
RTGS-Inward	54,088	0.24
On the basis of cost of per page of MICR cheque book Tk.4.50		
SMS sent	94,57,566	7.57
Email Delivered	7,80,08,840	62.41
Transaction through SJIBL e-Wallet	26,167	0.02
E-Statement of Credit Card	37,294	0.03
On the basis of cost of per page of computer paper Tk.0.80		
Total Consumption Saved in BDT & Million		**82.29**

Economy of the countries like India, Pakistan and Bangladesh have a structural problem of excessive economic dependence on agricultural sector. Thus, benefit of growth gets confined to service sector and little to manufacturing sector and has not percolated to the agricultural sector where the majority of the population resides. Banking sector being financial and service sector can accommodate more people as beneficiary of growth. For this, there is no alternative to digital financial inclusion or digital on-boarding.





Launching Automated Challan & QR Code

Automated Challan System was introduced in the year 2021 and SJIBL has signed agreement with Bangladesh Bank within this year. Traditional challan system is cumbersome and time consuming whereas automated challan system is faster in operation. Besides, SJIBL has launched QR Code banking service for cash withdrawal. The move was to cope up with dynamic changing patterning of banking to retains banks competitive edge.

Rising Cashless Payment & E-Commerce

While the Covid-19 pandemic-induced shutdowns starting in March 2020 brought the economy to a halt, it breathed new life into a slowly growing e-commerce market. Even after virus fear eased and errant platforms including Evaly, Dhamaka Shopping, Eorange collapsed, online orders are on the rise, while more sellers from diversified backgrounds are going online not to miss the train to the future of retailing. In this backdrop, SJIBL Management has been working to popularize banks official Facebook, SJIBL app-based digital wallet, Shariah based Credit Card etc. through signing MOU with different organizations.

The impact of increased card penetration on private consumption through building alliances, running campaigns, creating platforms for easier transfer of funds, connecting merchants with one another, increased both the bank's and vendors revenue, improved operational efficiency and lowered operating cost. In this regard, SJIBL has agreement with different key partners of Bangladesh:

Agora	Meena Bazar	Shwapno	Transcom Electronics Ltd
Rangs Electronics Ltd	Singer Bangladesh Ltd	Golden Tulip Hotel	US-Bangla Airlines etc.

Moreover, strengthening the cards and app-based internet banking led to reduced transaction costs, increased transparency and improved efficiency in the flow of goods and services.

Sustainability Rating

Bangladesh Bank has introduced sustainability rating since year 2021. In order to make a good score is sustainability rating, regulatory body has instructed all scheduled banks to emphasize upon some issues. SJIBL Management address all the issues related to sustainability as much as possible in running its overall business and operations. Some key components of sustainability rating and SJIBLs compliance status are as follows:

SOME SUSTAINABLE FINANCE(SF) MEASUREMENT CRITERIA AND SJIBL's STATUS

- Total Disbursement in Sustainable Finance (SF)-Tk.16,910.77 million
- MIS for Sustainable Finance?-Yes
- Steps taken for awareness building of employees and customers? -Yes
- Any decision taken by the Board/SMT for Sustainable Finance? -Yes
- Does the institution's annual report and website contain a specific section separated for Sustainable Finance/Banking related issue? -Yes
- Any undue intervention by the Board for CSR approval? -No
- Penalty imposed for non-compliance of CSR issues? -No
- Minimum (20%) women employees in the work place? -Yes
- Harassment policy in the work place, reviewed or not? -Yes
- Minimum (25%) of CSR Expenditure in rural areas? -Yes
- CSR Activities Disclosed in Annual Report? -Yes
- CSR Activities Disclosed in Print/Electronic Media? -Yes
- Scholarship for employee's children? -Yes
- Medical facilities for employee's dependents? -Yes
- Safety measures in the work place? -Yes

General Disclosures (GRI-102)



Sustainable Finance Disbursement-2021

Tk. 16,910.77 million
(including Tk.502.59 million Green Finance)



Sustainable Finance Outstanding-2021

Tk.21,638.84 million
(including Tk.770.37 million Green Finance)

As a bank, SJIBL has hardly any scope to use renewable items due to nature of business. Unlike manufacturing industry, a service sector industry like bank mostly have to use non-renewable items. Since a bank needs not use any factory for its products and services, scope of use of renewable items is very small if not zero. Around 89 types of non-renewable material are used by SJIBL for its business and administration purposes. Consumption of some non-renewable items for being one-time usage are as follows:

Name of Non-Renewable Items	Year -2019	Year -2020	Year -2021	Remarks
Printer Ribon/Toner in PCs	3,193	2,427	3,039	Per piece Toner 3,000 taka on average
Calendar in PCs (Both wall & Desk)	173,000	185,000	171,000	
Computer Paper in KG	42,177	36,165	45,073	1 Ream=2.5 KG & 270 Taka=1 Ream
No. of Account Opening Form printed	390,000	300,000	240,000	
No. of ID Card Issue	351	418	535	No. of ID Card Issue
No. of Cheque Book issued	180,000	155,000	158,000	Having minimum 8-10 pages
No. of Deposit Book issued	300,000	270,000	202,000	Having minimum 8-10 pages
No. of Letter/ Courier sent from SJIBL Head Office	23,800	15,310	15,345	Number of parcel excluded

There is a unit called Sustainable Finance Unit or SFU that deals with it. Besides, SFU is assisted by banks corporate, SME & Agri division and Foundation division in their marketing and reporting of green as well as any sustainable finance. The meetings of SFU mainly focuses banks growth of sustainability and do's and don'ts of SJIBL as a responsible organization.

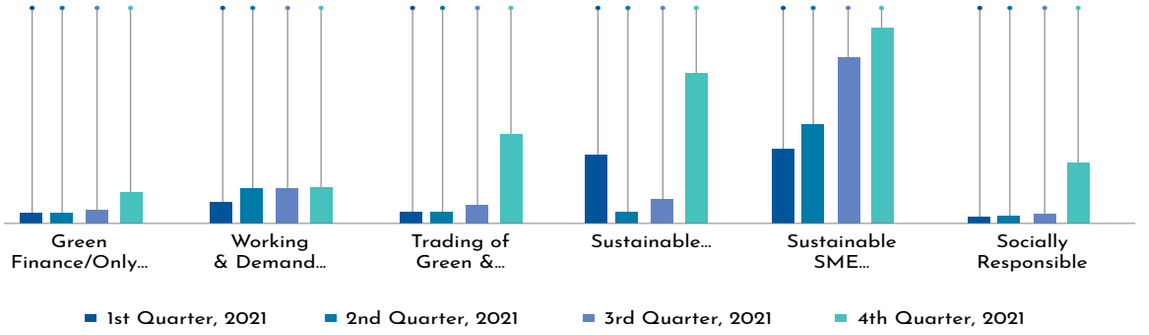
Category	Disbursement in Sustainable Finance Year 2020(In BDT & Million)	Quarter-1	Quarter-2	Quarter-3	Quarter-4
(a)Green Finance	Green Finance/Only Term Investment of Green Products	27.80	9.03	84.8	380.96
(b)Sustainable Linked Finance	Working & Demand Investment of Green Products	203.90	443.81	483.20	474.95
	Priority Green & Eco Friendly Products for Trading	34.74	38.04	152.04	1,367.15
	Sustainable Agriculture Finance	1,032.46	59.91	279.16	2,432.95
	Sustainable CMSME Finance	1,114.72	1,533.18	2697.53	3,185.19
	Socially Responsible Finance	-	-	15.4	859.84
Total Sustainable Finance (a + b)		**2,413.62**	**2,083.97**	**3,712.14**	**8,701.04**

In order to count performance of scheduled banks, Bangladesh bank consider disbursement of sustainable finance more than cumulative outstanding, because disbursement reflect consistency of growth better than cumulative outstanding position. Banks having better disbursement growth in each quarter is preferred than banks having better cumulative outstanding position with inconsistent growth from one quarter to another by regulatory bodies.

Category	Outstanding in Sustainable Finance	As of 31.12.2021 (In BDT & Million)
(a)Green Finance	Green Finance/Only Term Investment of Green Products	770.37
(b)Sustainable Linked Finance	Working & Demand Investment of Green Products	1,574.48
	Priority Green & Eco Friendly Products for Trading	3,988.27
	Sustainable Agriculture Finance	3,380.59
	Sustainable SME Finance	11,053.77
	Socially Responsible Finance	871.31
Total Sustainable Finance (a + b)		**21,638.84**

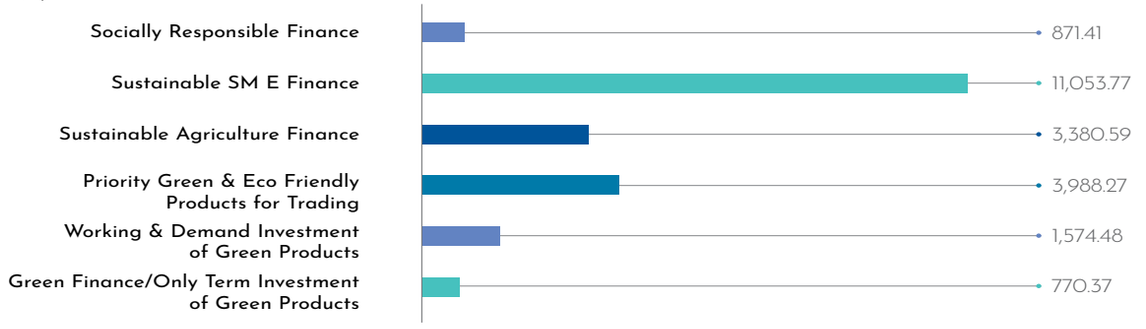
Since Sustainable Finance Policy is a very recent initiative of Bangladesh Bank many changes or modifications are still expected. Scheduled banks are yet to cope-up with this policy in terms of policy formation as well as implementation of the same. To cope up with this new policy SJIBL's management has already instructed its SME and Agriculture division to emphasize marketing of sustainable SME and agriculture products in consultation with SFU.

Quarter wise Disbursement in Sustainable Finance in 2021



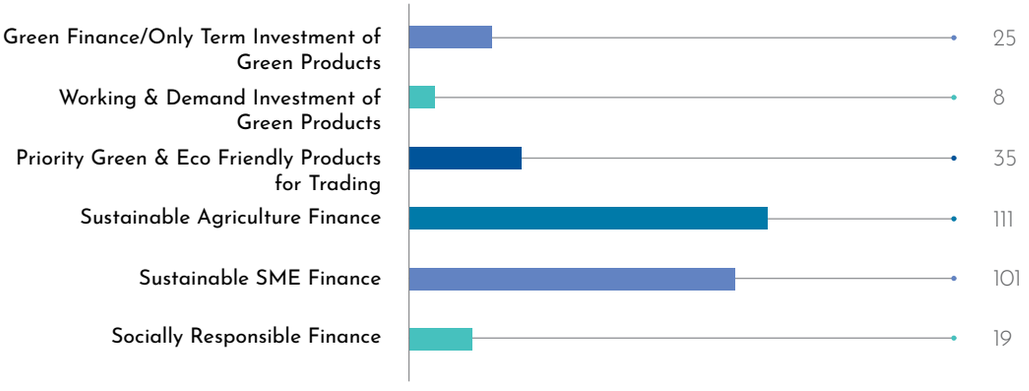
Outstanding in Sustainable Finance as of 31.12.2021

(In BDT & Million)



Only Term Investment in Green Products are being recognized as green finance whereas working & demand Investment of Green Products are being treated as sustainable finance. Because of this new segregation, green finance has lost momentum at least to some extent whereas sustainable finance has come to lime light. Naturally, number of green finance client, disbursement and outstanding of green finance decreased as a result of this policy modification. So, the decrease of green finance does not necessarily show SJIBLs less concentration on green growth. It's rather a strategic change.

Number of Sustainable Finance Accounts (as of 31.12.2021)



As per new Guideline of Bangladesh Bank, only term finance of green products are supposed to be considered as green finance. Working capital finance and demand finance are to be considered as eco-friendly sustainable finance instead of green finance. This is why green finance has decreased for the changes of regulatory reporting

categorization. In this backdrop, cumulative outstanding growth of some green products of Shahjalal Islami Bank Limited in the year 2021 was Tk.528.13 million out of total green finance outstanding of Tk.770 million.

Solar Panel and Solar Grid	Combination of Biological & Chemical ETP	Zigzag Brick Field
Tk.191.13 million	**Tk.240.11 million**	**Tk.3.84 million**

Energy Auditor Certified Machinery	Vermicompost	Cottage Industry
Tk.80.0 million	**Tk.1 million**	**Tk.12.05 million**

If we draw a summary of green and sustainable finance on the basis of all available data, we have to look into disbursement figure and as such following holistic picture will come out quarter-wise for the year 2021:

Particulars	Summary of Sustainable Finance Disbursement (in BDT in Million) in the year 2021				Total
	31-03-2021	30-06-2021	30-09-2021	31-12-2021	
Total Investment-Disbursement (Excluding Staff Investment)	46,524.74	49,326.39	50,913.17	76,376.14	2,23,140.04
Sustainable Finance (including Green Finance)- Disbursement	2,413.62	2,083.97	3,712.14	8,701.04	16,910.77
% of disbursed Sustainable Finance(including Green Finance) out of total Investment Disbursement	5.19%	4.22%	7.29%	11.39%	7.57%

As per regulatory requirement, all scheduled banks are supposed to ensure minimum 20% sustainable finance disbursement out of total investment disbursed. However, this was given as experimental basis by Bangladesh Bank. However, no scheduled banks were in a position to fill up the target of 20% in the year 2021.

In House Sustainability (GRI-307):

SJIBL regularly conduct fire drill to ensure regulatory compliance as well as safety of its employees. Last fire drill took place in 28 November 2021 in banks Head Office building conducted by Bangladesh Civil Defense and Fire Service. Employees attended the drill demo session spontaneously:



Fire drill held in Head Office led by Bangladesh Fire Service & Civil Defense

Due to restriction by regulatory bodies banks cannot purchase buildings and other fixed assets above the limit set by Bangladesh Bank. As such, it is not allowed in most of the times to build up rain water harvesting system and waste management system in rented building used as banks branches. However, SJIBL authority has established rain water harvesting system and waste management system at the branch located in the premises of the Head Office.

Awareness Raising and Capacity Building on the Sustainability (GRI-404):

Year	Number of Workshop	Main Focus of Workshop
2012-2014	At least 01 in each year	Green Banking
2015-2017	At least 01 in each year	Environmental Risk Management
2018	03	Environmental & Social Risk Management
2019	03	Environmental & Social Risk Management
2020	01	Sustainability & Gender Equality
2021	03	Sustainability & Gender Equality

Due to COVID-19 pandemic, SJIBL employees attended trainings and workshops in digital platforms like zoom in BIBM, BBTA and banks own training academy. In 2021, SJIBL conducted 03 trainings/workshops. In the year 2021, the bank spent about 38 thousand taka on 03 trainings/workshops which was about 15 thousand in 2020.

According to new circular letter no.06 dated 31 December 2020 issued by Sustainable Finance Department of Bangladesh Bank, Sustainability Rating was done like CAMELS Rating to judge banks on some subjective and objective criteria for 2021 & onward and as such different sustainability criteria were measured.

- SJIBL has 19 solar powered ATM Booths.
- SJIBL Head Office and 01 branch (SJIBL Tower Branch) being LEED certified Green Building has rain water harvesting and waste management system.
- All the e-wastes are collected from every operational unit and disposed of centrally through e-tendering.
- Bank is increasingly focusing on online platforms like Face book, Websites etc. for promotional activities.
- All SJIBL branches use LED bulbs and LED Tube lights.
- To reduce the burden on the municipal water supply and wastewater systems, the building utilizes low-flow fixtures including water closets and sinks.

Eco-Friendly Operations

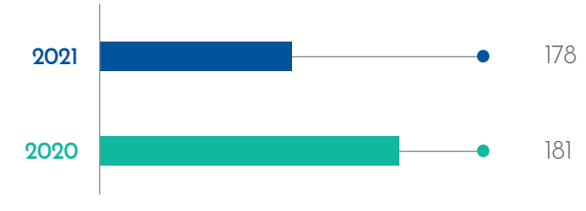
The Bank has updated its governance structure in regard to sustainability by accommodating Bangladesh Bank's latest directives to foster green governance. As part of constant commitment of SJIBL to adopt a quality approach, the bank continues to focus on reining its management systems across the business to include sustainability considerations.

Due to major paradigm shift from green banking into sustainable banking following policies are supposed to be followed by SJIBL:

- Environment Conservation Act, 1995
- Environment Conservation Rules, 1997
- Environment & Social Risk Management (ESRM) Guideline of Bangladesh Bank
- Agriculture & Rural Credit Policy of Bangladesh Bank
- Bangladesh Labor Act, 2006
- Sustainable Finance Policy of Bangladesh Bank
- SME Guidelines of Bangladesh Bank

Shahjalal Islami Bank Limited has started Environmental & Social Risk Rating (ESRR) through ESRR Checklist in its investment proposals where applicable since 2012. In 2021, number of clients whose ESRR were made (as mentioned in below chart) were lesser than last year due to the overall downward growth of investment.

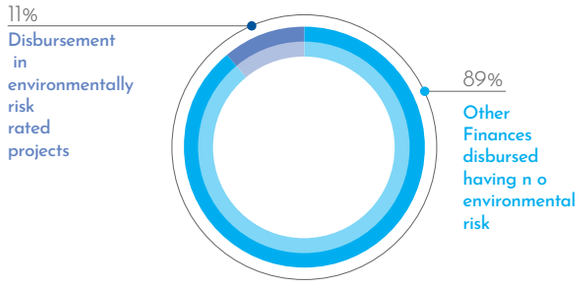
Number of Projects whose Environmental & Social Risk Rating was done



Optimistically enough, among 178 investment accounts/ projects whose environmental and social risk rating was accomplished prior to disbursement of investment in the year 2021, no high risk rated project

was found. Again, the Bank has been working to develop MIS on environmental & social risk management so that any risk arising from environmental and social issues can be detected and addressed immediately.

Environmental Risk out of total funded finance of SJIBL



Above pie chart clarifies that out of every 100 taka which was invested or financed by SJIBL in the year 2021, environmental risk rated products were 11 taka. It means that SJIBL has more trading business and work order finance for which exposure to environmental risk is comparatively lower. Because the more the environmentally risk rated assets, the higher the risk for the financial institution.

Reduction of GHG Emission and Energy Consumption (GRI-305)

While fuel, power & paper are 03 main in-house sources of carbon emission, Pharmaceutical, Power, Textile & Construction are the major sources of carbon emission from financing/investment. SJIBL control all these elements to control GHG emission as much as possible. Among mobile sources of emission, SJIBLs office cars as well as cars given to executives are important contributor to pollution. Among stationery sources of emission, SJIBLs paper, electricity and fuel for generator are main polluters. However, SJIBL has its own Green Office Guide that recommend employees ways of lesser carbon emission.

SJIBL has been running vehicles, generator by consuming fuel which causes Greenhouse Gas (GHG) emissions directly. Besides, the bank also accounts for indirect GHG emissions produced as a result of consuming electricity from the Bangladesh national grid. Green House Gas consumption increased in the year 2021 compared to the year 2020. Because, for long time lock down consumption abnormally decreased throughout the year 2020 which became partly normal in the year 2021. This increase of GHG from 2020 to 2021 was thus the scenario not only of SJIBL but also of entire corporate world for partial recovery from pandemic and for new-normal life.

Energy Items	Year-2020		Year-2021	
	Consumption in BDT & Full figure	Green House Gas Emission in Metricton	Consumption in BDT & Full figure	Green House Gas Emission in Metricton
Electricity	6,93,31,848.49	3,975	7,15,36,619.07	4,102
Fuel for Generator	38,56,532.51	101	44,45,810.44	116
Fuel for Car (Office)	45,29,028.46	118	56,39,068.00	147
Computer Paper	39,05,856.64	36.2	48,67,872.45	45.1
Total	**7,77,17,409.46**	**4,230.20**	**8,64,89,369.96**	**4,410.10**

It can be mentioned that there were many policy related changes and subsequent directions in determining green finance by Bangladesh Bank itself. Initially, projects financed having ETPs were considered as green finance to promote green economy. Later on, projects financed having ETPs were excluded from green finance product category with recommendation of BIBM and other stakeholders. However, horizon of green products has been increased by incorporating social forestation, vertical farming under green product category.

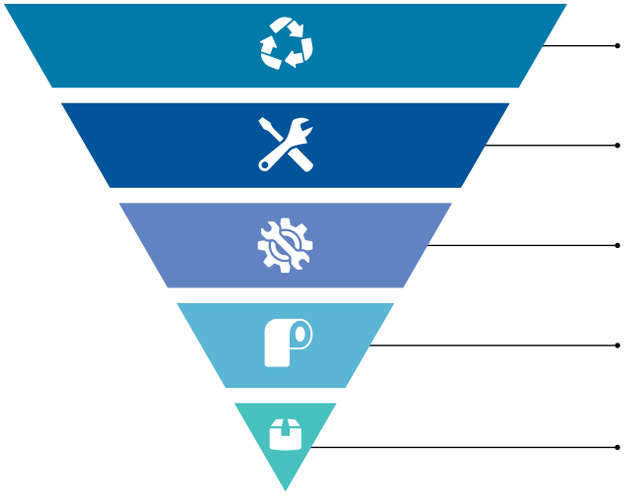
Considering both electricity and cooling consumption altogether, total energy consumption of SJIBL within the organization was approximately 15,48,000 kwh in the year 2020 and 15,51,000 kwh in the year 2021. Still now entire banking industry largely depends on fossil fuel and as such the issue of reducing energy consumption is yet to be substantially addressed.

Waste Management System (GRI-306)

Particular	Unit	Year 2020	Year 2021
Total weight of waste generated	kg/litter	1. Paper, tissue paper 900kg 2. Water 17,623,000 litter 3. Solid Waste 50,000 kg	1.Paper, tissue paper 1,100kg 2. Water 19,663,000 litter 3. Solid Waste 75,000 kg

(SJIBL HO only)

Our approach to managing hazardous and non-hazardous solid waste is grounded in the belief that the Company should re-use, re-cycle and replenish wherever possible. As per regulatory requirement, bank has to preserve minimum last five (05) years documents in store which impact our waste management policy naturally. We also discourage one-time usable glass and plate in our office to reduce waste. We traded old I.T. equipment instead of storing unnecessarily especially when they have substantially depreciated after usage. Since toner of printers and photocopiers are not refillable, we dispose after usage. SJIBL has a hired third-party cleaning organization who are responsible for waste collection and disposal timely. Figure below depicts the process which is supported by all business units of SJIBL:



Minimization & Reuse (computer paper, food left over,envelop, glass & plate, computer monitor etc)

Recycle & Repair (water filter, card board, polythene, UPS, Air Condition, Generator etc)

Sold out (IT equipments, Air Condition, Generator etc. for being old enough by use)

Dispose off after one-time use (Toilet Tissue, Facial Tissue,printer & photocopy toner etc)

Dispose off after recurring use (Paper or docs after 05 years storage)

Participation of Refinance Agreement with Bangladesh Bank:

At present, SJIBL has two (02) refinance agreements with Bangladesh Bank for green finance:

Green Transformation Fund (GTF):

Green Transformation Fund (GTF) is intended to facilitate access to financing in foreign exchange by all Manufacturer-Exporters irrespective of sectors against import of green capital machinery and accessories. Islamic Interbank Benchmark Rate (IIBR) is used to determine the cost of investment in such refinance instead of LIBOR/EURIBOR.

Technology Development & Up-gradation (TDF)

Apart from GTF refinance another refinance agreement was signed with Bangladesh bank in last quarter of 2021 namely Bangladesh Bank Refinance for Technology Development & Up-gradation Fund for Export oriented Industries. Clients have to provide certificate of recognized bodies like SREDA to justify that their products are truly energy efficient.

Way Forward

- Business wide emphasis on cost containment
- Emphasize upon sustainable SME & Agriculture finance to improve overall sustainable finance
- Development of MIS from core banking software for better monitoring & reporting

KONIKA VERMICOMPOST, A GREEN FINANCE CLIENT OF CHUADANGA BRANCH





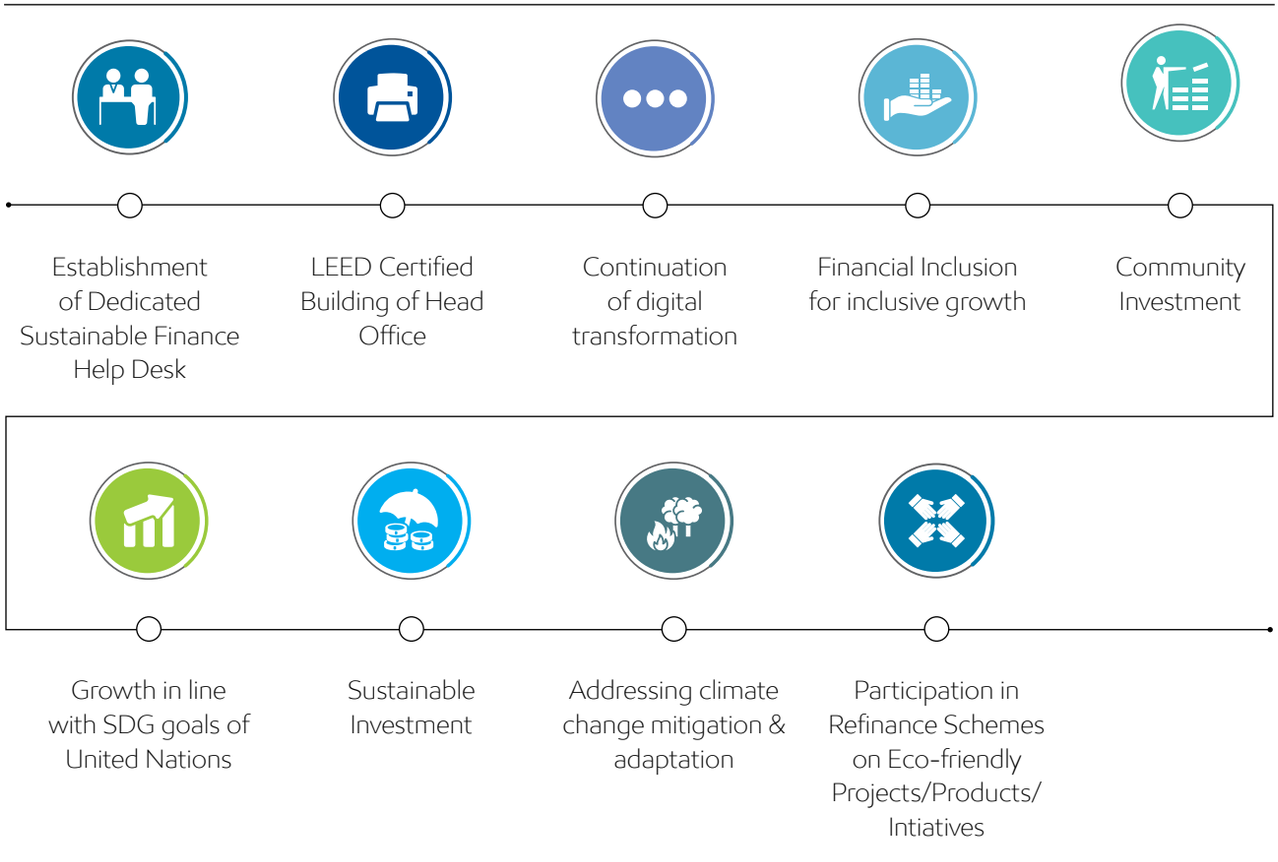
Factory of Konika Vermicompost

Vermicompost (vermi-compost) is a decomposition process which use various species of worms, usually red wigglers, white worms, and other earthworms, to create a mixture of decomposing vegetable or food waste, bedding materials, and vermin-cast. This process is called vermicomposting, while the rearing of worms for this purpose is called vermin-culture. Vermicompost contains water-soluble nutrients and is an excellent, nutrient-rich organic fertilizer and soil conditioner. It is used in small scale sustainable, organic farming. Vermicomposting has gained popularity in both industrial and domestic settings because, as compared with conventional composting, it provides a way to treat organic wastes more quickly. In manure composting, it also generates products that have lower salinity levels. In order to promote green economy as well as agriculture SJIBL has many such finances. One of the beneficiary of such green finance of SJIBL is Mr. Md. Nur Alam Liton, Proprietor of Konika Vermi Compost Joybo Shar Farm of Chuadanga district.

Mr. Md. Nur Alam Liton is a manufacturer and supplier of compost fertilizer and very experienced businessman in his business arena. He has been running his business for many years with good market reputation. He is 45 years old and very energetic person. By this time he increased his business remarkably and he has a huge opportunity to enlarge it. Total estimated budget was Tk.31.50 lac out of which clients equity would be Tk.21.50 lac and for the rest bank finance was required. As such, the client had applied to SJIBL, Chuadanga Branch to avail finance for his green investment of Tk. 10.00 Lac under Bai-Muajjal-Commercial-TR (Revolving) favoring Konika Vermi Compost Joybo Shar Farm to operate the business smoothly. His main objective for SJIBL finance was to purchase earthworm, cowdung, packing bag & others chemicals from local market for producing of Compost Fertilizer. SJIBL investment officials were convinced of his proposal and approved him required amount of investment for vermicomposting.

ENVIRONMENT AND **SOCIAL OBLIGATIONS**

The global COVID-19 pandemic especially the second wave of the pandemic has been an unprecedented crisis for but not limited to Asian region. It has been as much a test of our healthcare systems, as it has been of our economic systems. The existential threat to people and communities, especially exacerbated by this second wave of the pandemic, and the disruptions in supply chain, trade and commerce have exposed the vulnerabilities of modern times. The pandemic has thus heralded the critical need for businesses and governments, in particular, to design and implement strategies that will proof our ecosystems and communities against various environmental, ecological, economic and social risks.



We thus extended holistic support to our stakeholders including universal safety and health operating protocols, loan/investment moratoriums to help borrowers to manage their cash-flow, engagement in special relief and credit/ investment extension schemes of the government, and capacity-building in areas of sustainability. After end of first wave of pandemic in the year 2020, people were quick to adapt to digital lifestyle and ways of working. At SJIBL, we were also able to successfully re-organize our operations to embrace the new health and safety guidelines, roll out a virtual operations platform and significantly expand our digital customer solutions throughout the year 2021. These actions allowed the bank to continue to serve customers amidst second wave of pandemic and even leverage the economic recovery in the year 2021.

How SJIBL addressed challenges on sustainability due to COVID:

Work-Life Integration during COVID-19 led us to "New Normal" life

Modern corporate world believes in work-life Integration that have no hard boundaries. That is why they have adopted an approach that creates more synergies to define life: work, family, community, health and wellness. The world has already moved to "New Normal" to gain momentum. In this back drop, SJIBL introduced Work From Home (WFH), work on roaster etc. To transform the business for adopting to "new normal" practices, we initiated a comprehensive Pandemic Management Strategy and BCP (business continuity plan). To ensure occupational health and safety, we recruit a regular physician and medical assistance in Head Office who give all employees of SJIBL consultancy physically as well as via mobile to distant branches.

Banker-Client smooth relation

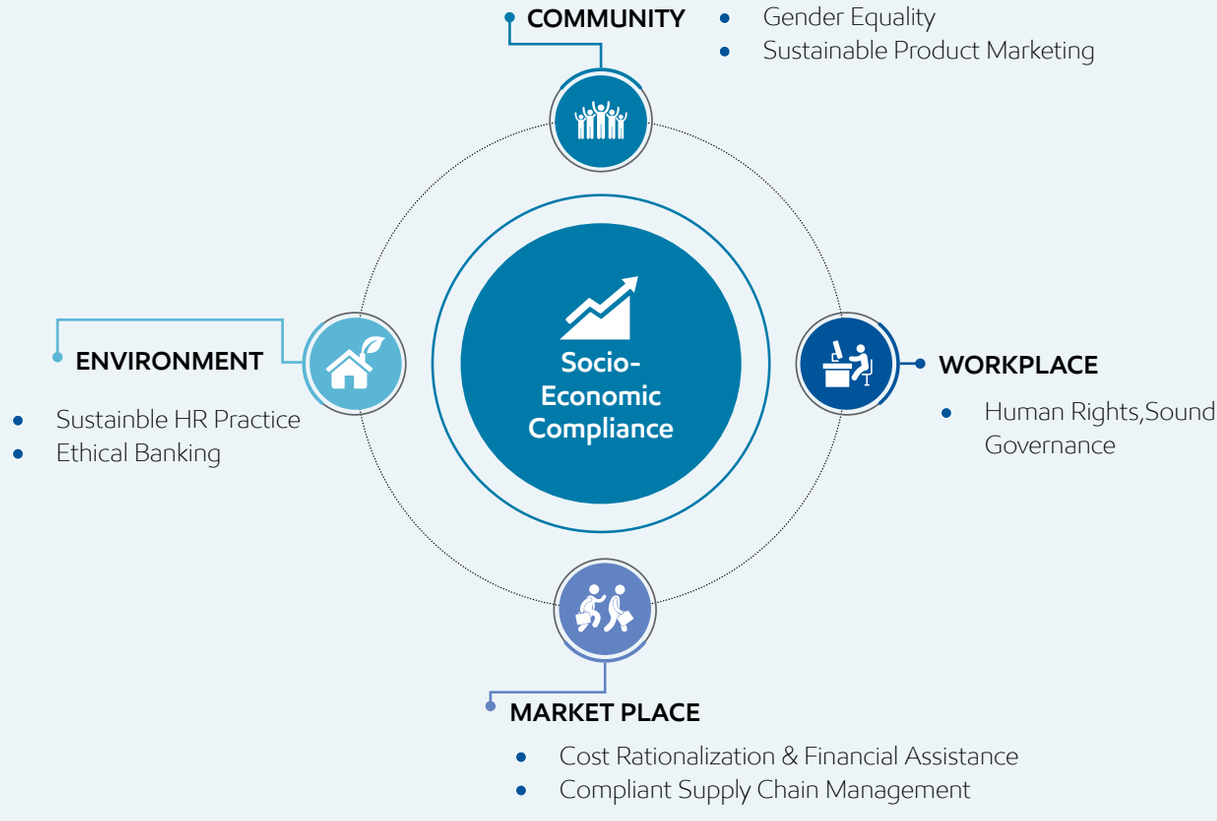
In anticipation of changing consumer dynamics amid challenges posed by the COVID-19 pandemic, SJIBL further enhanced its customer friendly approach during the year under review by effecting downward profit rate revision of investment facilities, exemption of selected categories of fees and charges, offering repayment extensions and strategic restructuring for some investment facilities. However, withdrawal of regulatory moratorium on loan/investment repayment results in more NPI in portfolio which exposed new risk in the year 2021.

Rapid Digitalization

Due to COVID-19 all Trainings of SJIBL Training Academy were shifted into digital platform zoom. Video Conferencing instead of physical visit was popularized that helped cost minimization as well. Card-based transaction, Internet banking & transaction through app-based digital wallet were encouraged instead of coming to branch physically. Clients were encouraged to take help of call centers instead of meeting in touch points. Thermal scanners were set up in Head Office and branches.

Socio-Economic Compliance

Some social and socio-cultural issues related to sustainability which Shahjalal Islami Bank limited has been addressing for all its stakeholders including itself ranging from workplace to community are as follows:



Gender Equality (GRI-405)

Year	Number of female workers	Number of female In Supervisory Position
2019	428	16
2020	442	16
2021	457	19

Gender Equality matches with SDG Goal-5 of the United Nations. Article 28 of the constitution of Bangladesh said: "Women shall have equal rights with men in all spheres of the State and of public life". If any male employee sexually disturbs any female employee, disciplinary action is taken against him according to SJIBL Sexual Harassment Eradication and Prevention Policy. Female recruitment against male in SJIBL is also satisfactory compared to the overall industry.

Sustainable Product Marketing (GRI-417)

Sustainability and relevance of products and services are assessed prior to introducing new products to ensure that the products and services of the Bank deliver optimum value to clients. SJIBLs emphasis upon green finance represents it as a responsible organization. Besides, SJIBL ensure health and safety in following ways:

- The brochures, leaflets of products are produced through manufacturers who have proper safety and compliance in their factory.
- Maximum vendors are enlisted with the Bank.
- The product of the bank is mostly intangible and that's why development process is of no issue for health and safety to the customers.
- The product and service touch points such as Branch, ATM machines, Agent outlets are always sanitized to keep clean.

As the Bank's products and services are unlike tangible factory-made goods, hence sourcing of components, content/substance affecting environment, disposal are not applicable to the case of banks. The marketing kits of the Bank are billboard, product brochures, fliers, dangler, display board, notebook, gifts materials, website etc. Each year, the marketing kits are redesigned so that customers do not get bored seeing offered products and services.

Sustainable HR Policy (GRI-401 & 402)

SJIBL continues to regard its staff as the richest asset and does its utmost to support them in their daily endeavors of keeping the operations alive amidst challenges and limitations posed by the evolving phases of the pandemic. Providing the staff with a safe and healthy environment to work in, while assuring job security and rewards always remain key management priorities. For this, employee turnover is very low in SJIBL compared to many other organizations:

Employee Turnover	Year-2019	Year-2020	Year-2021
Male	153	97	128
Female	12	6	23

It can be mentioned that SJIBL emitted minimum 7,418.1 metric ton greenhouse gas throughout the year 2021 during its operations most of which came from electricity consumption. As such, SJIBL sustainable HR policy motivate employees to leave office just after office time so that all types of consumption including electricity can be minimized.

Sound Governance

SJIBL follows all circulars of BSEC and Bangladesh Bank to ensure sound governance. As a result of sound corporate governance SJIBL can easily ensure followings:

- Labor/Management Relation (GRI-402) development for which managers conference are arranged formally each year.
- Non-Discrimination (GRI-406) to ensure which bank organize workshop on gender equality each quarter to motivate staffs.
- Customer Health & Safety (GRI-416) by installing thermal scanner and sanitizer to defend pandemic.
- Customer Privacy (GRI-418) by maintaining strict confidentiality regarding customers information.

Redressal of customer complains each year justify SJIBLs sound governance practice:

Particulars	Year-2019	Year-2020	Year-2021
Total number of complaints received	31	33	22
Actions taken for the complaints received	Resolved 31 nos. complaints i.e. 100%	Resolved 33 nos. complaints i.e. 100%	Resolved 21 nos. complaints i.e. 95.5% and rest 1 is under process

Human Rights (GRI-412)

Universal Declaration of Human Rights in the year 1947 was unanimously accepted by all members of the United Nations. It incorporates all basic issues ranging from child right to adult rights. As a responsible stakeholder, SJIBL comply followings in pursuance of this declaration:

Human-Rights Indicator	Relevance with SJIBL
Child Labor (GRI-408)	SJIBL does not approve finance where child labor is found in inspection.
	No branches of SJIBL allow child labor as permanent or contractual employee.
Minimum Wage	Minimum wage is ensured for all employees of SJIBL.
	SJIBL set up condition of minimum wage in financing any running factory.
Decent & Safe Working Environment	SJIBL Head Office is a LEED Certified Green Building having sufficient safety initiatives.
	All SJIBL branches are uniformly well decorated. Besides, SJIBL has finance for many green featured and/or well-structured factories and offices.

Compliant Supply Chain Management (GRI-414)

The Bank's procurement practices continue to be centrally managed by the Common Service Division (CSD) and are overseen by the Procurement Committee. As the Bank has its branch network spread across the country, it also sources small items from local vendors for localized consumption of goods and services. SJIBL has made tactical relationships with eminent companies for procurement.

Particulars	Year-2019	Year-2020	Year-2021
Total procurement budget of SJIBL in BDT & million	608.12	856.60	998.80
Number of local suppliers dealt with	155	155	208

The main objectives of SJIBLs Procurement policy are as follows:

1. Maximizing economy, timeliness and quality in procurement resulting in the best value proposition for the Bank;
2. Adhering to prescribed standards, specifications, rules, regulations, and good governance;
3. Providing fair, transparent, equal, and maximum opportunity for eligible interested parties to participate in procurement;
4. Expeditious execution of work and delivery of goods and services;
5. Ensuring fairness, transparency and consistency in the evaluation and selection procedure; and
6. Retaining confidentiality of information.

If complain arises against any enlisted vendor through media or elsewhere SJIBL deals it seriously, because SJIBL vendors are supposed to be compliant, ethical and transparent in approach. SJIBL has a number of enlisted suppliers for different items. To supply Change modification, our vendor selection is a continuous process to adjust with our demands:



Cost Rationalization & Financial Assistance (GRI-201)

As a responsible organization, SJIBL promotes cost rationalization by properly monitoring GL Heads like entertainment, local conveyance etc. CASA campaign is promoted to bring down banks overall cost of fund. Under COVID-19 Stimulas package, SJIBLs SME clients availed Tk.5.06 million subsidy so far which helped SME customers for survival during pandemic. Bank helped customers to get cash incentives of Tk.2,384.00 million from Bangladesh Bank against export in the year 2021 that contributed to customers survival from covid-19 affected situation.

Ethical Banking

Stakeholders are increasingly interested in aligning their values and personal beliefs banking. There are now more options available to build a values-based portfolio especially in investment sector. According to regulatory requirement as well as to ensure safety of public money, SJIBL monitors followings in case of financing any client or project:

- How many times a certain borrower was classified and rescheduled/ restructured in last 03 years (compulsorily considered in Investment Risk Grading).
- If borrowers sales growth is below or above 10% and if the borrowers audit from recognized auditors (compulsorily considered in Investment Risk Grading).
- If female entrepreneurs are given adequate scope for businesses like male.
- If minority and indigenous people are financed side by side with mainstream population.
- If Environmental, Social and Governance (ESG) factors are duly complied prior to finance.
- If SME borrowers and farmers get adequate focus in SJIBL investment disbursements.
- If any investment client can divert fund into money laundering or any other crime.
- If the borrowers company has sound corporate governance or not.

Financial Inclusion (GRI-415)

The Daily Star report dated 29 December, 2021 titled "Half of Adult Population still unbanked" stated that Bangladesh lags far behind in financial inclusion as nearly half of its adult population still remains unbanked. And the government will have to bring nearly 18 million adults under at least one regulated financial service account in the next three years in order to achieve its target of 100 per cent financial inclusion by 2,025. 50 percent of the adult population had been covered up until 2017. Bangladesh ranks 44th out of 55 countries in overall financial inclusion globally.

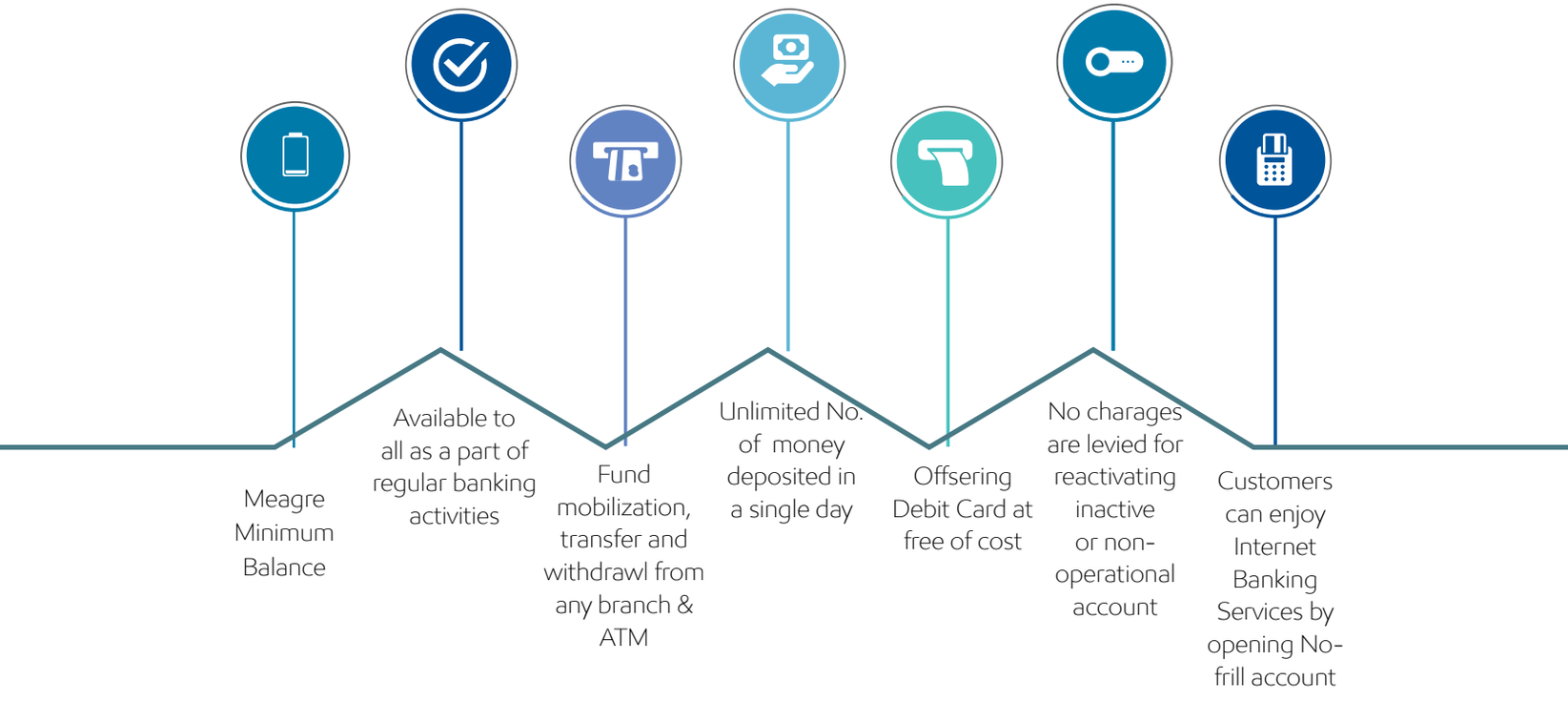
The core philosophy of financial inclusion of SJIBL is to support ensuring the delivery of a wide portfolio of financial services, to meet the varied needs of the unserved and underserved populations and enterprises in the country. Movement plan for this financial inclusion in Bangladesh are as follows:

Step-1 Digital Bangladesh	• Becoming Developed Country by 2041 • Becoming Middle Income Country by 2023
Step-2 Innovative Bangladesh	• Secure Bangladesh Delta Plan 2100 • Becoming prosperous Bangladesh

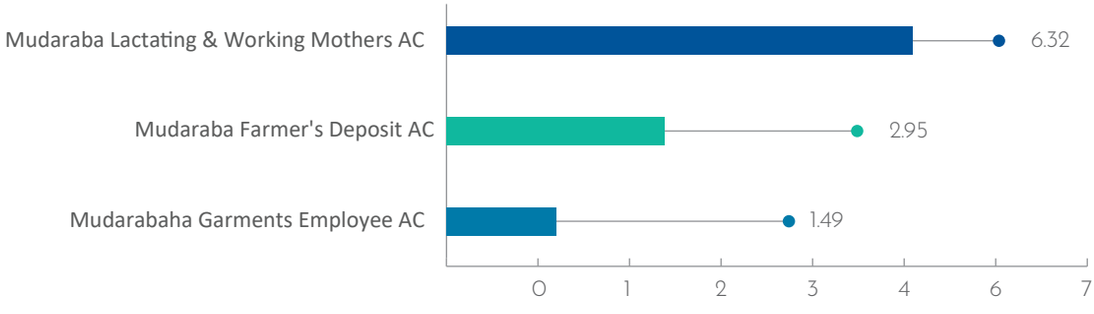
Capitalizing No-Frill Accounts for the unbanked poor people

No-frills account is a bank account that can be opened and maintained with 10 to 100 taka balance, levies zero or nominal charges and such account does away with the unnecessary services or frills.

The No Frills account aims to offer the most basic banking service to those from the low-income backgrounds. The concept was formulated as a means of providing individuals from low-income backgrounds the opportunity to benefit from the credit and savings programs offered by most financial institutions. Advantages of No-Frills Deposit Accounts of SJIBL are as follows:



The objective of opening such no-frill account is to bring entire population of Bangladesh under formal financial network gradually. Since SJIBL is committed to ensure mass people participation in formal economy, it emphasized on opening such 10 Taka & 100 Taka accounts regardless of any cost-benefit analysis:



Though there is no special deposit product for freedom fighters and autistic people under no-frill category, SJIBL has normal savings account of freedom fighters as well as autistic people. As a responsible stakeholder of the society, SJIBL facilitates autistic people and freedom fighters as much as possible in banking.

School Banking Account opening for minors (GRI-415)

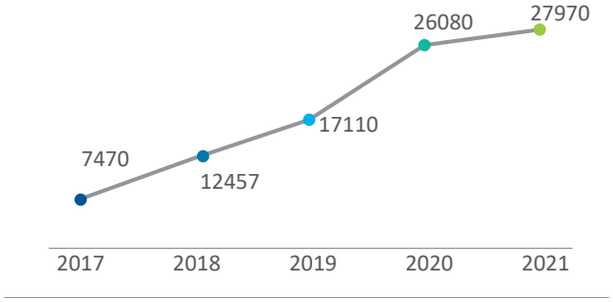
Due to COVID-19, all educational institutions have been closed since March, 2020. However, running school banking account opening campaign is a regulatory requirement. In the 2nd half of the year 2021, the pandemic situation started to become normal. As a result, educational institutions were reopened and academic activities were carried out in full scale. As such, SJIBL started to run financial literacy campaign again in full swing to motivate and educate the students about banking and savings behavior.



Financial Literacy Campaign - 2021 held in a school by SJIBL Uttara Ladies Branch

Due to COVID-19, School Banking Conference in different districts remained postponed since 2020. However, branches continued to open school banking accounts. The upward trend of School Banking Account opening ensures SJIBL's commitment for inclusive economy of the country by inclusion of all minor student accounts:

Growth of School Banking Account Number in last 5 years



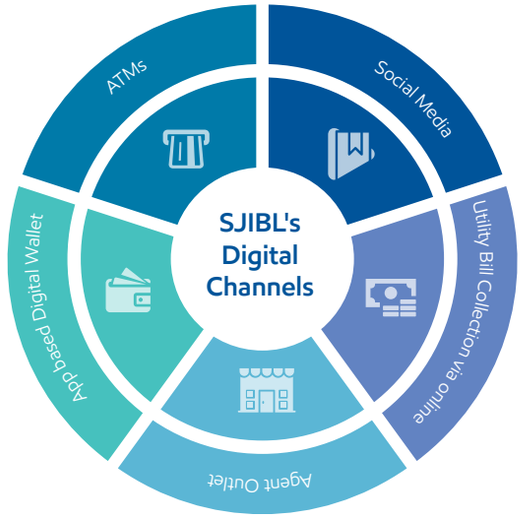
In 2021, several times government had to change schedule for opening educational institutions due to continuation of pandemic. Under this circumstances, growth of account opening by student of different educational institutions- be it school banking or saving was bound to suffer. In this circumstances, digital financial literacy campaign was pursued in different schools by SJIBL branches to promote financial literacy.

Financial Literacy Campaign			
Particulars	No of Schools	No. of male Students	No. of female Students
Rural	11	4,433	3,204
Urban	26	6,482	5,065

Inclusive Growth through Digital Channels (GRI-202)

World Bank has defined Inclusive Growth as both to the pace (Quantitative Growth like GDP Growth) and pattern of growth (Qualitative Growth meaning having no financial discrimination) which are interlinked and must be addressed together. Growth of income is as much important as equitable distribution of income. Due to COVID-19, world economy slowed down and millions of people fell below poverty line afresh, but income inequality did not stop. Rather millionaires became billionaires. So, COVID-19 warns the world ironically of the need of a world where equitable distribution of income is crucial. Like all other scheduled banks, SJIBL has been working on different banking aspects to ensure inclusive growth of the country which has included digital financial inclusion with extra emphasis.

While growth refers to national income and per capita income over time, inclusive growth shows not only a sustained increase in national and per capita income but also progressive changes in socio-economic structure of the country like better health, education, gender parity etc. While growth is measured in terms of GDP, inclusive growth or development is measured in terms of HDI (Human Development Index), GDI (Gender Related Index), HPI (Human Poverty Index) etc.



Sometimes opportunity is created out of accident or unexpected incident. Due to COVID-19, the process of financial inclusion largely hampered. But it paved the way of digital financial inclusion. In spite of COVID-19, SJIBL became successful to explore business and to contribute to financial inclusion vide following digital tools:

Agent Banking

Shahjalal Islami Bank Ltd is one of the few banks which has got Bangladesh Banks permission for Agent Banking. So, agents of SJIBL can exercise a competitive advantage over the other banks by serving in remote rural area where there are no other banks except SJIBL Agent Banking Outlets. Similar to many other banks, SJIBL has no branch network in different remote areas where agents can serve the purpose. SJIBL has agents from Rangpur to Chittagong, from Sylhet to Khulna and this location-based agent selection has been largely contributing for financial inclusion.

App based Digital Wallet

With the invention of app based digital wallet concept, banking with SJIBL has become easier and more convenient. SJIBL NET enables the user to get a lot of advanced features like fund transfer, bill payment, balance inquiry, mobile recharge. By installing this app, the clients can enjoy banking facilities at hassle-free and without of visiting Branches physically.

e-KYC and e-Account

SJIBL has recently overcome its strategic disadvantage by introducing e-KYC and e-account opening. Since many districts of Bangladesh are still beyond SJIBL branch and ATM network, this advantage is now well addressed by digital account opening method. Introduction of e-Account opening has paved a new way of covering many unbanked people as they can open Bank Account from anywhere and anytime. Our new clients are sharing their good experience of enjoying account opening through e-Account and the number of account opened through e-Account was 359 in 2021.

Social Media

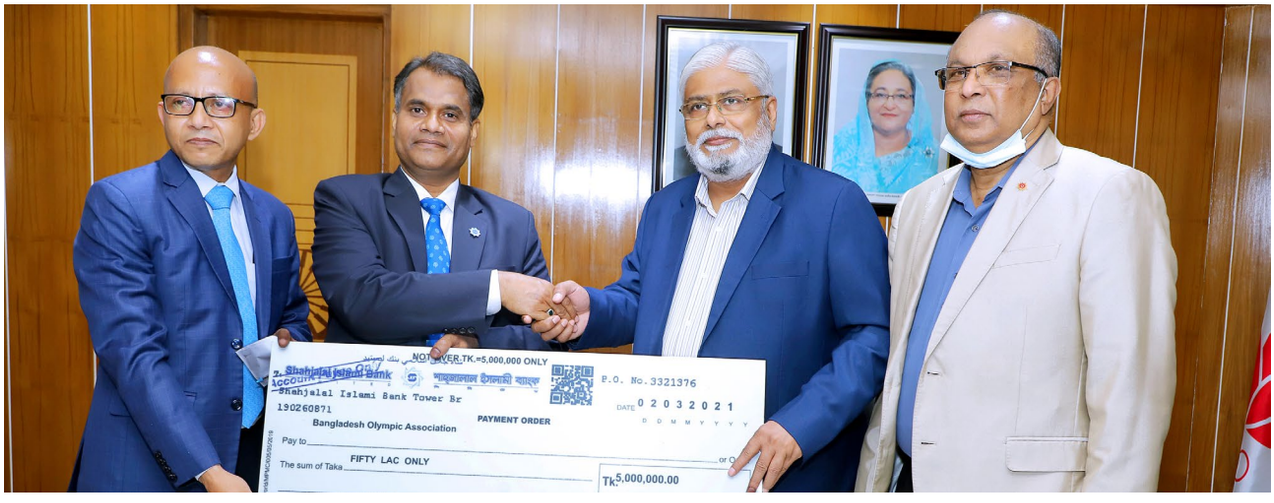
The paradigm shift of global audience from cable TV to social media urges the need of presence into social media by all stakeholders. SJIBL has appeared into social media platform strongly years before through a formal facebook page and shares all the latest update about new products and services to and with the clients. Our clients are also keen to be connected via our facebook page and got update. Besides, SJIBL has its own LinkedIn profile that helps to keep in touch with many new and potential talents as well as industry expert.

Utility bill Collection via

SJIBL has agreement with different government organizations like WASA, DESCO, TITAS, DPDC and REB for bill collection. On the average, SJIBL collects more than ten thousand (10,000) million taka bill from the subscribers of TITAS Gas Ltd each year. Bill collection from REB is also satisfactory. Such low cost deposits contribute to the cash management of the bank in one hand. On the other hand, it facilitates the government to enable due bill collection from all across the country including remote areas via online.

Patronization / Sponsorship

In spite of continuation of COVID -19 from the year 2020 to 2021, the concept of "new normal" induced all to start everything like previously- sports, culture and what not. But vaccination was yet to complete for which full scale life style had not started throughout the year 2021. So, the scope of sponsorship was limited in 2021 just like 2020. Yet SJIBL sponsored different programs amidst pandemic.



Sponsor to Bangladesh Olympic association by SJIBL

For publicity and advertisement, SJIBL use different Newspapers, Magazine, Television, Radio, Neon Sign Banner, Sponsorship etc. When patronization is made in the form of CSR, use of banks logo, banner is not essential. But in patronization in the form of sponsorship, bank goes for branding and marketing. SJIBL sponsor TV scroll, news reporting and different programs promoting awareness of corona virus.



Community Development:

The United Nations defines community development broadly as "a process where community members come together to take collective action and generate solutions to common problems. The main objective of community development in South Asia like India, Bangladesh remains to develop the villages and to help the villagers help themselves to fight against poverty, illiteracy, malnutrition, etc. The beauty of South Asian model of community development lies in the homogeneity of villagers and high level of participation.

Particulars	
Amount in BDT & Million	Purpose
CSR	
232.28	Community Growth
Zakat	
179.87	Growth of Islami Society

Particulars	
Amount in BDT & Million	Purpose
Tax, VAT & Excise Duty	
4,845	To government to bear public expenditure
Outstanding amount of Green Finance	
770.37	Zero carbon emission

SJIBL has sufficient rural branches that can contribute to rural development in different ways. From bill collection to motivating rural people for savings, SJIBL rural branches do their best. Such bills contribute to cash management of the bank. As per regulatory requirement, SJIBL has now been emphasizing upon opening more rural branches than

urban ones. Rural branches can best address unbanked and under banked people. Rural branches are also the best source of remittance for SJIBL.



COVID relief distribution by Joypurhat Police Super and sponsored by SJIBL Joypurhat Branch

According to license of Bangladesh Bank, SJIBL has 74 urban branches and 58 rural branches. But due to conversion into pouroshova from rural areas, SJIBL has right now 91 Urban branches and 41 rural branches which means that rural branch of SJIBL has decreased technically for growth of urbanization like other scheduled banks. SJIBL is always committed to rural development side by side with urban growth for which sufficient infrastructure and manpower are recruited for banking in rural areas:

Particulars of SJIBL	Number
No. of rural branch	41
No. of Rural Agent Banking Booth	56
No. of own ATM Booth in rural area	48
No. of Accounts using Mobile Apps-SJIBL Net in rural area	14,180

SJIBL believes in giving back to the community and it will continue to promote education, fulfill its commitment to community health, disaster management, clean environment, sports, art and culture.

Cottage Industry (GRI-201)

SJIBL has facilitated investment in cottage industry particularly pottery, bamboo and cane, embroidered quilts, cool mat, ornaments etc. which helps in minimizing rural urban migration and ensure good use of local raw materials and industrial waste. SJIBL has focused itself to foster the development of cottage industry and cumulative outstanding in direct cottage finance stood to Tk.12.05 million (excluding cottage finance through NGOs) in the year 2021.

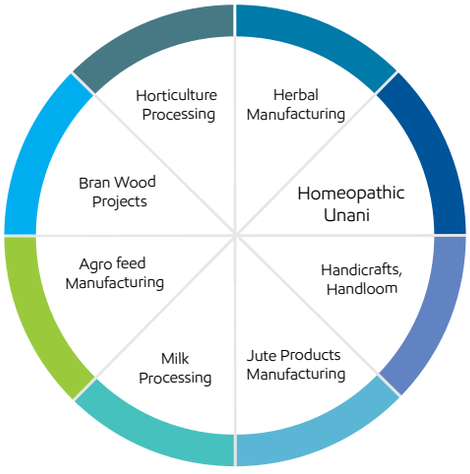
Sustainable SME Investment (GRI-201)

There are several reasons for the emphasis on the SME sector. One of the main reasons is employment generation. The literacy rate is increasing day by day in Bangladesh but the rate of employment is not increasing in tandem with the efficiency. Besides, all entrepreneurs haven't the ability to invest in heavy industries.



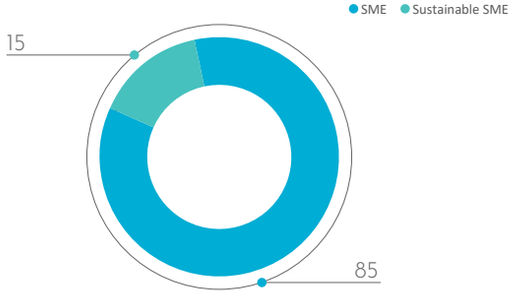
Import of Energy Auditor Certified capital machinery financed by SJIBL Gulshan South Avenue Branch

Therefore, the development of small and medium enterprises will not only increase the number of entrepreneurs, but also create jobs for the unemployed people. It will also help to build a poverty-free Bangladesh. To promote the growth of the country's SME businesses and agriculture sector, Shahjalal Islami Bank Limited has established a separate division for the SME and Agriculture Banking since inception with dedicated SME centers. Right now, SJIBL has sufficient sustainable SME finance for agro feed manufacturing and rice processing. As determined by Bangladesh Bank, SJIBL has already started to emphasize following SME sectors as sustainable SME:



The concept of SME and sustainable SME are not of same kind. Whereas SME refers to any small and medium enterprise that contribute to employment generation, sustainable SME reduces environmental impact in addition to employment generation. However, both SME and sustainable SME sectors are promoted by SJIBL since they help in entrepreneurship development and economic growth of the country.

Comparison between Total SME & sustainable SME Portfolio



Agriculture Investment (GRI-201)

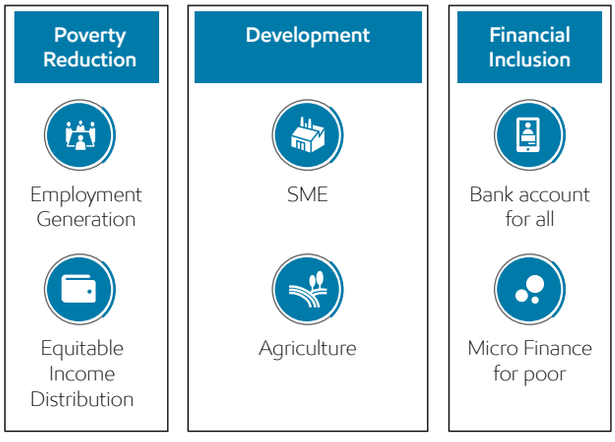
The main objective of National Agriculture Policy is to ensure food security and improve socio economic conditions of people by increasing productivity and production of crops, farmer's income, crop diversification, ensuring nutritious and safe food production, improving marketing system and efficient utilization of natural resources.



Financing fish cultivation under agriculture investment scheme of SJIBL

While food and nutrition security in its fullest sense is yet to be achieved, major progress has been made and at least in the case of rice, the main staple, the country is self-sufficient. Aquaculture has changed the face of fisheries sector while poultry farms supplying meat and eggs are ubiquitous.

In this backdrop, Shahjalal Islami Bank Limited disburses agriculture investment every year on crops, fisheries and live stocks to promote agro-economy of the country. Nearly half of Bangladesh's workers are directly employed by agriculture, and about 87 percent of rural households rely on agriculture for at least part of their income. SJIBL agriculture investment is specifically designed for different farming groups to provide them greater returns from their harvest and guard against exploitation from informal money lenders.



Restructuring healthcare during pandemic (GRI-403)

Percentage of employees who received COVID Vaccine 1st dose	Percentage of employees who received COVID Vaccine 2nd dose	Percentage of employees who received COVID Vaccine Booster dose
99%	97.5%	85%

- Installation of thermal scanner and sanitizing for all as part of health safety per-caution amidst running pandemic;
- Compulsory use of hand sanitizers for all;
- Disinfection of office premises and vehicles on a regular basis;
- Mandatory use of face mask across all SJIBL touch points;
- Postponement of all domestic/ international travel and internal events, where possible;
- Disinfection of shoes while entering office premises;

- Recruitment of a medical assistant to help banks regular physician.
- Encourage vaccination to all staffs.
- Bear diagnosis cost of COVID test of all staffs.
- Roaster basis office during second wave of pandemic.
- Ensure medical insurance facilities for all staffs of the bank.

Promotion of Janitorial services (GRI-306)

Janitorial services, also known as cleaning services, are generally used to keep workplaces free from unsightly dirt and provide a clean and germ-free environment. Western scholar Benjamin Disraeli said" Cleanliness and order are not matter of instinct; They are matters of education, and like most great things, you must cultivate a taste for them". Keep the workplace neat and clean is responsibility of all. In order to promote cleanliness, SJIBL made campaign in 30 October 2021 when all staffs of the Head Office came to office on the holiday and ensure their desk and surroundings as clean and tidy. The observance of the cleanliness day by SJIBL was meant to motivate employees into good and healthy working environment of the bank.

SJIBL's operations alignment with UN SDGs:

We are steadfast to embed environmental, social, and governance (ESG) criteria in order to ensure SDG goals of the United Nations. We focus to create a solid structure that reinforces and develops policies, guidelines and strategies to monitor, manage, and address the potential risks and opportunities within our daily operations. Besides, we deliver and generate local economic development and betterment of the livelihood of our community in line with SDGs. Our goal is to ensure and sustain financial and operational performance to uphold shareholder and customer value which is also the major goal of SDG. In this backdrop, some of our activities in the year 2021 are as follows:



Areas of SJIBL's Operation	What we did	Alignment with SDGs
Sustainable Investment & Banking	• Tk.16,910.77 million disbursed as sustainable finance including green finance. • SJIBL Agriculture Investment disbursed Tk.3,590.00 million. • SJIBL has 19 partially solar powered ATMs. • Financing in CNG & LNG Projects in different areas of Bangladesh as part of promoting clean energy.	7 8 9 11 12 13 15

Areas of SJIBL's Operation	What we did	Alignment with SDGs
Empowering our people	• Number of Training & workshops arranged in 2021 for Staff capacity building 10,051. • Tk.2,904.00 million disbursed to female entrepreneurs. • Speed up the establishment of Agent Banking Outlet and strengthening Financial Inclusion activities across the country	1 2 3 4 10 8 5
Governance, Ethics, & Risk Management	• SJIBL was awarded Corporate Governance award from ICSB in 2021. • All 132 branches of SJIBL have installed water filter to ensure clean water for employees and customers. • SJIBLs Capital Adequacy Ratio is 15.04 and risk appetite is also well-controlled for which it is marked as a low risk organization by Bangladesh Bank.	5 8 16
Positive Community Impacts	• CSR Tk.232.28 million in 2021 was donated. • Awareness raising about financial literacy among the students. • SJIBL rebranded Cash Waqf as a product for public welfare.	1 2 3 4 5 10 11
Strengthening Financial Performance	• Net Profit after Tax-Tk.2,585.24 million • EPS-2.51 • P/E Ratio-8.69 • NAV per share-19.24	8 9 11 12

Way Forward

SJIBL's commitment and passion to holistically embrace social initiatives go beyond the scope outlined in traditional CSR. As such, it will continue to fulfill its social responsibilities and obligations with enthusiasm, spontaneity and vibrancy in the years to come.

M/S. KULGAON AGRO PRODUCTS, A SME CLIENT OF MURADPUR BRANCH



A Horticulture Project financed by SJIBL Muradpur Branch of SJIBL

M/s. Kulgaon Agro Products is a horticulture project, which is located at Hathazari Road, Kulgaon, Chittagong. Mr. Farid Uddin is the proprietor of the concern having long experience in this line of business. He bought 20 acre of land in Chikon Chara, Jummapara adjacent to Chattogram Cantonment Area near Jungle Vatiary Mouza. Another 26 acres of land he got by inheritance. At present, Mr. Farid has been planting various seeds & seedlings in small scale in his fertile land. and took plan for planting in large volumes in his fertile land to develop horticulture project well. In this regard, he wants to purchase various seeds & seedlings as- Mango, Thai Guava, Orange (Malta), Banana & Vietnum Coconut etc. with other seasonal vegetables. Cost will be Tk.20.00 lac to Tk.30.00 lac. Therefore, they asked for a BM (Term) investment facility limit of Tk. 10.00 Lac for 18 equal monthly installments from SJIBL Muradpur branch. The client has already setup a strong marketing network to conduct his business smoothly and his CIB is clean. As such, SJIBL Muradpur branch approved him the investment under SME refinance scheme of Bangladesh Bank against mortgaged of a landed property of the client. The client is now doing well in spite of COVID 19 shock.



INTEGRATED REPORTING

OUR APPROACH TO **INTEGRATED REPORT**

We are pleased to present our Integrated Report 2021. Shahjalal Islami Bank Limited prepares its Integrated Report with the aim of highlighting how the bank, as a financial institution, has excellently managed its business to deliver consistent value to its stakeholders. Our Integrated Report gives a clear indication of our business model, strategic focus, resource allocation and future outlook to help the stakeholders evaluate the bank's intrinsic value creation capability. In our integrated report, we also focused on the key factors that are material to our present and future value creation. We have prepared our integrated report in accordance with the Framework of the International Integrated Reporting Council (IIRC).

The Scope of Integrated Reporting

The report covers the period from January 1, 2021, to December 31, 2021. Business operations, financial performance, financial position, and financial and non-financial information have been considered in our Integrated Report 2021. The report has also covered the impact of COVID-19 in 2021 on the banking industry in general and on SJIBL in particular. The integrated report, incorporated into this annual report, has been prepared in line with the key guidelines of the International Integrated Reporting Council (IIRC). We have referred to the guidelines of Integrated Report, issued by the Institute of Chartered Accountants of Bangladesh (ICAB) in the form of an 'Integrated Reporting Checklist', which is in congruence with the integrated reporting framework prototype issued by the International Integrated Reporting Council (IIRC).



Regulations We Follow

- Companies Act 1994
- Bank Company Act 1991
- Securities and Exchange Rules 1987
- Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC)
- Relevant rules and regulations of Bangladesh Bank
- All other applicable laws and regulations of the land.

Key Pillars of our Integrated Report

Corporate Governance	Risk Management	Sustainable Banking	Materiality Determination
Page No. 352	Page No. 249	Page No. 137	Page No. 199

Guiding Principles of Integrated Report

- Conciseness
- Reliability & Completeness
- Consistency & Comparability
- Strategic focus & future orientation
- Connectivity of Information
- Stakeholder Relationship
- Materiality
- Accuracy & Correctness



Reporting Frameworks and Guidelines

- International Accounting Standards (IAS) and
- International Financial Reporting Standards (IFRS)
- Global Reporting Initiative (GRI)-GR4 Framework
- International Integrated Reporting Framework by International Integrated Reporting Council
- SAFA/ICAB Integrated Reporting Checklist
- ICAB Corporate Governance Checklist

Our Business Model & Value Chain — Page No. 208 & 214

Operating Context — Page No. 212

Strategic Focus — Page No. 204

Stakeholder Identification & Engagement — Page No. 229

Forward Looking Statements

This report contains some forward looking statements that are based on external factors, future events, and outcomes. As there are uncertainties about the future occurrence of these outcomes, these statements should be read keeping in mind the future uncertainties.

Determination of Materiality

In SJIBL, materiality is a concept that defines why and how certain issues are important to us and our stakeholders. A material issue can have a major impact on the financial, economic, reputational and legal aspects of our bank as well as on our internal and external stakeholders. The materiality determination process of the report appears on page no. 199

Assurance

The bank has obtained assurance from both internal and external sources that it is maintaining proper transparency in all of its operations. The combined assurance thus ensures the safety and soundness of its operation.

Internal Assurance



External Assurance

During the reporting period under review, the bank received external assurance on the following reports:

Description of Report	External Assurance
Financial Statements	ACNABIN Chartered Accountants
Cash Incentive Audit	ACNABIN Chartered Accountants and Aziz Halim Khair Choudhury, Chartered Accountants
Corporate Governance	Ahsan Manzur & Co., Chartered Accountants
Provident Fund	KM Hasan & Co., Chartered Accountants
Gratuity Fund Valuation	Air Consultant
Gratuity Fund Audit	KM Hasan & Co., Chartered Accountants
Social Security Superannuation Fund	KM Hasan & Co., Chartered Accountants
Benevolent Fund	KM Hasan & Co., Chartered Accountants
Employees House Building Investment Safety Scheme	Ahsan Manzur & Co., Chartered Accountants
Entity Credit Rating	Emerging Credit Rating Limited
Mudaraba Subordinated Bond Surveillance Rating	Credit Rating Agencies of Bangladesh (CRAB)

Responsibility over the Integrity of the Integrated Report

We acknowledge the responsibility of the Board and the management to ensure the integrity of this integrated report, which addresses all material issues and fairly presents SJIBL's integrated performance. Reasonable care has been taken in the preparation and presentation of this integrated report to preserve the disclosure contained in it. This report comprises the discussion, analysis, and disclosures pertaining to stewardship, which should be read in conjunction with the audited financial statements. The integrated report, incorporated into this annual report, has been prepared in line with the key guidelines of the International Integrated Reporting Council (IIRC).

On behalf of the Board of Directors,



Mohammed Younus
Chairman

Availability of the Annual Report

The soft copy of the Annual Report is sent to all the shareholders prior to the holding of the Annual General Meeting. Moreover, this report has been made available on the website http://www.sjiblbd.com.

OUR MATERIAL **TOPICS**

Materiality

Material issues comprise both emerging opportunities and threats to value creation. These issues are determined by factoring stakeholders' expectations into the economic, social, environmental, and governance context in which we operate. We ranked the topics most relevant to us based on their degree of importance to the management and stakeholders.

Materiality Determination Process at SJIBL

In our integrated reporting, a matter is considered material if it could substantively affect SJIBL's ability to create value in the short, medium, and long terms. The process of determining materiality is given below:



Responses to material topics of very high importance

Material topics	Our Response	Capitals Impacted				
		Financial	Intellectual	Human	Manufactured	Social & Relationship
Corporate governance and ethics	The Bank complies with all the requisites laid down by the BSEC Guidelines, Bangladesh Bank Circulars, Bank Company Act 1991 and Companies Act 1994. The bank also has a robust corporate governance and risk management framework.	✓	✓	✓	✓	✓
Regulatory Compliance	SJIBL works in a highly regulated industry, so adherence to regulations is essential. SJIBL's whole operation complies with all legal, environmental, and social requirements set forth by regulators.	✓				✓

Material topics	Our Response	Capitals Impacted				
		Financial	Intellectual	Human	Manufactured	Social & Relationship
Economic Performance	The bank has performed well even under stressful economic situations due to careful and prudent strategies in management and capital utilization.	✓	✓			✓
Customer satisfaction and brand management	The digital wave has made it easier for the bank to understand and interact with customers. It helped to conceptualize and develop services for improved customer experience.	✓	✓			✓
Information security and data protection	There is already a structure in place for information security and data protection, ensuring the highest level of data and information security.	✓	✓			✓



www.sjiblbd.com

ব্যাংকিং সেবা সবসময়



২৪/৭ কল সেন্টার

আন্তরিক সেবায় প্রতিশ্রুতিবদ্ধ

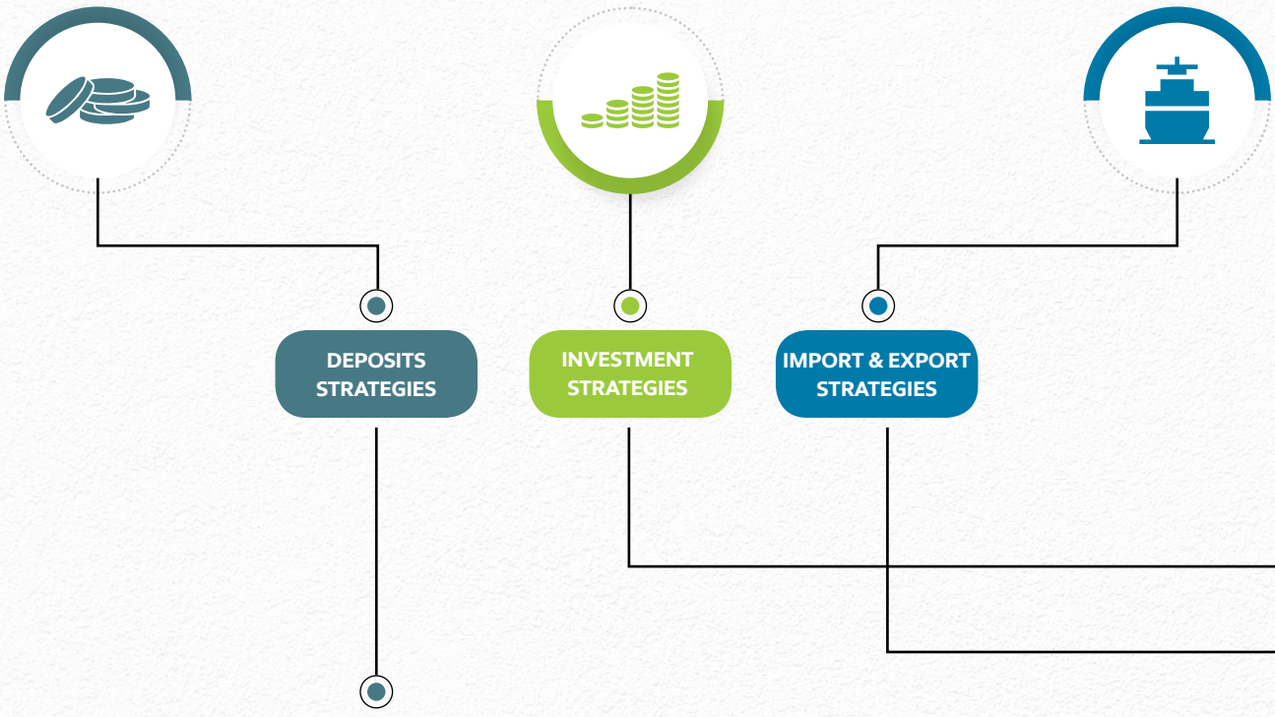
১৬৩০২

ব্যাংকিং-এ নিরবচ্ছিন্ন গ্রাহকসেবা নিশ্চিত করতে চালু হলো
শাহ্‌জালাল ইসলামী ব্যাংক-এর ২৪/৭ কল সেন্টার

+880-96123-16302
আইএসডি/ওভারসিজ কল-এর জন্য

শাহ্‌জালাল ইসলামী ব্যাংক
লিমিটেড

STRATEGIC **FRAMEWORK**



DEPOSITS STRATEGIES

- Ensure SJIBL's motto "Committed to Cordial Service" in every phase of liability marketing.
- Cross-selling different products and services, including retail to corporate customers.
- Create and modify deposit products to meet the requirements of the customers.
- Conduct deposit campaigns to collect deposits, such as the CASA campaign, Hajj deposit campaign, Student Account Campaign, and so on.
- Conduct surveys to identify target groups in search of primarily for low-cost and no-cost deposits (CASA) and onboard them in order to reduce deposit costs.
- In comparison to the competitors, keep an eye on deposit options, rates, and how they are portrayed in the media, including the bank's own website.
- Promote micro-savings through opening no-fee accounts like school banking accounts, farmer accounts, RMG worker accounts, and so on, and thereby contribute to national financial inclusion.
- Exploit the growing rural deposit basket by setting up smaller, low-cost rural branches, sub-branches, as well as agent banking outlets.
- Collect short-term deposits to meet short-term investment needs and long-term deposits to cope with long-term investment needs.
- Ensure that priority banking customers receive the services they expect.
- Achieve employee motivation through awarding appreciation letters, cash rewards, and crests for meeting 100% deposit target.
- Emphasize a favorable deposit mix by not sacrificing deposit growth.
- Monitor the bank's liability marketing related MIS for accurate deposit growth forecasting.

INVESTMENT STRATEGIES

- Develop and modify investment products to satisfy business needs from time to time.
- Focus on those clients who have very good credit ratings.
- Restructure and remodel based on concentration of segment-wise investment.
- Focus on retail and SME businesses to reduce the adverse effects of large volume defaults.
- Put more emphasis on existing thrust sectors like SME, agro-based industries, leather, frozen food, and the textile industry.
- Build corporate relationships with large investment clients.
- Review and update the bank's investment policy from time to time to address changes in economic trends.
- Ensure the profitability of the bank by maintaining the spread, bringing in new customers and enhancing the facilities for existing good customers.
- Increase profitable non-funded businesses like LC, BG, etc.
- Identify problem investments through the Early Alert System to take recovery measures.
- Target SME businesses by focusing on backward linkage industries and their supply chains.
- Invest in high-yielding business segments with calculated risk while maintaining a high-quality asset portfolio.
- Ensure investment diversification and minimize investment risk by investing in new and unconventional sectors.
- Put more emphasis on new emerging sectors like the pharmaceutical sector, ICT Sector, Energy & Power Sector, Health Care Sector, Light Engineering and Ceramic Sectors, etc.

IMPORT & EXPORT STRATEGIES

- Open LC at a lower margin to encourage imports for clients proven track records.
- Allow new export-import facilities without collateral for existing and loyal clients.
- Motivate opening LCs to import green products like solar panels and ETP equipment to address the climate change issue.
- Rope-in established business houses and potential clients who have strong entrepreneurial capabilities and have the ability to expand.
- Arrange credit lines for foreign currency from international agencies to facilitate international trade business, particularly with import-clients at competitive rates.
- Concentrate on building a diversified investment portfolio that includes tried-and-tested as well as potential clients in the apparel industry.
- Focus on service export sectors like IT, education, and the healthcare sectors.
- Facilitate different schemes provided by the government and foreign bodies for export-import business, such as Cash Incentive, LTFF, EDF, and other Bangladesh Bank and World Bank Refinance, etc.
- Extend export-import services to A-category industrial units in the Export Processing Zones (EPZ) and Economic Zones (EZ) through the Offshore Banking Unit.
- Ensure compliance with local and international norms and standards for exports and imports in accordance with UCPDC, URC, URR, and other similar organizations.

STRATEGIC **FOCUS AREAS**

In a rapidly changing financial landscape, SJIBL's strategic focus areas are to be determined on the basis of short-term, mid-term, and long-term goals. To protect investors' interests and the interests of all other stakeholders, SJIBL constantly pursues appropriate strategies for sustainable business growth:

OUR GOALS

SHORT TERM

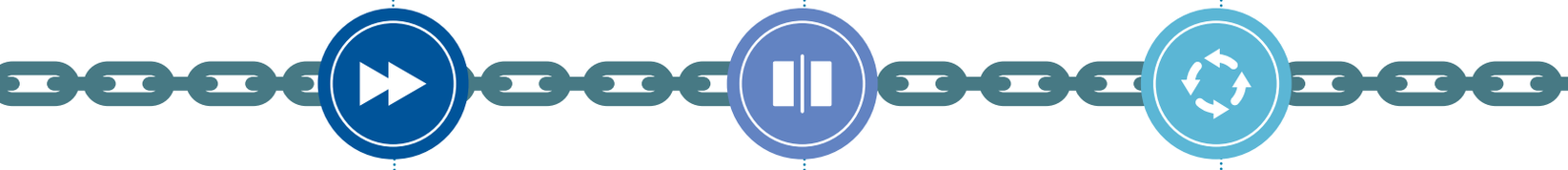
- Achieve investment growth in the aftermath of the COVID-19 pandemic.
- Establish a detailed data strategy.
- Set up the groundwork for full-fledged digitalization.
- Expand Physical and Digital Networks.
- Establish a more detailed community road map.
- Introduce more employee engagement initiatives.

MID TERM

- Achieve significant growth in the retail and SME base.
- Implement more sophisticated reporting tools.
- Adopt a digitalized distribution and operation network.
- Establish partnership with Fintechs.
- Bring in further optimization of the CSR and Zakat efforts from the current state.
- Formalize a detailed career road map.

LONG TERM

- Enhance inclusive growth.
- Develop and enhance more elaborate, accurate, and meaningful MIS for decision support.
- Digitalized service in major areas of operations.
- Omni presence through Omni-channels in digital echo system.
- Ascend to the position of premier Shariah brand in Bangladesh.
- Become the number one employer of choice.



IMMEDIATE PRIORITY

Continue to serve the clients of the bank with excellence, efficiency, and empathy despite the COVID-19 pandemic. Engage with the resources and investments from the bank to help communities bounce back from the adverse effects of the pandemic.

MEDIUM-TERM PRIORITY

Use digital technology and human resources' expertise to offer an integrated and one-stop set of products and services.

Invest and update our infrastructure and resources to remain relevant and competitive in the digital age.

LONG-TERM PRIORITIES

Create value for all of the stakeholders in the bank by optimum use of available resources. Create a desirable environment and identity with a high brand value so that everyone wants to be associated with the organization.

STRATEGY & **RESOURCE ALLOCATION**

SJIBL strives to align the bank's strategies with its target goals and resource allocation in a consistent and coherent manner. Each year, structural amendments are made to improve institutional efficiency. This section provides a detailed breakdown of resource allocation strategies and their effects on capital and the business model. The financial performance analysis is provided under Management Review and Analysis, which is summarized in the context of the operating environment. The capital-wise resource allocation strategy of SJIBL is given below:

	Strategic Priorities	Initiatives	KPI's
Financial Capital	• High quality asset growth • Rationalize cost of deposit and operating expenses • Sustainable growth of income	• Streamlined investment operations and continuous follow up • Obtain low cost deposit and avoid unnecessary operating expenses • Introduced new products and restructuring existing products	• Non-performing investment (NPI) • Cost to income ratio • Net profit margin • Profit after taxation (PAT) • Portfolio growth • No. of awards achieved for financial reporting
Human Capital	• Create a performance driven Culture • Develop a highly motivated, qualified and experienced team-Provide safe and healthy work Environment	• Linking performance with reward • Attract qualified employees and provide learning opportunities • Recruit employees in line with growth of business • Arrange effective and timely training programs	• No. of employees promoted • No. of new job opportunities created • No. of Training program arranged and total training hours
Manufactured Capital	• Increase customer touch point • Provide a superior customer experience • Deliver operational excellence by improving efficiency	• Expansion in geographical presence • Relocation with modern layouts • Investment in IT infrastructure and digitalization	• No. of new branches, ATMs and agent banking outlets opened • Capital expenditure on IT infrastructure • Automation of system and process.
Social and relationship Capital	• Experience superior customer service • Improve customer loyalty • Sustain investor confidence • Supplier networking	• Continuous training on service excellence • Uninterrupted Customer support during pandemic • Strengthen partnerships with suppliers • Engaging with the community	• Number of customer complaints • Customer retention ratio • No. of MOUs signed during the year • Investment in community development projects

	Strategic Priorities	Initiatives	KPI's
Intellectual Capital	• Effective usages of social media • Improve service quality and data security • Enhance brand value and reputation	• Upgrade network infrastructure and communication platform • SMS alerts for every transaction • A robust online platform for customers • Advertising and promotions on brand building	• Investment in communication and public relation • No. of customers using online platform • Increasing Brand image
Natural Capital	• Reduction of carbon footprint • Use of energy efficient technology and use of renewable energy • Responsible waste management Practices	• Formulate strategies aligned with UN SDGs • Awareness programs on environment protection • Introduction of waste management system in Head Office	• Carbon footprint • No. of solar powered branches and ATMs • No. of trees planted • No. of awareness programs conducted

Resource Allocation

Taka in million

Particulars	SJIBL	SJIBL Security	SJIBL Group
Total Assets	313,731	8,064	316,558
Total General Investment	216,587	4,855	219,200
Total Investment in Share and Securities	36,268	1,642	38,338
Total Deposit	217,289	-	216,811
Total Placement from Banks	32,436	-	32,701
Investment Income	13,805	174	13,793
Profit paid on Deposit	7,382	-	7,398
Net Investment Income	6,424	174	6,395
Income from Investment in Share and Securities	1,192	252	1,218
Commission, Exchange and Brokerage	2,239	279	2,518
Other Operating Income	1,046	9	1,056
Total Operating Income	10,901	714	11,188
Total Operating Expenses	4,897	133	5,073
Profit before Provision and Taxes	6,004	337	6,114
Net Profit after Tax	2,585	253	2,612
EPS	2.51	0.93	2.52
Number of Employees	2,741	74	2,815
Number of Branches	132	8	140
Number of Agent Banking Outlet	100	-	100
Number of ATM	119	-	119
Number of Foreign Correspondent	436	-	436
Number of Accounts	1,080,779	12,246	1,093,025


বাহন
হোক না এবার
নিজের একটি গাড়ি
নতুন গাড়ি/রিকন্ডিশন গাড়ি ক্রয়ের জন্য এই বিনিয়োগ সুবিধা
সর্বোচ্চ ৪০ লক্ষ টাকা পর্যন্ত বিনিয়োগ সুবিধা
আকর্ষণীয় মুনাফার হার ও সহজ কিস্তি সুবিধা
সহজ শর্তে দ্রুততম সময়ে বিনিয়োগ প্রসেসিং
শর্ত প্রযোজ্য
sjiblbd.com
+8801755556064
+8802 9845457
আরো বিস্তারিত তথ্যের জন্য ব্যাংকের নিকটস্থ শাখায় যোগাযোগ করুন
শাহজালাল ইসলামী ব্যাংক
লি মি ট ড
আন্তরিক সেবায় প্রতিশ্রুতিবদ্ধ


নিবাস
হোক না এবার
নিজের একটি বাড়ি
নতুন বাড়ি/অ্যাপার্টমেন্ট ক্রয়/বাড়ীর উন্নয়ন/বাড়ির সম্প্রসারণ
সর্বোচ্চ ১ কোটি ২০ লক্ষ টাকা পর্যন্ত বিনিয়োগ সুবিধা
আকর্ষণীয় মুনাফার হার ও সহজ কিস্তি সুবিধা
সহজ শর্তে দ্রুততম সময়ে প্রসেসিং
শর্ত প্রযোজ্য
sjiblbd.com
+8801755556064
+8802 9845457
আরো বিস্তারিত তথ্যের জন্য ব্যাংকের নিকটস্থ শাখায় যোগাযোগ করুন
শাহজালাল ইসলামী ব্যাংক
লি মি ট ড
আন্তরিক সেবায় প্রতিশ্রুতিবদ্ধ

OUR INTEGRATED **BUSINESS MODEL**

Key Stakeholders

- Customers
- Shareholders
- Employees
- Regulators
- Society

Key Resources

- Financial
- Manufactured
- Intellectual
- Human
- Social & Relationship
- Natural

Support Activities

- Risk Management
- Corporate Governance
- Process Re-engineering
- Training & Development of Employees
- R & D

Customer Segment

- Corporate
- SME
- Retail
- High net worth Individuals
- Institutional clients

Channels

- Branch
- ATM
- POS
- Agent Outlet
- Digital Wallet
- Internet Banking
- Fin-techs
- Open Banking

Cost Structure

- Profit Expense
- Operating Expense
- Personnel Expense
- Tax Expense
- Default Investment Write off

Key Activities

- Deposits & Borrowings
- Investment and Financing
- Digital banking operations
- Treasury & OBU functions
- Network expansion

Value Propositions

- Client centered innovation
- Expansion of business network
- Maximization of Shareholders Value
- Investing on Human Capital
- Partnering with regulators for mutual benefit
- Fulfilling environmental & social Obligations

Customer Relationships

- Need based product
- Marketing & Branding
- Customer Awareness
- Customer engagement
- Customer Feedback

Revenue Stream

- Investment Income
- Treasury Income
- Fees & Commission
- Other Operating Income

OUR VALUE CREATION MODEL

VISION, MISSION AND VALUES

INPUTS

FINANCIAL CAPITAL
- Equity Capital
- Deposits & placements

HUMAN CAPITAL
- Efficient Human Resources
- Skills and expertise

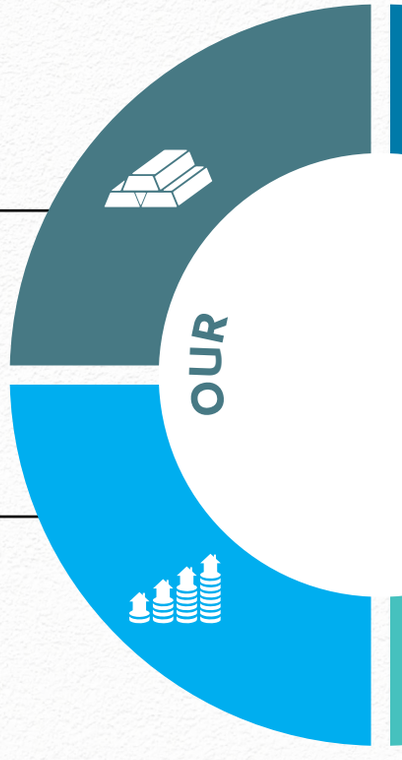
MANUFACTURED CAPITAL
- Branches, ATMs & Agent outlets
- Office equipment
- ICT infrastructure

INTELLECTUAL CAPITAL
- In-house Software
- Brand Equity
- products & services

SOCIAL & RELATIONSHIP CAPITAL
- CSR & Zakat
- MOU with organizations
- Customer service

NATURAL CAPITAL
- Green Finance
- Sustainable Finance

Financing Activities



Investment Activities

PERFORMANCE

RISK

EXTERNAL ENVIRONMENT



Non- Funded Business Activities

Treasury & Offshore Banking Business Activities

OUTCOMES

FINANCIAL CAPITAL

- NPAT Tk. 2,585.24 m
- ROE 13.70%
- EPS 2.51

HUMAN CAPITAL

- No. of employees 2,741
- No. of Training & Development programmes 145
- Employee benefits paid Tk.3,004 m

MANUFACTURED CAPITAL

- No. of Branches 132
- No of Agent outlets 100
- Number of Card users 215,080

INTELLECTUAL CAPITAL

- IT Investment Tk. 550 Million
- Intangible Asset Value Tk.22 million
- Credit Rating AA & ST-2

SOCIAL & RELATIONSHIP CAPITAL

- CSR Expenses Tk.233m
- Zakat Expenses Tk.180m

NATURAL CAPITAL

- Green Finance TK 770m
- Sustainable Finance TK 21,639 m

OUTLOOK

STRATEGIC FOCUS

HOW SJIBL CREATES VALUE THROUGH **BUSINESS OPERATIONS**

Shareholders

By providing a regular annual dividend and raising the share price over time, the value of the bank has grown for its shareholders. The resources are managed in such a way that they ensure consistent annual returns to the shareholders as well as maximize their wealth.

Total Dividend Paid
Tk.1544 million

Market Capitalization
Tk. 22,434 million

Regulators

The bank is strictly following all the applicable laws and regulations in conducting business activities. Policies and procedures have been formulated and established to ensure a compliance culture that is coherent and ensures compliance with applicable laws and regulations during the course of business activities. As such, the image and reputation of the bank have been increasing day by day, and it has ultimately created value for the bank.

Total Income Tax Paid
Tk. 4,112 million

Other Tax Paid
Tk. 733 million

Employees

The bank creates jobs through the value creation process. The bank's objective is to attract, retain, and motivate the best employees by offering a competitive, healthy, safe, and progressive work environment as well as a competitive remuneration package.

Total Salary & Allowance Paid
Tk.3,004 million

Total Number Training Course 145 participants
10,552

Community

The diverse range of products and services promotes economic growth and raises people's living standards while also creating jobs for the community. Furthermore, the bank makes a significant annual contribution to corporate social responsibility (CSR) operations. Zakat is also distributed by the bank to underprivileged members of the community. As a result, the bank both directly and indirectly adds value to society.

CSR expenses
Tk.233 million

Zakat paid
Tk.180 million

Customers

The bank offers a wide range of products and services to its customers. Investment products fulfill customers' financial needs, which ultimately helps in expanding their business. Diversified deposit products help customers save and accumulate wealth. Trade finance services facilitate the customer's exports and imports and thus contribute to the national exchequer of the country. Moreover, a wide range of other services ease customers' daily lives.



Profit Paid on Deposit
Tk. 7,382 million



Total Investment Outstanding
Tk.216,587 million

Service providers and suppliers

The bank has a fair and equitable procurement policy that ensures healthy relationships with suppliers. All procurements are made on a competitive basis in a transparent manner. Moreover, dues are paid to the vendors on a timely basis. Thus, the policies and practices of the bank create value for service providers and suppliers.



Number of enlisted vendors
208



Procurement budget
998.80 million

Environment

Whenever an investment decision is made for a client, the environmental impact of the decision is evaluated, and investing in businesses that have a negative impact on the environment is avoided. The bank's head office is a LEED-certified green building. Furthermore, resource use, waste management, and emissions are all closely monitored, and everyone is aware of these issues.



Green finance outstanding
Tk.770 million



Sustainable finance outstanding
Tk. 21,639 million

OUR VALUE CHAIN
ACTIVITIES MODEL

Our Value Chain Activities Model

INPUT-OUTPUT CREATION FROM VALUE CHAIN ACTIVITIES

INPUTS

FINANCIAL CAPITAL

A strong capital base, as well as diversified sources of deposits, are used to support clients through investment facilities and to facilitate payments and transactions.

MANUFACTURED CAPITAL

The framework and mechanics of how business is carried out and value is created are provided by customer touch points, company structure, and operational procedures, which include fixed assets, digital assets, and information and communication technology (ICT) systems.

INTELLECTUAL CAPITAL

Intangible assets, including brand value, reputation, R&D capabilities, innovation capacity, knowledge and expertise, and strategic alliances, are the enablers of value creation for the bank.

HUMAN CAPITAL

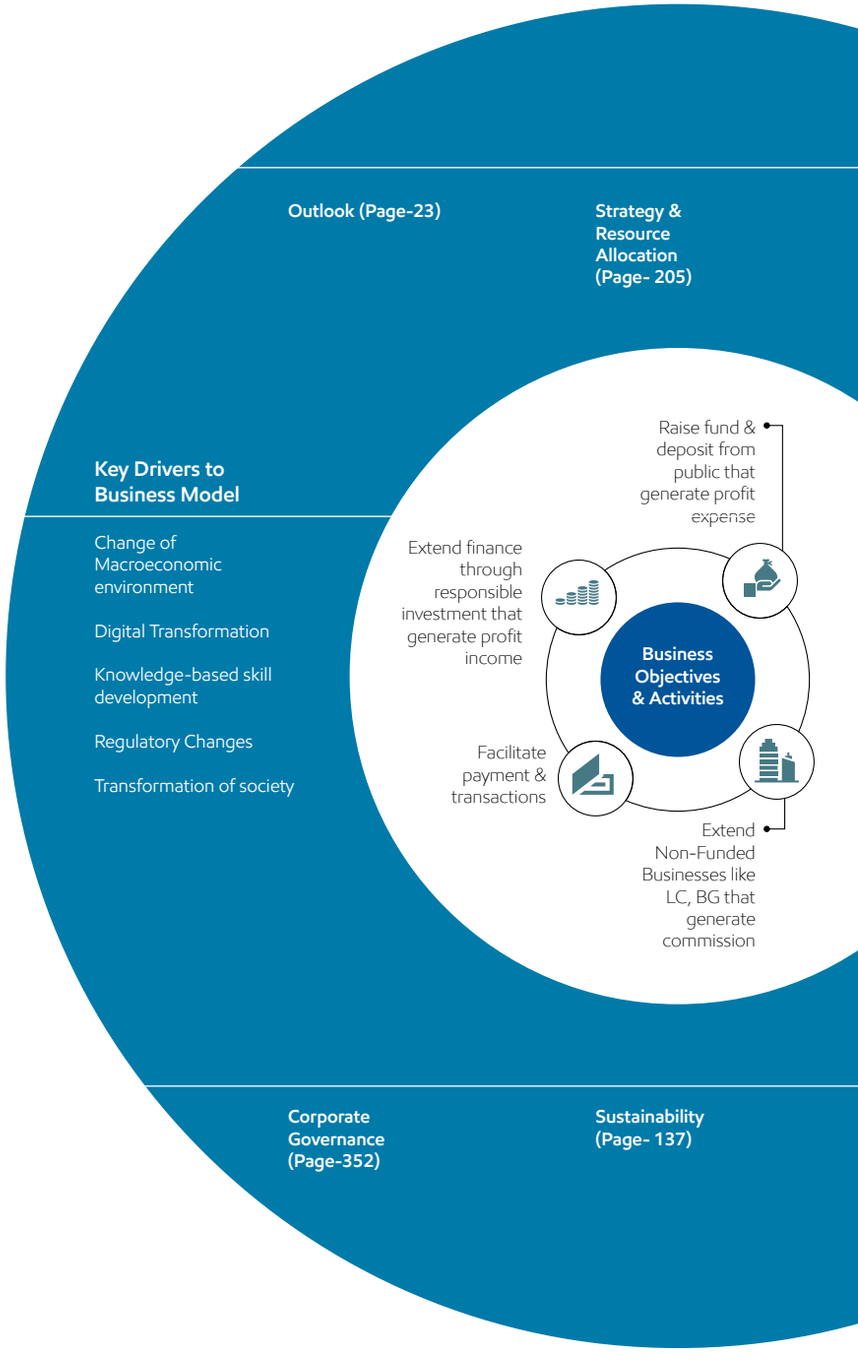
The bank's corporate culture, as well as the cumulative expertise, talents, and experience of its people, enables it to provide clients with creative and competitive solutions while also creating value for all stakeholders.

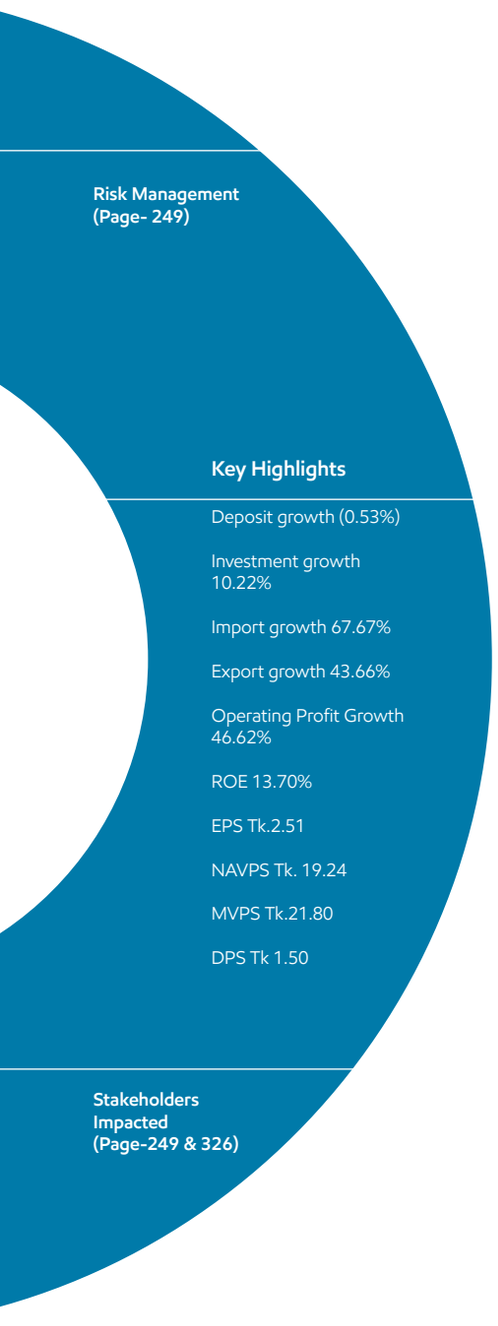
SOCIAL & RELATIONSHIP CAPITAL

Relationships with stakeholders, such as the communities in which the bank operates, and the role that banks play in fostering a robust and thriving community, as well as a financial ecosystem, are widely understood and valued.

NATURAL CAPITAL

The bank's direct usage of and impact on natural resources, such as energy, water, and climate, as well as their impact on business activities, are understood and calculated.





OUTPUT

FINANCIAL CAPITAL

Regulatory Capital Tk.33,778 million
Deposits Tk.217,289 million
Market Capitalization Tk.22,434 million
ROE 13.70%
Dividend declared 15%
Price Earnings Ratio-8.69

MANUFACTURED CAPITAL

Number of Branches 132
Number of own ATMs 119
Number of Agent Banking Outlets 100
IT Infrastructure-Digital Wallet, Internet Banking, Call Center
Interface with third parties for financial transactions

INTELLECTUAL CAPITAL

Value of intangible assets BDT 22 million
3 Qualified Independent Directors to ensure good governance
Credit rating AA & ST-2 for Long & Short Term respectively

HUMAN CAPITAL

2,741 number of staffs of which more than 18% female staffs
100:94 retention ratios
Tk.2.19m Profit per employee

SOCIAL & RELATIONSHIP CAPITAL

Tk.216,587 million investment including SME & Agriculture
Tk.4,845 million contributed to National Exchequer
Tk.233 million CSR fund donated
Tk.180 million Zakat expenses

NATURAL CAPITAL

Tk.77.71 million energy (electricity & fuel) consumed
19 number of Solar panel installed Branch
Tk.770 m Green Finance outstanding
Tk.21,639 m sustainable finance

FINANCIAL CAPITAL

Shahjalal Islami Bank Limited has demonstrated the optimal use of financial resources to achieve good returns for its shareholders, other stakeholders, and the nation at large in 2021. All important financial metrics for the year 2021 show SJIBL achieving sustained development.

Material Drivers

- Optimal utilization of financial capital
- Continuous improvement of performance management
- Disciplined cost management to improve the cost to income ratio and thereby strengthen the bottom line
- Ongoing liquidity management to maintain a healthy fund position
- Delivering a consistent shareholder return

Inputs

- Deposits and placement funds
- Funds received under the refinance scheme
- Funds received from Mudaraba Bonds
- Capital/Shareholders' Equity

Action Plans & Objectives

- Focused growth in profitable business segments
- More focus on retail and SME products
- Application of a structural cost transformation mechanism and a focus on automation through cost-effective and improved customer service

Capital Outcomes

- Net Investment Income (NII) growth of 14.39 %
- Outstanding SME Investment BDT 72,704 Million
- Maintaining Cost to Income Ratio at 44.92 % which is well below the industry average

Linkage of SDGs with capital outcomes

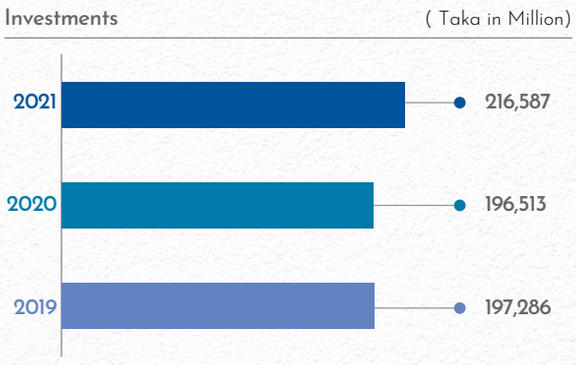


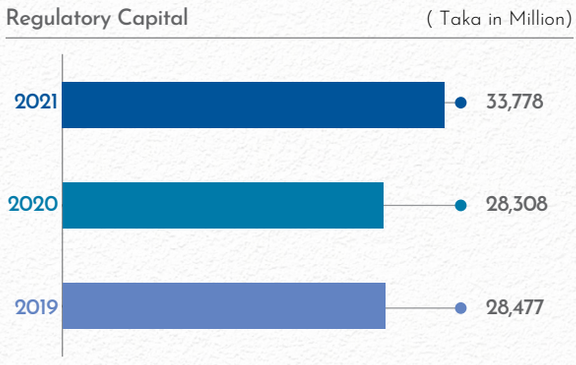
Financial Capital Review

Despite another year of uncertainty, SJIBL's financial performance in 2021 exhibited stability. The bank's financial position and performance are consistent with impressive growth, as seen by the excellent increase in operating profit, general investment, and all other key metrics. Customer deposit growth, on the other hand, was relatively negative.

Highlights of 2021

Regulatory Capital Growth	Return on Equity	Investment Growth	Earning Per Share Growth
19.32%	13.70%	10.22%	35.48%





Challenges

- Lower appetite of private sector investment (credit) due to pandemic
- Investment recovery challenges as a result of slower economic and business growth
- Rationalization of operating expenses during the COVID-19 pandemic.
- Excess liquidity management throughout the year 2021

Responses

- Increased investment in government Sukuk
- Focus on realization and regularization of investment during the COVID-19 pandemic. Be cautious in making new investments.
- Process automation, productivity improvement, and digitalization.
- Strategically manage excess funds through the treasury and be cautious in accepting deposits.

Way forward

- Focus on quality investment growth
- Emphasize more on the realization and regularization of investments.
- Diversify investment portfolios further.
- Bring in further improvements to the deposit mix.

HUMAN CAPITAL

Shahjalal Islami Bank Limited spends its best efforts, time and money to grow and retain the workforce, to ensure happiness and to create value for its employees by ensuring equal employment opportunity, career progression and diversity. Thus, SJIBL becomes a great place where employees work with pride and dignity.

Material Drivers

- Developing an efficient workforce
- Improve the productivity of employees.
- Placement of the right person in the right position to generate optimum output

Inputs

- Engaging work environments and challenging work for career growth
- Compensation packages and end-of-service benefits
- Training programs - E-learning and E-training initiatives
- Initiatives for the health and safety of employees
- Recognition, rewards and incentives for performance

Action Plans & Objectives

- Recognize and reward high achievers
- Provide relevant learning opportunities
- Build a culture of engagement
- Talent acquisition
- Employee Well-being

Capital Outcomes

- Number of employee promoted: 708
- Number of employee participated in training: 10,552
- Arrangement of conference, get together, etc.
- Fresh employee recruited: 97
- Experience employee recruited: 42
- Medical insurance paid to 385 Employees
- Maternity bill paid to 78 Employee

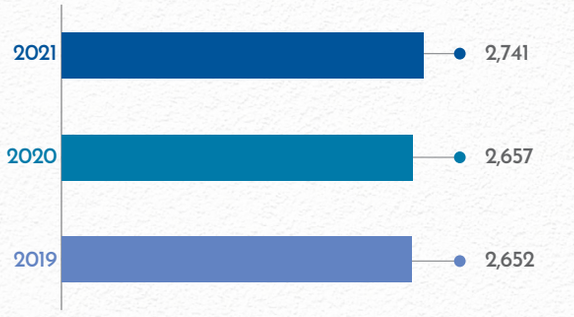
Linkage of SDGs with capital outcomes



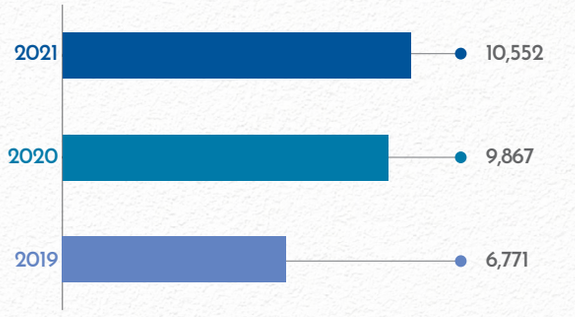
Highlights of 2021

Total employee	New recruitment	Total value of human capital	Operating profit per employee
2,741	139	Tk. 33,591 mn	Tk. 2.19 mn

Number of Employees



Training Participants



Challenges

- Maintain social distancing, health and safety of employees during the COVID-19 pandemic
- Recruit and retain qualified, effective, and efficient workforce.
- Ensure mental health during the pandemic.
- Ensure the motivation levels of the employees.

Responses

- The bank introduced a roster base duty, working from home to ensure the health and safety of employees.
- The bank's objective is to attract, retain, and motivate the best employees by offering a healthy, safe, and progressive working environment as well as a competitive remuneration package.
- The bank appointed a full-time doctor and a medical assistant and maintained a safe and stress-free working environment.
- The bank conducted online seminars and symposium for all levels of employees on banking in pandemics to keep them abreast of the situation during COVID-19. The bank supported all employees' career development plans, focusing on providing the appropriate training to the appropriate personnel.

Way forward

- Focus on developing a skilled and efficient human resource through appropriate training programs.
- Improve the recruitment process for identifying and recruiting adaptive, effective, efficient, and quick-learners to add to the workforce.
- Emphasize the further tuning of the fair performance evaluation system and the development of an effective reward system.
- Focus on individual career plans for the development of the right person for the right position.
- Keep employees evolving into a dynamic and responsive workforce capable of delivering goods and services across multiple channels.
- Keep people interested in new working environments and processes that are constantly evolving.

MANUFACTURED **CAPITAL**

The bank's physical infrastructure, which includes buildings, furniture and fixtures, office equipment, computer equipment, cars, books, IT infrastructure, and digital infrastructure, is represented by its manufactured capital. The bank's efficient use of manufactured capital allows it to be flexible and responsive to consumer needs, allowing it to effectively supply its products and services. Manufactured capital, particularly digital infrastructure, is critical for decreasing resource consumption and directing human resources to strategic, creative, and value-generating activities.

SJIBL places strategic importance on optimizing and leveraging its physical and digital infrastructure to produce stakeholder value after recognizing the vital role that manufactured capital plays in boosting consumer accessibility, satisfaction, and process efficiency.

Material Drivers

- Extended physical and digital networks.
- Enhanced local and virtual footprints.
- Systems that enhance productivity and customer experience.
- Reaching out to physical, virtual, as well as unbanked populations.
- Virtual presence and processes that help in reaching out targeted audience.
- Premises and facilities that support efficient workflows and service delivery.

Inputs

- Physical touch points
- Digital touch points
- ICT infrastructure
- Office equipment

Action Plans & Objectives

- Expanding the customer access points
- Business process automation
- Upgrading Technology
- Customer experience

Capital Outcomes

- Opened 9 new ATM booths
- Opened 47 new Agent Banking Outlet
- Introduced E-account opening services
- Introduced QR Code banking services
- Introduced SJIBL Facebook page
- Elimination of Non-value added activities
- Automated reporting system for investment
- Automated product mix based General Account profit calculation
- Upgraded systems, interfaces, increased payment alternative channels, established links with fin-techs, upgraded Core Banking System
- Customer on boarding through eKYC
- Introduced Mobile App based banking service
- Introduced Internet Based banking service

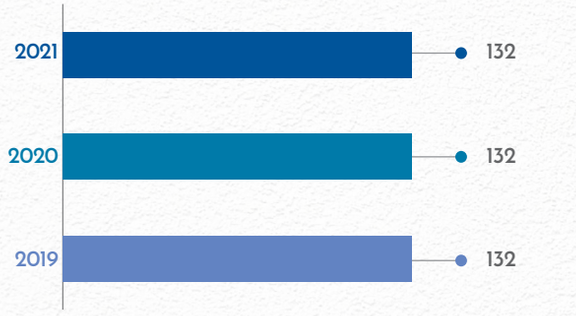
Linkage of SDGs with capital outcomes



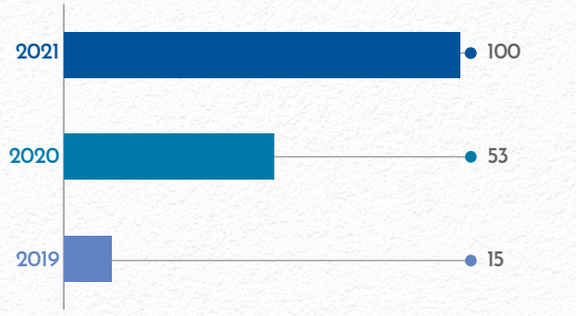
Highlights of 2021

Wide network of branches	A network of Agent Banking Outlet	A wide network of global correspondents	A network of own and shared ATMs
132	100	436	119& 2852

Number of Branches



Agents Outlets



Challenges

- Discovering strategic locations for gaining a competitive advantage
- Technology adaptability for customers
- Balance between costs and benefits
- Cyber threats and attacks affect virtual banking.

Responses

- SJIBL shows discretion to identify growth opportunities in the incompetitive landscape.
- SJIBL provides training for its employees regarding the latest technology.
- SJIBL introduces customer-friendly technologies and encourages them
- To be with technology and get the full benefits of its convenience.
- Encourage development of software solutions in-house to reduce costs.
- Encourage local software companies to develop solutions that are only available through international software firms.
- SJIBL invests heavily in technology, people, and processes to ensure adequate safety in ICT infrastructure.
- SJIBL conducts an IT security awareness program amongst bank employees.
- SJIBL conducts Vulnerability Assessments and Penetration Testing.
- SJIBL is in the process of obtaining standardization from a renowned international organization for ICT security.

Way forward

- Open or relocate branches to enhance the customer experience.
- Focus on further strengthening the presence in digital medias.
- Invest in technology to improve productivity and service delivery.
- Increase customer engagement through digital platforms.
- Presence through Omni channel

INTELLECTUAL **CAPITAL**

The bank strives to continually increase the value of intellectual capital by maintaining brand value, gaining customer confidence, adopting information technology to provide cutting-edge financial services to customers, enhancing tacit knowledge, nurturing a strong compliance culture, and innovating new products.

Material Drivers

- Enhancing brand value
- Continuous improvement in processes
- Strengthening the knowledge base
- Reinforcing culture and ethics

Inputs

- Innovation in products and services
- Efficiency and expertise of employees
- The bank's image, reputation, and brand value
- Automation through software development
- Working environment to thrive on innovation

Action Plans & Objectives

- Strengthening the brand image.
- Enhancing tactical knowledge.
- Effective and efficient talent management.
- Enhance technological capabilities to have ease of use for customers.

Capital Outcomes

- Strong position in terms of brand image, preference, and differentiation.
- SJIBL's tacit knowledge has been honed over 20 years of experience working with a diverse range of customers and sectors.
- The most skilled and experienced teams in the banking sector of Bangladesh.
- Digital presence through Web-based banking, APPs and QR Code-based transactions for customers.

Linkage of SDGs with capital outcomes



Highlights of 2021

- 20 years of glorious experience
- Zero instances of non- compliance of laws and regulations
- Recipient of numerous awards and accolades
- Nurtured good corporate culture

Awards & Recognition

SJIBL has received a number of awards in recognition of its performance over the years, which has been illustrated on page no. 8.

Challenges

- Retention of knowledge based skilled employees.
- Sustaining the brand value.
- Information security threat.

Responses

- Being proactive in efforts to motivate employees.
- Being engaged employees of SJIBL to take ownership of the bank's future progress.
- Targeting the right positioning in the market.
- Building trust in our brand by conducting SJIBL's operations in line with the highest ethical standards and in full compliance with all applicable regulations in the banking sector.
- Being cautious about customer privacy.
- Providing training to employees and increasing awareness of how to manage customer privacy.

Way forward

- Drive organizational change to keep pace with the competitive marketplace.
- Increase the brand reputation of SJIBL to have a deeper market penetration.
- Reinforce the bank's governance and risk management framework further to have greater controls and reputation.

SOCIAL & RELATIONSHIP **CAPITAL**

Through comprehensive investment and community engagement initiatives, the bank has nurtured long-term and meaningful relationships with its customers and communities. These relationships are at the core of SJIBL's social and relationship capital, providing the social license to operate effectively. SJIBL seeks to create sustainable value for these communities and contribute towards their socio-economic progress.

Material Drivers

- Financial inclusion
- Promoting young, talented bankers
- Understanding customers' needs
- Effective communication
- Knowledge based banking
- Outstanding CSR activities
- Innovative product offerings
- Unmatched service
- Empowering communities
- Unparalleled distribution

Inputs

- Contribution to the national exchequer
- CSR contribution to society
- Quality of customer service
- Number of SME & Agri customer supported

Action Plans & Objectives

- Empowering women entrepreneurs
- Empowering the underprivileged people of the society
- Engage in outcome-based community investments
- SJIBL Integrity Award-2021
- SJIBL Chairman's Award & MD's Award –2021
- Improving customer experience

Capital Outcomes

- Outstanding Investment of women entrepreneurs Tk.2,916 million
- Opened 5,727 numbers of No frill accounts
- CSR expenses Tk.232 million
- Zakat expenses Tk.180 million
- Acknowledgment of five (05) honest employees working in the Bank
- Total 03 Employees got Chairman's Award
- Total 44 Employees got MD's Award
- Increased employee motivation and productivity
- Offering innovative products & services
- Enhanced customer satisfaction

Linkage of SDGs with capital outcomes



Highlights of 2021

Substantial value creation in society

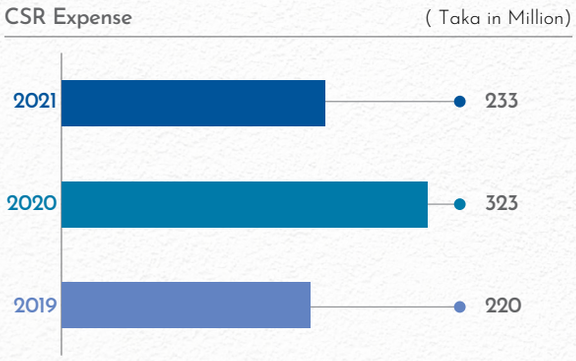
Active customer engagement through digital channels

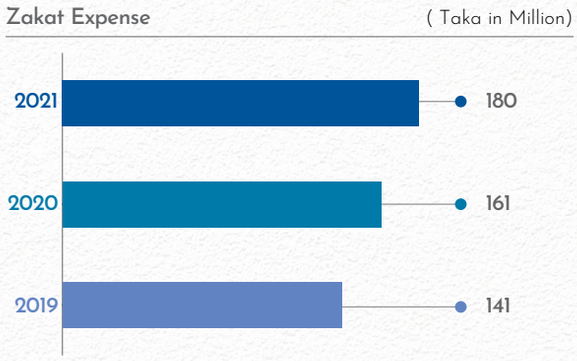
CSR expenses

Tk. 233 million

Zakat expenses

Tk. 180 million





SJIBL's Customer Value Proposition

- Accessibility
- Customer Service
- Product Responsibility
- Customer Privacy
- Financial Literacy and Customer Education
- Industry Networks

Active Customer Engagement

SJIBL maintains a high level of active engagement with customers, which is facilitated through numerous channels, including customer relationship officers, contact centers, and online platforms.

Product Portfolio

The bank offers a range of innovative products and services targeting corporate, retail, SME, and agribusiness customers.

Key Activities for Better Customer Service

The bank arranged a training program through SJIBL Training Academy for the officials of the branches for hassle-free and smooth customer service and complaint management in an efficient manner.

Building awareness for "Customer Services"

Circulated to employees:

- Code of Conduct
- Customer Charter
- Service Standard
- Customer Awareness Program

Customer service surveys were conducted in five branches, and the rating of the customer service was found to be "satisfactory".

Challenges

- Volatility in macroeconomic factors due to Covid – 19 pandemic
- Customer satisfaction
- Lockdown and cancellation of physical events and activities during a substantial period of 2021

Responses

- Pursuing business strategies while keeping in mind the challenges and opportunities due to the outbreak of the COVID-19 pandemic.
- Benchmarking service standards across the banking industry through digital channels
- Developing staff competencies and capabilities
- Cross functional collaboration
- Combining digital platforms to serve our customers effectively
- Creating value by promoting value added services and cross-selling
- Supporting our customers by satisfying their needs during this crisis time
- Online banking service to our customers
- Enhancement of employees' efficiency.

Way Forward

- Enhance the customer experience through the adoption of the latest technologies and digitalization.
- Emphasize retail, SME, youth, and women entrepreneurs who serve underserved segments of society.
- Finance for CSR and other sectors in order to achieve the Sustainable Development Goals (SDGs).
- Focus on driving financial literacy and customer education in a continued manner.
- Focus on sustainable, balanced growth in the economic, social, and environmental sectors through CSR, Zakat, and investment.

NATURAL CAPITAL

Shahjalal Islami Bank's natural capital consists of the natural resources that are utilized in its value creation process, such as energy, water, and materials, as well as the healthy functioning of the ecological system. The emissions and waste material SJIBL generates from its activities also have an impact on its natural capital. As a financial services provider, the bank's direct environmental impact is limited. However, SJIBL believes it is uniquely positioned to propagate environmental consciousness beyond its organizational boundaries to its customers and communities by engaging in responsible investment practices.

Material Drivers

- Energy management
- Water management
- Waste management
- Green investment
- Environmental awareness and CSR

Inputs

- Green initiatives
- Use of renewable energy
- Efficiency in consumption of Petrol, Oil and Lubricants

Action Plans & Objectives

- Reduction of carbon footprint of SJIBL
- Moving to paperless working environment
- Encourage green investment

Capital Outcomes

- Conducting awareness campaigns
- Employee encouragement
- Eco-friendly business practices and
- Energy management procedures
- Process Automation
- Online Banking
- Internet Banking
- Online communications
- Process re-engineering
- Continuous improvement
- Investment in renewable energy
- Pursuing Bangladesh Bank Guidelines
- Considering the contribution to Sustainable Development Goals (SDGs)

Linkage of SDGs with capital outcomes



Highlights of 2021

Head Office is LED Certified Green Building

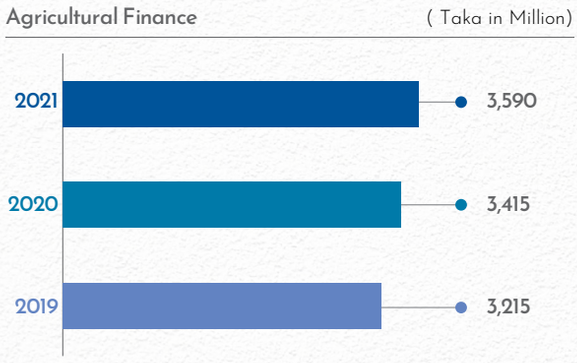
19 (Nineteen) branches of the bank have already been powered by solar energy

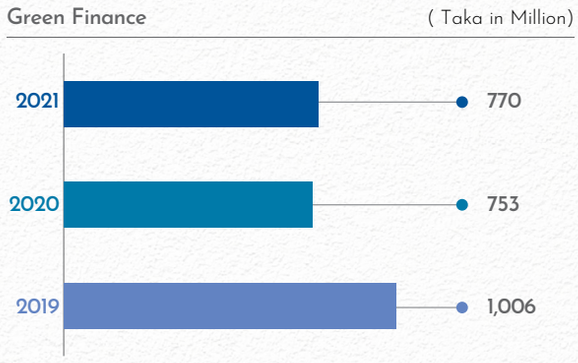
Disbursement of Agricultural Investment

Tk. 3,590 million

Savings of paper consumption

Tk 82.29 million





Challenges

- Reduction of carbon footprint against the growth of the Bank
- Encourage customers towards green investment
- Restructuring the operations in an eco-friendly way

Responses

- Conduct awareness campaigns, employee encouragement, eco-friendly business
- practices and energy management procedures in the organization to reduce the carbon footprint
- Follow Bangladesh Bank Guidelines and Sustainable Development Goals (SDGs)
- It is on our continuous process of the onward journey.

Way Forward

- Mobile app based banking for all customers
- Paperless banking
- Minimization of resources consumption
- Green initiatives
- Environmental education

STAKEHOLDERS' **ENGAGEMENT**

Stakeholder group	Engagement Mechanism	Key issues and Concerns for Stakeholders Aspirations	Response of SJIBL
Shareholders/ Investors	AGM, EGM, annual, semiannual report, published quarterly financials, announcement to DSE & CSE, Press Conference and media releases, credit rating and PSI in newspapers, etc.	• Healthy return on investments and stable dividend policy • Growing earnings • Sound governance and risk management, ratings of the bank based on overall financial performances	• Maintained attractive dividend payout ratio • Established risk management culture • Transparency & integrity in financial reporting • Each queries of the investors meet up through our share department efficiently and fairly
Customers	• 24/7 Customer hot-line 16302 • Customer Relationship Management • Multi-channel or Omni-channel engagement, including face-to-face customer engagement • Customer workshops, Customer feedback channels (in-branch, email, contact centre, social media) • Ongoing market research and product innovation • Customer Service Enhancement Program & Complaints Management Cell • Media campaigns/ advertisements • Dissemination of information through digital media like websites, social media, etc.	• Customers Queries, Complaints and suggestions • Good return from deposits • Fast service delivery with excellence • Product varieties catering market demand • Online banking solutions with secured transactions, privacy and confidentiality • Ensuring better and uniform services to the customers • Customer interactions	• Banking accessibility for all • Reaching out to customers by widening its geographic footprint in terms of establishing a larger number of branches and agent outlets. • Transforming existing branches or agent outlets to cater to diversified customer requirements. • Continuously developing new products and operational processes to improve customer satisfaction • ALCO meets every month to decide pricing and rates based on market analyses. • All network nodes are run by the online core banking system (CBS). • Digital banking channels like i-banking, EGP service, e-commerce, e-payment solution, QR Code based transaction solution, internet banking, and mobile app based banking solution. • Front desks and relationship managers ensure fast and high-quality service delivery following one-on-one relationships. • Proper actions are taken on customer complaints if any service goes against the customer service policy of the bank.

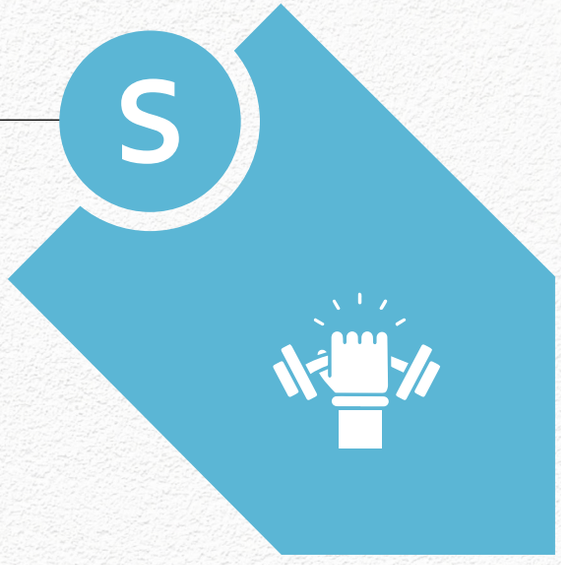
Stakeholder group	Engagement Mechanism	Key issues and Concerns for Stakeholders Aspirations	Response of SJIBL
Employees	• Yearly Strategic Business Conferences • Training, workshops, and orientation programs, internal meetings, group emails • Internal circulation through the SJIBL Web Portal (HRD Circular, Information Circular, and Instruction Circular) • Physical fitness, Future Leadership Development Program, a safe and clean working environment	• Talents and performances Development • Regular training • Inflation adjustment in pay package planning • Job descriptions are created based on individual skills. • Performance-driven career progression • Healthy working environment and policy formulation for a safe working atmosphere • Future Leadership Development Program	• 145 training courses were conducted in 2021. • Salary packages are adjusted in line with market competitiveness and inflation. • Work life balance • Employee motivation is enhanced by a yearly performance bonus. • KPIs for performance and inherent quality analysis that are well defined • There are various safety measures available, such as fire extinguishers, separate stairs, and smoke-free premises.
Government & Regulatory Authority	• Adhering to all local regulations and circulars issued by the Bangladesh Bank • Strict ethics and compliance with applicable laws, rules, and regulations • Directives, notifications, and guidelines • Meetings and discussions with the board and senior management • Submission of necessary reports, returns, and statements	• Proper compliance with laws and regulations • Timely reporting as per requirement • Timely payment of income tax and VAT accurately	• Ensured proper compliance and timely reporting to government bodies and regulators • Contributed BDT 4,845 million to the National Exchequer, which helped considerably with the revenue collection of the government.
Business Partners	Procurement management, training and communication	• Fair trade, fair enlistment • Sustainable and stable growth of the bank	• Free from any bias or coercion from influencing quarters • Fair play and competition to award work orders • Timely payment to vendors
Local Communities	Promoting financial inclusion both for banked and unbanked people, CSR & Zakat contribution- Scholarship to poor meritorious students	• Provide banking facility to geographically dispersed poor segment of the society • Benefit economy by poverty reduction through banking services to rural poor people • Support under privileged people through Social Safety Net programs	• Consider the environmental and social impacts carefully, and refrain from having a negative impact on society. • Target segment is underdeveloped and underprivileged people. • Services to old citizens, widows, and disabled beneficiaries • Significant contributions to the fields of education, health, disaster management, art, culture, the environment, and sports

Stakeholder group	Engagement Mechanism	Key issues and Concerns for Stakeholders Aspirations	Response of SJIBL
Board & Management	• Decisions based on financial and business delegation of different levels • Major decisions must be placed to board for approval	• Governance principles, policies & procedures formulation • Strategic focus & value creation Strategic business planning	• At least one board meeting in every month, frequent executive committee meeting, audit committee meeting • Board members meet management on various occasions like annual & semi- annual business conferences, bank's anniversary celebration, etc.
Business Partners	Procurement management, training and communication	• Fair trade, fair enlistment, • Sustainable and stable growth of the bank	• Free from any bias or coercion from influencing quarters • Fair play & competition to award work order • Timely payment to vendors

SWOT ANALYSIS

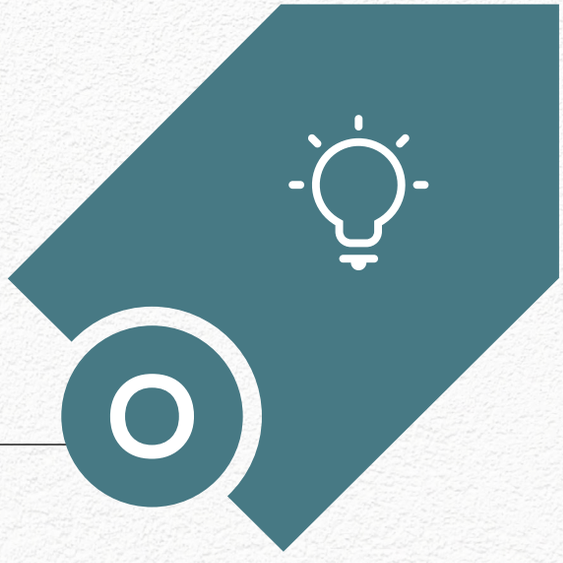
STRENGTHS

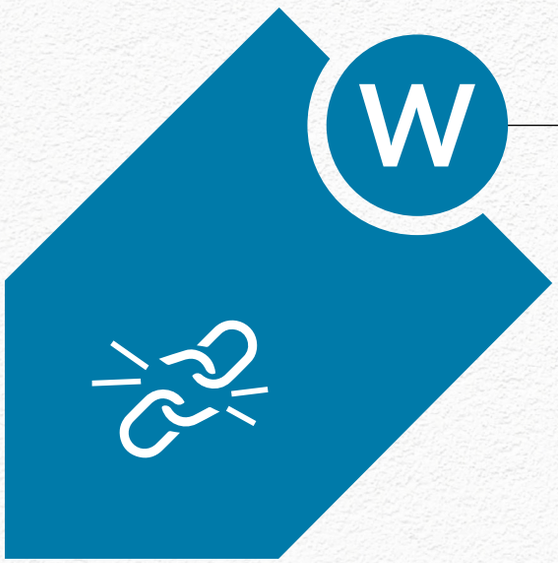
- In terms of Shariah compliance, financial products, and customer care, the bank has a good reputation in the market as a forward-thinking Islamic bank.
- Solid capital base with CRAR of 15.04%
- Strong compliant culture in all spheres of operations.
- Good market share in foreign trade business.
- Eminent and experienced Board of Directors and mature balanced senior management team
- Strong adherence to Corporate Governance
- Comfortable liquidity position
- Good mix of experienced as well as raw pool of talents.
- Equipped with state-of-art-technology
- High-quality credit rating over the years



OPPORTUNITIES

- There is an increasing awareness of Islamic financial services and a demand for Shariah-compliant products and services.
- The market share of the Islamic banking sector in Bangladesh, the third-largest Muslim country in the world, is growing.
- There are opportunities to explore new avenues of business in the post-COVID economic turnaround.
- The scope of digital transformation and reducing operating expenses.
- An opportunity to grab the market of the huge unbanked and underbanked population of the country.
- Symbiotic relationship with Fintech companies for extension of banking service





WEAKNESS

- The bank is overly reliant on the corporate business area in terms of commitment, which is highly price sensitive.
- Limited exposure in fast growing retail investment segment.
- Major investment concentration in Dhaka Zone
- Not so extensive branch network
- Limited scope of diversification of products
- High concentration in textile and garment sector
- Non availability of Islamic treasury products



THREATS

- Economic uncertainty due to the prolonged COVID-19 pandemic.
- A volatile exchange rate may threaten the foreign exchange business.
- The challenges of investment recovery and asset quality in the post-COVID phase pose threats to the banking sector.
- More competitors are entering in to the Islamic banking market.
- Inflation-adjusted deposit rates and single-digit investment rates caused additional pressures on the financial sectors of Bangladesh.
- Intense competition from Fintech companies.

MACROECONOMIC FACTORS AND **THEIR IMPACTS**

POLITICAL

Macroeconomic factors

- With the stability on the political front, there has been continuity in government policies and priorities have been given to developing infrastructure, including a large outlay on building bridges, roads, sea ports, and power generation plants.
- Issues of good governance and corruption are a concern for Bangladesh.
- There are challenges to creating employment in the present environment steered by COVID-19.
- The global political situation is unstable due to Russia Ukraine war, the US-China Trade War, US-Iran and US-Russia issues, which have some political bearing on us.

Impact on the industry

- Government spending in Bangladesh significantly in 2021.
- Implementation of stimulus packages through the banking sector
- Lower private sector investment growth
- Increase of inflation as well as oil price hike have direct impact on the banking industry

SJIBL's Front

- Due to political stability, almost all the financial and non-financial indicators of our bank have improved during the year, despite uncertainty resulting from the pandemic.

Evident in

- Director's Report
- Management Discussion and Analysis
- Divisional Overview

ECONOMIC

Macroeconomic factors

- The economy grew at a rate of 5.43 percent in FY2020-21, despite the COVID-19 pandemic.
- The per capita national income reached USD 2,554 in FY2020-21.
- In FY2020–21, exports increased by 15.10 percent while imports increased by 19.73 percent.
- Inflows of remittances increased by 36.10 percent.
- Private sector credit grew by 10.68 percent.
- In FY2020–21, the inflation rate was 5.64 percent.

Impact on the industry

- The supply of liquidity was very high, which resulted in a lower cost of deposit.
- There was a lower appetite for private sector credit due to the COVID–19 pandemic.
- The government announced different facilities for the investment clients, including a deferral payments facility. As a result, the recovery of investment was very low.

SJIBL's Front

- One-stop support for investment clients was introduced, and monitoring and follow-up were strengthened. As a result, recovery from investment improved and reached a satisfactory level.
- The bank participated in all the stimulus packages declared by the government and disbursed a sizable amount of investment under various stimulus packages.
- The bank concentrated on efficient fund management during the year 2021, which resulted in a significant reduction in the cost of funds.
- Disbursements were made cautiously and diligently against investment, which resulted in achieving higher quality investment growth in 2021.

Evident in

- Message from the Chairman
- Message from the Managing Director and CEO
- Director's Report
- Management Discussion and Analysis

SOCIAL

Macroeconomic factors	Impact on the industry	SJIBL's Front	Evident in
• Per capita income is now USD 2,554 and it is built up from the income of a middle class group of people. • The government of Bangladesh is more focused on accomplishing the goals of the SDGs by taking different initiatives and projects.	• Social factors will fragment customer needs, tastes, and preferences. Banks are thereby catering to their products and services in a quest to attract potential business accordingly.	• SJIBL aims to increase the overall standard of living through its funding, creating jobs, boosting the economy, and increasing per capita income that eventually contributes to GDP growth. • SJIBL will continue to focus on offering products and services as per customer preferences, ensure sustainability, and continue to invest in CSR and other social initiatives.	• Management Discussion and Analysis. • Sustainability Reporting.

TECHNOLOGICAL

Macroeconomic factors	Impact on the industry	SJIBL's Front	Evident in
• Technological advancement has made customers more sophisticated and altered their expectation levels. The global and local business environments are now more vibrant as a result of this ever-changing environment.	• Growing dependency on technology to meet customer demand, which will increase further investment in technology.	• The bank has made and will continue to make significant investments in technology to remain competitive. • The bank is focused on the digitization of services and operations to make its goods and services easier to use and operations more efficient.	• Management Discussion and Analysis. • Divisional Overview.

ENVIRONMENTAL

Macroeconomic factors	Impact on the industry	SJIBL's Front	Evident in
• There is a growing focus on green, or more broadly, sustainable finance, both in financial markets and in the international political arena.	• This has led banks to increase their regulatory focus on financing green projects and environmentally friendly business operations.	• The bank is committed to sustainable development through the creation of long-term value in terms of our environment, stakeholders and community. • Moreover, the bank is giving priority to disbursing green finance and sustainable finance.	• Management Discussion and Analysis. • Green Banking • Sustainability Reporting

LEGAL

Macroeconomic factors

During the year 2021, the government allowed investment clients to make partial payments toward their dues on investments and remain non-defaulters. As a result, the rate of classification has dropped. Furthermore, the Bangladesh Bank's measures to lower the repo rate, bank rate, CRR, increase the Investment Deposit Ratio, while at the same time requiring banks to offer single-digit interest rates on loans, that began in 2020 and continued till the end of 2021, had a significant impact on the banking sector. Therefore, regulatory policies as well as government directives played a decisive role in containing default loan exposure and running the economy smoothly during the period under consideration.

Impact on the industry

- There was a lower appetite for investment during the year 2021 due to the customers' stimulation packages and the COVID-19 pandemic.
- There is a huge liquidity surplus in the banking sector due to policy support by the government as a result of the lower cost of deposits.
- Slower economic growth and lower investment recovery as a result of customers' use of the deferred repayment facility

SJIBL's Front

Because of the market's volatility, SJIBL was more cautious about disbursing the investments. However, the bank participated in all the stimulus packages announced by the government and disbursed a significant amount of funds under those packages. Furthermore, the bank made excellent use of its excess liquidity in the capital market and through Government Sukuk.

Evident in

- CEO's Statement
- Management Discussion and Analysis

COMPETITIVE INTENSITY AND **OUR STRATEGIC RESPONSES**

Bangladesh's financial sector is dominated by the banking industry. Internal and external risk exposure are posing challenges to the banking business, and some of these risks are uncontrollable. With years of experience, SJIBL has seen a variety of industry cycles and economic turmoil, and as a result, it has developed and adjusted a risk identification and mitigation framework that not only protects the bank from unfavorable conditions, but also helps to improve operating viability and ensure long-term sustainability.

The bank's risk framework is represented below, which includes a full examination of competitive intensity while operating in the dynamic and tough banking market, as well as measures to minimize the impact of these risks on the business model.

Particular	Driver Forces	SJIBL's responses
Competitive Rivalry	In Bangladesh, bank competition is fierce and has expanded considerably in recent years. The banking industry is up against 61 scheduled banks and 34 non-bank financial institutions. The banking business has become increasingly competitive as a result of rivalry among the 61 banks in the market, as well as an intensive pricing war, which has resulted in a decrease in the number of loyal consumers. Switching costs are very minimal in Bangladesh for banking customers; they may quickly switch from one bank to another, and there is no or little customer loyalty. The products and services of rivals differ very little. In the industry, brand recognition has yet to emerge.	Customer service is of paramount significance to the bank; it is even enshrined in the bank's slogan, "Committed to Cordial Service," and it is at the heart of all the bank offers. To stay competitive, SJIBL is working on differentiating and unique product and service offers. On the other hand, various new and novel strategies to increase brand value have been implemented with seamless services and the utmost care.
Supplier power	Deposit customers are the key supplier of money. Due to lower switching cost of banking industry, customers have strong bargaining power. Recent rate cuts in deposits, triggering from a highly competitive lending market have directly impacted the number of deposit customers. This source of funds either from individual customer or borrowings from other financial institutions are largely based on the market circumstances. Therefore, their power is often considered to be fluctuated ranging from medium to high.	Focus on retail deposits and acquiring diversified pool of deposit basket in order to reduce dependency on any specific segment. Due to prudent marketing strategy of the Bank, every potential customer is aware of the "Shahjalal Islami Bank".
Buyer power	Generally, investment clients of the banks are to be considered as the buyer and they exercise high bargaining power. They create pressure for price cut with improved service quality i.e. lessen the rate of profit. In this particular area, clients are a bit forceful to compel banks. Banks are often vulnerable towards selling of investment products to safeguard the interest of the Bank.	From the very beginning SJIBL is offering competitive price both for deposit and investment products keeping in mind the overall economic condition. As the competition is intense in the industry; SJIBL manages to cater extraordinary and vibrant services that differentiate SJIBL from peer banks.
Threat of new entrants	In spite of a very high amount of capital and license from Bangladesh is required but a number of new banks and NBFIs have entered into an already matured & competitive market in the last few years. Entering new banks will intensify the competition. The threat of new entrants is low due to higher capital requirement and regulatory barrier.	We strive to achieve the economies of scale by the way of introducing state of art technology, hiring and training of employees and continuously improving efficiency & customer service.
Threat of substitute	The products and services offered by Non-banking Financial Institutions are the major substitute products. Apart from that, Subordinated Bond, Perpetual Bond, Sukuk Bond and equity instruments are the substitute of Bank's Loan / investment products. On the other hand, Government security and equity investments are the substitutes of deposits products.	SJIBL offers wide range of innovative products to its customers in considering with contemporary issues.

OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE **(ESG)** **APPROACH AND FOCUS AREAS**



Environmental- Maximum utilization of limited resources:

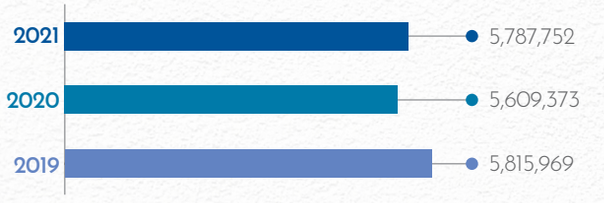
Shahjalal Islami Bank has prioritized projects emphasizing environmental benefits and currently we are investing those projects which involve in providing environment friendly products and services. Our environmental initiatives cover sectors like renewable energy, energy efficiency, water & waste management and recycling.

Energy Efficiency:

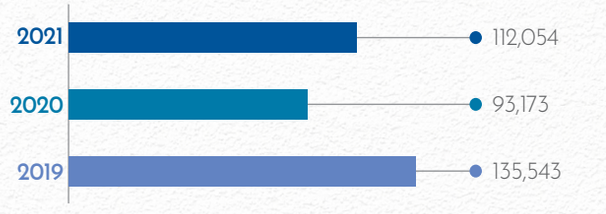
We have taken initiatives in installing energy efficient systems to optimize energy consumption across our operations by replacing traditional fluorescent with most efficient LED lamps across all the branches. We have latest energy efficient office equipment which harm less to the environment. Recently We have installed motion sensors enable lights in our 132 branches resulting in saving the average energy consumption.

ESG considerations are becoming increasingly important in modern times where people are becoming increasingly aware of the impacts on wellbeing and environment. ESG criteria are a set of standards for conscious investors to evaluate potential investments based on their sustainability and environmental impacts. Shahjalal Islami Bank is always committed to creating a better and sustainable world and thus our vision and strategies are targeted at the long-term sustainability to leave a better world for our future generations. We are determined to integrate ESG policies in building and running our business and thus establish our prominence in becoming the leaders in ESG parameters in Bangladesh.

Electricity Consumption (KWH)



Fuel Consumption (Litre)



Renewable Energy:

We have installed solar panels in 19 branches to promote the alternative and cleaner energy sources through our social initiatives. In addition, we have taken initiatives to invest in renewable energy projects to attain sustainable goals.

LEED certified buildings:

Our Corporate Head Office certified with "Gold" by Leadership and Energy Environment Design (LEED). Moreover, we have started investing in environment friendly building construction projects too.

Water Management:

We have introduced most advanced equipment to some of our branches to minimize the wastage of water. Our Corporate Head office is equipped with the modern water management technology which is mostly efficient for maximum utilization of the resource. We are planning to introduce with the recapture system to utilize the recycled water.

Waste Management:

Our waste management endeavor is structured with three Rs namely Reduce,Reuse and Recycle respectively. We deal with three types of non-hazardous waste namely e-waste, dry waste and wet waste. We disposed e-waste through authorized recyclers.

Social & Communities- Building better connect by empowering:

Rural Community development:

We are committed to ensuring holistic and sustainable development of our rural communities. Year 2021 was clearly an unprecedented one, especially for rural people- not just in terms of the Covid-19 pandemic but also the economic challenges it brought with it. In that year our activities were focused on COVID response, education, and winter relief. We have contributed amount BDT 5 Crore to Prime Minister's emergency fund and COVID response fund to ensure the government has enough resources to carry out their plans for rural development and combat with the pandemic situation.

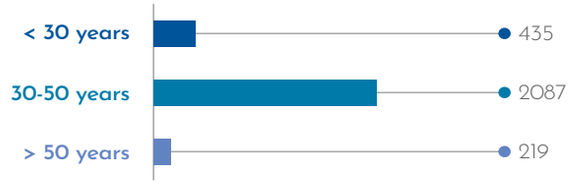
Employee health & Well Being:

We provide counseling to help our people deal with issue of mental health through a dedicated medical team. All our employees are within medical cover. For female employees on the path to embracing motherhood we have a maternity care program where 78 female employees took the advantage of this program. In FY2021 we aligned our ongoing program to equip our people with the navigate through Covid-19. We rolled out Emergency Medical Support related to Covid-19 from the beginning of the pandemic.

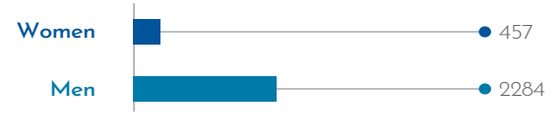
Workforce Diversity, Inclusion and Equal Opportunity:

We endeavor to create and maintain a diversified and inclusive work environment with equal opportunity for all our employees irrespective of age, gender, religion, sexual orientation. We also provide equal and fair remuneration opportunities irrespective of gender. With the objective we are working simultaneously in talent acquisition as well as talent retention. We understand the importance and potential of providing a supportive ecosystem for women to enable them to build successful career.

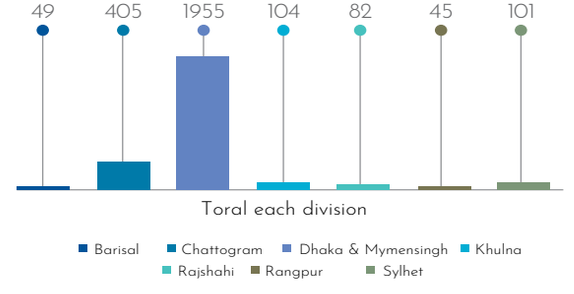
Age Group



Total women employees



Division Wise Employee Distribution





Governance-Enhancing the bar:

Our governance approach is based on the core values and strong ethics, enhanced risk consciousness, Board expertise and competence and unequivocal regulatory compliance. We have put in place well-defined decision-making and monitoring processes to uphold best-in-class governance standards which ensure a proper balance of authority accountability and liberty. SJIBL corporate governance framework underlines all its activities and operations.

Board of Directors and Board Competence: Our Board reflects a balanced mix of young-energetic, experienced and expertise across banking, financial markets, public policy, risk management. We have also inducted independent Director who have vast contribution in the society, economy and financial value creation.

Board involvement initiative: In shaping, maintaining and improving the banks processes and practices the Board plays a pivotal role. The onset of pandemic made Bank to rethink the way business is managed and ensure security. Employee safety and wellbeing remain a key priority area of the Bank as the second wave of Covid-19 infections sweeps through the nation.

Transparency and Accountability: Transparency and accountability are among the key factors that stakeholders expect. For this the Board always endeavor to adopt global practice in governance, timely disclosures, and fair presentation of information. SJIBL have enacted practices that allow for a sufficient and visible flow of information for adequate safeguards in place.

Policies and Frameworks for ethical conduct:

We undertake ethical conduct in day to day operational activities. To ensure a pervasive and ethical cultural behavior we have created an environment and implement policies and frameworks that encourage appropriate business conduct. These policies are regularly communicated with the management employees and other stakeholders.

Our Corporate governance policy consist of:

- Code of corporate governance
- Policies to prevent insider trading
- Fair disclosure of related party transactions
- Environmental Social & Governance policy framework
- To ensure the ethical values, the bank has taken various measures

SJIBL
ESG ISSUES

The following chart outlines the most material environmental,social and governance issues relevant to our business and key stakeholders.

SJIBL ESG Topics	Key Stakeholders					
	Clients and Customers	Employees	Suppliers	Communities	Shareholders	Government & Regulators
Environmental						
Climate Change	■	■	■	■	■	■
Operational Footprint		■	■			■
Products and Services with Environmental or Social Benefits	■		■	■	■	
Social						
Community Development		■		■		
COVID-19	■	■	■	■	■	■
Employee Health and Well-being		■	■			
Talent Attraction, Retention and Development		■			■	
Workforce Diversity, Inclusion and Equal Opportunity		■		■	■	
Governance						
Business Ethics	■	■	■	■	■	■
ESG Governance	■	■			■	
Public Policy and Regulation Reform	■			■	■	■
Systematic Risk Management	■				■	
Transparency & Accountability	■			■	■	■

ENTITY ANALYSIS

Competencies in Entity Analysis:

A comprehensive picture of SJIBL can be found through analyzing the competencies of entity analysis, where we endeavor to link our key factor of competencies across the value chain as well as improve the overall business model. Thus this analysis allows us to leverage our key strengths and helps us to mitigate the various risk factors while exploiting the opportunities

Key Competencies

Strong Financial Foundation

Strong Capital Base

- Maximization of shareholder's value by ensuring the optimum capital allocation and strong capital base

Effective Asset Liability Management

- Optimum fund management practices to optimize asset liability gap

Attractive ROA and ROE

- Maintain sound financial performance and shareholders return

Infrastructure

Advance mode of Core Banking Software

- Time to Time upgradation of core banking software

Ideal branch location

- To ensure customer convenience placing branches as per market requirement.

Ongoing service delivery infrastructure

- Induction of Automation through investment in latest technology

Customer Centric

Excellent Service Quality and need based product portfolio

- Provide service to customers through new and innovative investment and deposit products
- Innovate new products and service to ensure continued granular penetration
- Arrange training, counselling and facilitating service to expand the horizon

Quick Services to customers

- Customization of core banking software automation of App based banking services
- Emphasize on less tier approval process and improve efficiency

Ethical values and Transparency

- Extensive code of ethics and morale in the company policy
- Conduct regular training programs on code of ethics and values

SJIBL Brand

20 years of glorious journey

- Proactive responsible and customer oriented financial service provider
- Continuous branding investment

Reliable Brand image

- Reliability and Transparency in operation
- Regular engagement with community through CSR activities and Zakat expenses

Corporate Governance

Strict compliance of Regulations

- Our top priority is to abide by the law of the land in both letter and spirit.

Collective approach towards reform and regulatory initiatives

- With collective approach with regulators, peers and other industry participants and adopt best practices

Quality Human Resources

Proficient and Empowered Human Capital

- Investing in human resource as well as offering competitive and healthy package to retain talents

Extensive Training and Development

- Providing in house training and development initiatives for skill and professional development

Assurance of Integrity

- More emphasize on SJIBL's code of conduct, ethics and values.

Organizational culture

- Emphasize on organizational culture and maintain the industry best practices.

VALUE ADDED **STATEMENT**

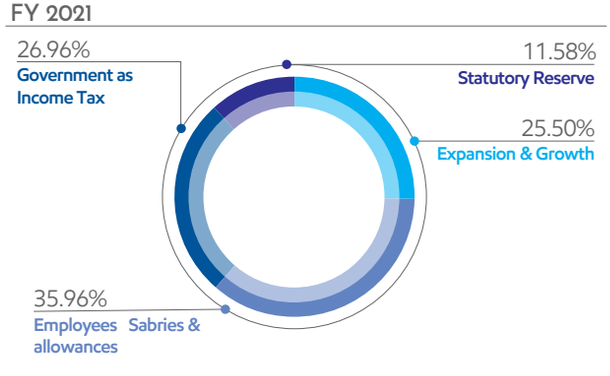
The value added statement for the Bank shows how the value is created and distributed among different stakeholders of the Bank.

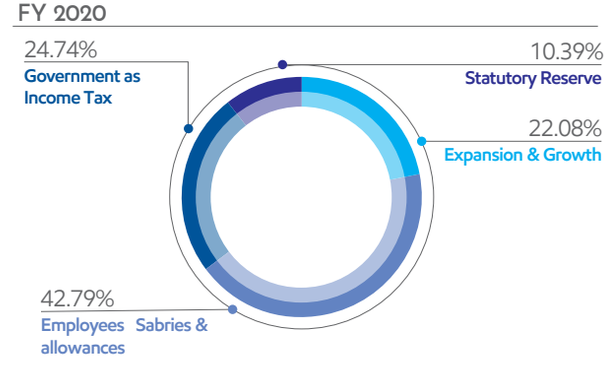
Value Added Statement

for the year ended 31 December 2021

Particulars	2021 Taka	%	2020 Taka	%
Income From Banking Services	18,282,366,608		20,223,921,381	
Less: Cost of services & supplies	8,762,984,029		12,758,085,314	
Value added by the Banking services	9,519,382,579		7,465,836,068	
Non-banking income	-		-	
Loan & Other Provisions	(1,167,028,000)		(451,394,000)	
Total value added	**8,352,354,579**		**7,014,442,068**	
Distribution of added value				
To Employess as salaries & allowances	3,004,147,148	35.96%	3,001,854,417	42.79%
To Government as Income Tax	2,251,428,716	26.96%	1,735,221,410	24.74%
To Statutory Reserve	967,333,131	11.58%	728,684,000	10.39%
To Expansion & growth	2,129,445,584	25.50%	1,548,682,240	22.08%
Dividend & Retained earnings	1,572,969,453		1,179,514,587	
Start-up Fund	44,934,355		-	
Depreciation	511,541,775		369,167,653	
	8,352,354,579	**100%**	**7,014,442,068**	**100%**

Distribution of Added Value





ECONOMIC VALUE ADDED STATEMENT

Economic Value Addition (EVA) indicates the true economic profit of the company. EVA is an estimate of the amount by which earnings exceed or fall short of required minimum return for shareholders at comparable risks.

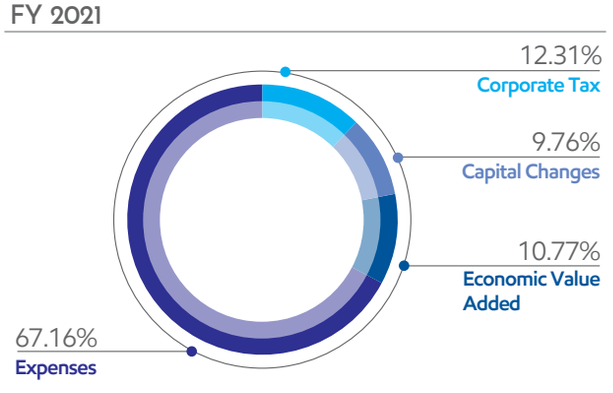
Economic Value Added Statement

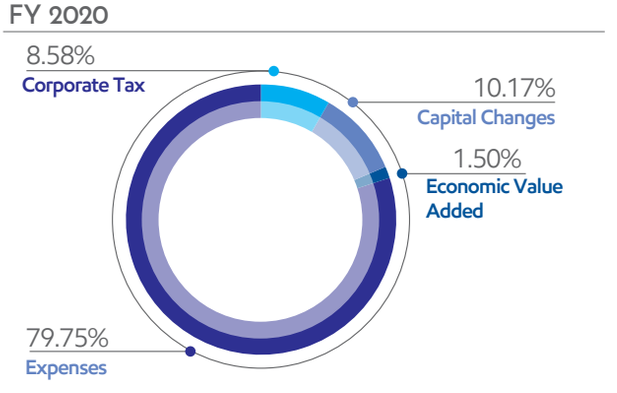
for the year ended 31 December 2021

Taka in Million

Particulars	2021	2020
Total Revenue	18,282.37	20,223.92
Expenses	12,278.67	16,129.11
Corporate Tax	2,251.43	1,735.22
Capital Charges	1,783.48	2,056.51
Economic Value Added	1,968.79	303.08

Economic Value Addition





MARKET VALUE ADDED STATEMENT

Market Value Added Statement reflects the company's performance evaluated by the market through the share price. This amount is derived from the difference between market capitalization and book value of the shares outstanding. It signifies the enhancement of financial solvency as perceived by the market.

Market Value Added Statement

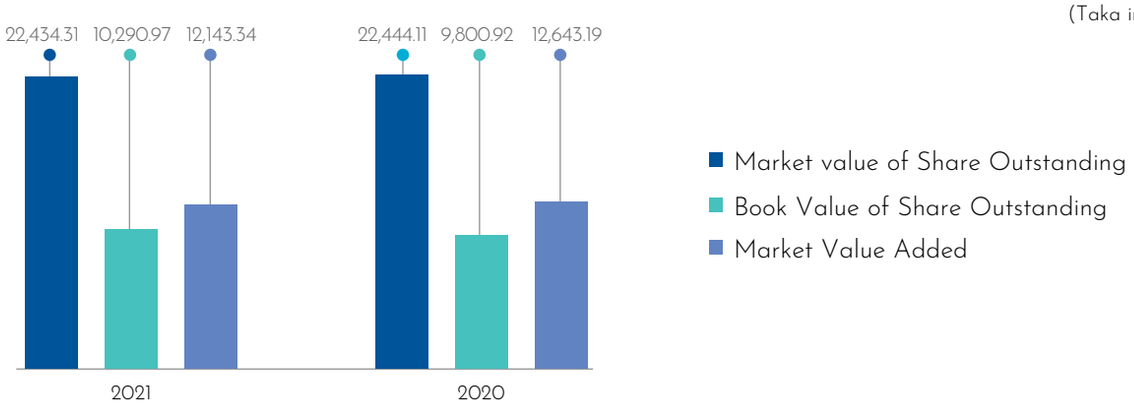
for the year ended 31 December 2021

Taka in Million

Particulars	2021	2020
Face value per share (Tk.)	**10.00**	**10.00**
Market Value per Share (Tk.)	**21.80**	**22.90**
Number of Shares outstanding	1,029,096,951	980,092,335
Total market capitalization	22,434.31	22,444.11
Book value of paid up capital	10,290.97	9,800.92
Market Value Addition	**12,143.34**	**12,643.19**

Market Value Added Statement

(Taka in million)





RISK MANAGEMENT

REPORT OF THE BOARD RISK **MANAGEMENT COMMITTEE (BRMC)**



Engr. Md. Towhidur Rahman
Chairman

Bangladesh faced continued challenges in the year 2021 with the COVID-19 pandemic. The lockdown measures, airport closures and weakened economic activity continued for yet another period of low growth due to the numerous difficulties faced by the national economy. The financial services sector, which mirrors the state of the economy, grew modestly due to low investment demand and increasing non-performing investments. Economic growth was subdued as sectors such as tourism and related businesses, manufacturing, and SMEs were severely affected. The Central Bank of Bangladesh responded by implementing relief measures, large-scale policy stimuli and debt moratoria to boost business recovery. A series of monetary easing measures, including multiple reductions in policy rates and the Cash Reserve Ratio (CRR), were introduced for the purpose of injecting liquidity into the market and lowering borrowing costs significantly. Taking these situations into consideration, SJIBL is closely monitoring the scenario and reinforcing its operational position to manoeuvre through any uprising situation.

Risk is inevitable in the banking business, and as such, risk management is an integral part of the culture across the bank. Since risk is an inherent component in the banking business, SJIBL treats the risk as an opportunity as well. The Board Risk Management Committee (BRMC) of the Bank observed the impact of the pandemic, alongside national and international developments, and sustained the worsening situation successfully, which ensures effective Board oversight and strong Corporate Governance. Our oversight focused on driving profitability while continuing to strengthen resilience, formulating a risk appetite that balanced business opportunities against risks and controls. The BRMC is committed to ensuring bank's strategic objectives through a sound risk management system that promotes sustainability and resilience capability and focuses on further strengthening our risk and control culture with the help of the Board, Executive Committee, Audit Committee and Shariah Supervisory Committee, etc.

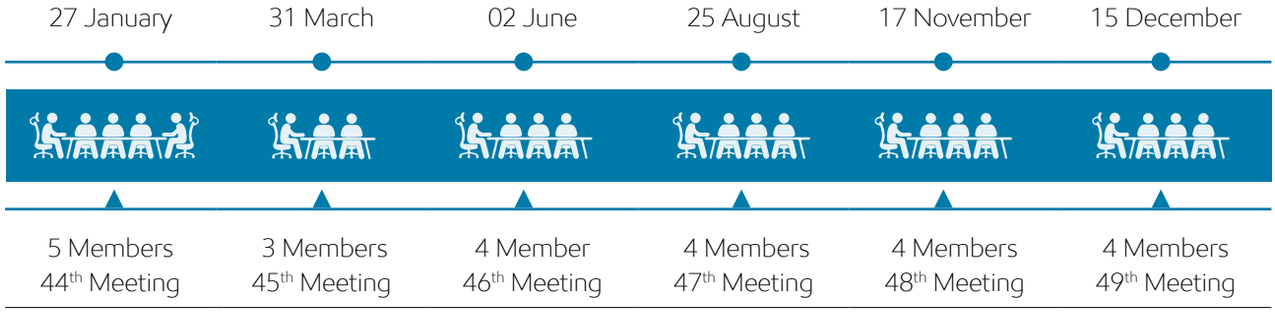
Formulation of the Committee

The Board Risk Management Committee (BRMC) has been formulated by the bank's Board of Directors, in compliance with Section 15Kha(3) of the Bank Company Act, 1991 (as amended up to 2018) and subsequent BRPD circular no.11 dated October 27, 2013, issued by Bangladesh Bank. This BRMC is established to play an effective role in mitigating impending risks arising from strategies and policies formulated by the Board and to carry out the assigned roles and responsibilities efficiently. The committee assists the Board of Directors in fulfilling its responsibilities for overseeing the bank's risk management system and activities, including the review of major risk exposures and the steps taken to monitor and control those exposures, as well as the myriad of risks faced by the Bank in its business operations. All key risks such as Investment, Market, Operational, Liquidity, Information and Communication Technology, Strategic, etc., are measured by the BRMC regularly through a set of defined risk indicators. The committee works very closely with the Key Management Personnel and the Board in fulfilling its statutory, fiduciary and regulatory responsibilities for sound risk management. The risk profile of the bank is communicated to the Board of Directors periodically through the different reports of risk submitted to the Board following each BRMC meeting.

Composition and Status of the Committee

The BRMC of Shahjalal Islami Bank Limited consists of One (01) Chairman and Four (04) Members who have been solely nominated by the Board of Directors. Details of composition and status are stated as follows:

Name	Status with the	
	Bank	Committee
Engr. Md. Towhidur Rahman	Director	Chairman
Dr. Anwer Hossain Khan	Director	Member
Mr. Mohiuddin Ahmed	Director	Member
Mr. Fakir Mashrikuzzaman	Director	Member
Mr. K.A.M. Majedur Rahman	Independent Director	Member



The company Secretary acts as Secretary of the Board Risk Management Committee (BRMC).

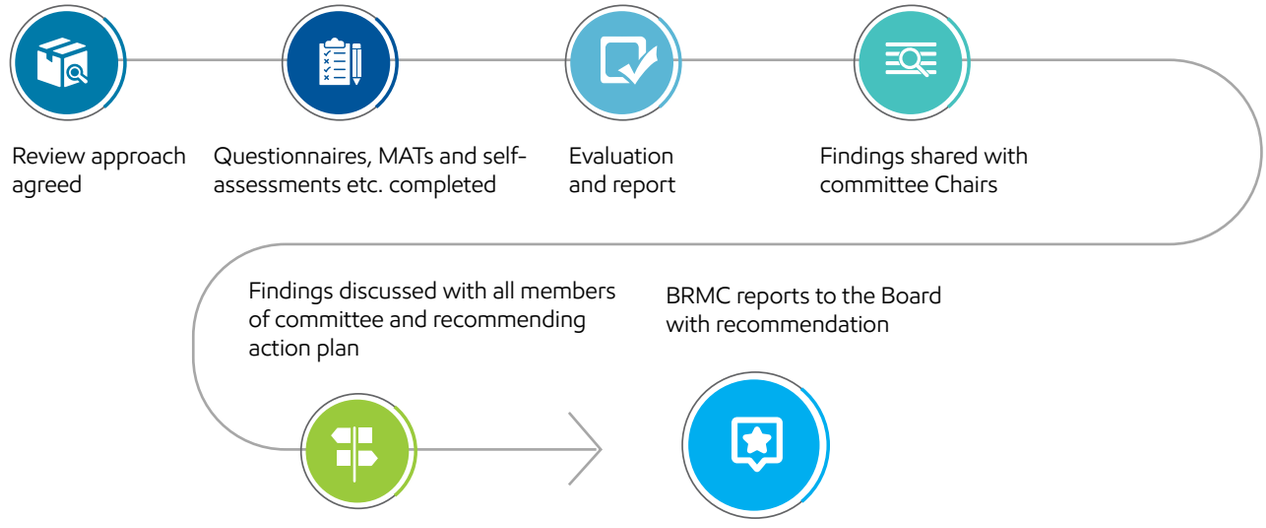
Main Responsibilities of the Committee

The Committee has significant roles and responsibilities for:

- Exercising oversight, on behalf of the Board, of the key risks of the bank.
- Formulating and reviewing (at least annually) risk management policies and strategies for sound risk management;
- Monitoring implementation of risk management policies & process to ensure effective prevention and control measures;
- Ensuring compliance with Bangladesh Bank's instructions regarding implementation of core risk management;
- Ensuring formulation and review of risk appetite, limits and recommending these to the Board of Directors for their review and approval;
- Analyzing all existing and probable risk issues, taking appropriate decisions for risk mitigation, incorporating the same in the meeting minutes and ensuring follow-up of the decisions for proper implementation;
- Submitting proposal, suggestions & summary of BRMC meetings to the board of directors at least on a quarterly basis;

- Ensuring adequate and efficient staff resources for RMD and appropriate knowledge, experience, and expertise of lower-level managers and staff involved in risk management;
- Assessing overall effectiveness of risk management functions on yearly basis.

Evaluation Process of Overall Effectiveness of Risk Management Functions



Meetings Host by the BRMC during 2021

During the year, six meetings were hosted by the BRMC as part of its roles and responsibilities where the bank's probable risk exposure, risk monitoring and supervision system were clearly stated. The six meetings were carried out on the below-mentioned dates:

SL. No	Meetings	Date of meetings held
01.	44th Meeting	January 27, 2021
02.	45th Meeting	March 31, 2021
03.	46th Meeting	June 02, 2021
04.	47th Meeting	August 25, 2021
05.	48th Meeting	November 17, 2021
06.	49th Meeting	December 15, 2021

Activities during the year 2021

In 2021, the BRMC conducted six (06) scheduled meetings and forty-three (43) memos were placed before the committee. In discharging the responsibilities assigned to the BRMC, the committee reviewed significant issues comprising different risk categories during the year. Some key activities covered in different meetings of the BRMC are listed below.

Risk Appetite	The BRMC has thoroughly reviewed the bank's Risk Appetite Statement and determined whether the bank's own strategy is consistent with the previously agreed-upon risk appetite and tolerance.
Risk Management Framework (RMF)	The BRMC advised to form and design a precise "Risk Management Framework (RMF)" to initiate a risk control mechanism across the Bank.
Risk Management Policies and Effectiveness of Risk Management Functions	The committee has reviewed Risk Management Policies and Effectiveness of Risk Management Functions for the year 2021.

Exploring Opportunistic Portfolio	The BRMC has carefully observed and identified potential industries in order to investigate unique growth prospects that will aid in the discovery of previously untapped investment opportunities.
Management of Liquidity	The BRMC examined the bank's current liquidity situation and advised it to meet clients' financial obligations by maintaining sufficient liquidity, as instructed by Bangladesh Bank.
BASEL III Implementation	The committee has reviewed the key accords and compliance of BASEL III thoroughly and advised to connect strategic decisions with the bank's capital planning.
Quality of Assets	A sophisticated discussion on asset quality was held, which identified low-performing assets and suggested actions to improve the asset base's quality.
Stress Testing	The committee has assessed stress testing reports from the quarter ending March 2021 to the quarter ending December 2021 and advised to adopt financial flexibility to respond to severe but plausible scenarios.
Risk Management Reports and Outcomes	The committee has scrutinized rigorously versatile risk management reports like the Monthly Risk Management Report (MRMR), Half-Yearly Comprehensive Risk Management Report (CRMR), Quarterly Sustainable Finance Report, Yearly Internal Capital Adequacy Assessment Process (ICAPP), Management Action Triggers, Self-Assessment and Evaluation Reports of Core Risk during the year and recommended to comply with the requirements of the regulatory authority on time.
Capital Management	The committee advised the bank to keep and maintain a satisfactory Capital to Risk-Weighted Asset Ratio (CRAR) and to strengthen long-term capital plans that can align with the bank's goals while meeting regulatory requirements.
Diversification of Portfolio	The committee deeply scrutinized the bank's overall investment position, identifying and pointing out vulnerable ones to confirm risk mitigation at an optimum level.
Capacity Building	The BRMC raised the issue of capacity building, skill enhancement, and knowledge gathering among team members by arranging appropriate aptitude & expertise development training and workshops.
Regulatory Changes and Affairs	The Committee scrutinized and reviewed regulatory changes and affairs undertaken by Bangladesh Bank to handle the pandemic situation.
Risk Management & Control Strategies	The BRMC has assessed the bank's existing and potential risk exposures and recommended necessary risk control and mitigation strategies while keeping a close eye on emerging risks that may pose a serious threat in the future.
Cash Recovery and Written-off Position	The BRMC analyzed and discussed the Cash Recovery Position of Classified Investments and the total position of Written-off Investments incurred during the year.
Audit findings and Compliance	The BRMC discussed thoroughly the findings and observations of audits conducted by Bangladesh Bank and advised accordingly to take necessary action to comply with audit inspection.
Top Borrowers and Defaulters	A brief discussion was carried out by BRMC on the exposure of Top-20 Borrowers and exposure of Top-20 Defaulters and the status thereof.

Reporting to the Board

The proceedings of BRMC meetings containing various suggestions and recommendations to the management were regularly reported to the Board of Directors for review and approval .

During the year 2021, the Board Risk Management Committee (BRMC) supported the execution of the overall business strategy within a set of prudent risk parameters which are reinforced by a sound risk management system.

Acknowledgment

The members of the Board Risk Management Committee (BRMC) convey their heartiest gratitude and thanks to the Board of Directors, Management, and Risk Management Team of the Bank for their continuous and wholehearted support, assistance, and cooperation while committing to perform further duties and responsibilities in a more resilient way.



Engr. Md. Towhidur Rahman

Chairman

Board Risk Management Committee

FROM THE DESK OF **CHIEF RISK OFFICER**



Mohammed Ashfaqul Hoque, FCA, FCS
Chief Risk Officer

Worldwide, the economy has been adversely affected by the COVID-19 pandemic, causing a slowdown in business activities and economic contractions. As a consequence of this, the banking industry of Bangladesh had been mired in lots of difficulties, such as a high volume of nonperforming investments, escalation of investment write-offs, and slow investment recovery against an upward trend of bad investments. Amidst this situation, Shahjalal Islami Bank Limited survived successfully in 2021 and achieved enviable success in all parameters. The Government and Bangladesh Bank's initiatives, such as the announcement of stimulus packages, the COVID 19 vaccination of mass people and the withdrawal of obstacles, indicate that 2022 is going to be a turning point for the bank.

Since the inception of my journey as Chief Risk Officer (CRO), I have deeply observed that Shahjalal Islami Bank Limited (SJIBL) has demonstrated strength in steering through challenging circumstances. The businesses of the bank have been driven with a focus on risk-calibrated profitable growth. The financial statements of the bank have been strengthened substantially, as well as risk management practices have been focused on generating sustainable growth in business. The steps taken have enabled the bank to emerge as more dynamic, and this is reflected in the performance of the bank in the year 2021.

The bank's core operating profit grew more steadily this year, and its capital, capital to risk weighted assets ratio (CRAR), and liquidity positions improved over the previous year. The bank has been strengthened to support a robust flow of deposits during the year. The bank's assets quality parameters and portfolio mix remained constant. The performance in 2021 has also ensured value-creation for all stakeholders, including shareholders and customers.

Sound Risk Management System



Board and Senior Management Overview

The Board of Directors defines the risk appetite, risk tolerance and risk limit, and sets risk strategies to ensure that the management is taking the necessary steps to manage the accompanying risk. Senior Management of the Bank is also aware of the Bank's risk profile on an ongoing basis and reports it regularly to the Board or the Board Risk Management Committee for review.

Adequate organization, Policies and Procedures

The bank's policies and more detailed procedures provide guidance for the day-to-day implementation of broad risk strategies and generally include limits designed to protect the bank from imprudent and unwarranted risks.

Appropriate Management Information System (MIS)

The Bank assesses the effectiveness of the risk measurement, monitoring and management reporting systems by considering the adequacy of the risk monitoring practices and reports addressing all material risks, appropriateness of the key assumptions, data sources, etc. to the Board and Senior Management.

Comprehensive Internal Controls and Limits

The Bank's internal control system is adequately tested and reviewed by its internal audit. The coverage, procedures and findings of the audit regarding the internal controls are adequately reviewed by the Audit Committee, and any material weakness found is addressed promptly and appropriately.

Bank's Risk Profile and Performance in 2021

The risk profile of the bank indicates strong performance that reflects the good work done in past years to improve its portfolios and secure its foundations. In 2021, the bank remained resilient, with its asset quality remaining broadly stable as well as its capital and liquidity metrics continuing to be at healthy levels. The comparative analysis of key risk profile indicators is outlined below in the table:

Risk Category and Parameter	Key Risk Indicator	Policy Parameter	Actual Position	
			31.12.2021	31.12.2020
Investment Risk: **Quality of Investments Portfolio**	Gross NPI Ratio	<5%	4.42%	4.57%
	Net NPI Ratio	<3.50%	3.00%	2.82%
	Provision Maintenance Ratio	≥100%	100.01%	100.13%
	Rated Investments of Total Eligible Investments portfolio	80% - 100%	93.49%	90.05%
Liquidity Risk	Investment Deposit Ratio (IDR)	≤92%	84.48%	79.62%
	Liquidity Coverage Ratio (LCR)	≥100%	181.95%	390.52%
	Net Stable Funding Ratio (NSFR)	>100%	127.96%	130.31%
	Cash Reserve Ratio (CRR)	≥4%	4.58%	4.74%
	Statutory Liquidity Requirement (SLR)	≥5.50%	14.73%	11.50%
Strategic Risk	Capital to Risk Weighted Assets Ratio (CRAR) Plus Conservation Buffer	≥12.50%	15.04%	14.19%
	Tier 1 Plus Conservation Buffer	≥8.50%	10.92%	9.15%
	Tier 1 (Going Concern Capital)	≥6%	10.92%	9.15%
	CET 1 Plus Conservation Buffer	≥7%	8.81%	9.15%
	Tier 2 (Gone Concern Capital)*	≤4%	4.12%	5.04%
	Leverage Ratio	≥3%	6.53%	5.29%
	Surveillance Rating-CRAB	AA2(ST-2)	AA2(ST-2)	AA2(ST-2)

** Tier-2 capital can only be recognized above 4.0% if the bank has CET1 ratio in excess of the minimum requirement of 7.0% (i.e. 4.5% plus capital conservation buffer of 2.5%).*

The above table shows that Bank's Gross NPI Ratio, Provision Maintenance Ratio, IDR, LCR, NSFR, CRR, SLR, CRAR and Leverage Ratio at December-2021 were 4.42%, 100.01%, 84.48%, 181.95%, 127.96%, 4.58%, 14.73%, 15.04% and 6.53% respectively which is more than the requirements of Bangladesh Bank. It proves that the quality of investments, liquidity and capital position of Bank is very strong.

However, The Bank remains vigilant against existing and emerging risks that may impact its business, and utilise portfolio reviews and stress testing to assess the risk landscape. In 2021, the Bank has focused on dealing with these existing and emerging risks by taking into consideration on:

- Increasing the status of ratings of eligible investment clients for minimizing Risk Weighted Assets (RWA) as well as the capital requirement of the Bank.
- Building a robust risk management culture across the Bank.
- Raising awareness on risk management by providing adequate training.

Bank's Risk Management Approach

The Bank's Management has embedded the Risk Management Framework (RMF) across the bank, including branches and subsidiaries. It allows the bank to identify and manage risks holistically, as well as strengthen the bank's capabilities to understand, articulate and control the nature and level of the risks the Bank Management takes while still serving its clients soundly.

In 2021, the Executive Risk Management Committee (ERMC) reviewed the RMF. During this process, the ERMC analyzed Core Risks and made improvements to the Bank's approach to the Core Risks Management Committee (CRMC) in order to mitigate the risks more smoothly. The Bank will consider whether any of the other existing or emerging risks should be treated as material risks over time. The table below provides an overview of the bank's Core Risks and Risk Management Process.

Type of Core Risks	Managing Process
Investment Risk	The Bank has a robust Investment Risk policy framework embedded with prudent investment guidelines to minimize investment defaults and manages its investment exposures by diversifying products, geographical area, client segments and industry sectors.
Asset and Liability Risk	The Asset Liability Committee (ALCO) of the Bank has analyzed the market liquidity and investment position as well as profit rate of deposit and investment while reviewing and offering deposit profit rate with attractive deposit products of Bank in line with industry and holds an adequate buffer of HQLA to survive extreme but plausible liquidity stress scenarios for at least 30 days without recourse to extraordinary central bank support.
Foreign Exchange Risk	The Bank maintains its Foreign Exchange holdings as per the need faced by the clients and manages Foreign Exchange Risk within the approved Risk Appetite. The Bank is also conscious of managing FX positions so that any FX losses don't cause material damage to its regular FX operation.
Internal Control and Compliance Risk	The Bank has effective guidelines to maintain strong internal control systems through which regular and special inspections are conducted by the team of IC&CD and report accordingly to the higher management of the Bank.
Money Laundering Risk	The Bank has formulated "Guidelines on Prevention of Money Laundering and Terrorist Financing" and applies, measures and monitors risk-based Customer Due Diligence (CDD), business relationship and transaction pursuant to national regulations and international standards.
ICT Risk	The Bank continuously enriches its technology risk management capabilities by adopting a strong "Information & Communication Technology (ICT) Security policy" and reviews its system fluctuations and penetration testing and a dedicated IT audit team carries out its functions to ensure findings which are sufficiently addressed to a higher authority.

Apart from dealing with these Core Risks, SJIBL as a practitioner of Shariah Based Islami Banking, also faces Shariah Non-Compliance Risk and takes action to manage the same risk more efficiently by taking this into consideration as follows:

Type of Risks	Managing Process
Shariah Non-Compliance Risk	The Bank has established Shariah Supervisory Board (SSB) and Shariah Inspections and Report Review Committee (SIRRC) in order to monitor and review Shariah Compliance in the Islamic Banking Business.
	Shariah-related policies and procedures have been formulated for running all Islamic Banking business and operations in compliance with Shariah Based Islamic Banking while establishing tactful Risk Management Tools to facilitate its business.

In addition to the Core Risk Types that the bank manages through risk type frameworks, policies, and risk appetite, the bank also keeps an inventory of Emerging Risks.

EXCLUSIVE ACHIEVEMENT AND RECOGNITION IN 2021

Shahjalal Islami Bank Limited (SJIBL) is dedicated to ensure sustainable growth of the economy and its stakeholders through effective risk management, meeting the bank's strategic objectives for a better future. Some exclusive achievements and recognitions of the bank are mentioned below:

Low Risk	**15.04%** CRAR	**93.49%** Credit Rating	**60%** RWAs to Exposures
CAMELS, Core Risks, CRMR Rating has been improved	Adequate Capital has been maintained against Risk Weighted Assets	Achieved milestone in conducting Credit Rating of clients.	Bank's Risk Profile has been improved due to lessen RWA against total assets.
15.60 cr. Capital charged	**500 cr.**	**4.42% NPI**	**25.95%**
Documentation lapses and Error has been reduced constantly.	Successfully issued Mudaraba Perpetual Bond for raising Tier-1 Capital.	NPI has been reduced and on the contrary Assets Quality has been improved.	Cash recovery has been increased.
39% SME & Retail	**Defaulter Clients**	**13.25 cr.**	**57.93%** High Cost
New Portfolio has been created to avoid the Concentration Risk.	Legal Action has been emphasized	Share Market Loss has been reduced.	Deposit Mix has been improved.
4.45% Top-10	**181.95%** LCR	**0%**	**All**
Dependency of Large depositors has been reduced	Key Liquidity Ratio (LCR, NSFR, CRR, SLR) has been successfully maintained.	Event of Fraud & Forgery/ Money Laundering is not significant.	Risk related Policies and Guidelines has been reviewed successfully.

Focus on Key Risk Priorities

In view of the challenging risk environment, it is essential that the bank continues to optimize the way risk is managed within the bank. Innovation is the prime agenda of Shahjalal Islami Bank Limited and the bank is making progress on the risk priorities set out on a need-basis:



Strengthen the Bank's Risk Culture: The Bank's Risk Management Framework (RMF) has been embedded and rolled out to all concerns of the Bank. In 2021, internal messaging from senior management promotes a healthy risk culture by valuing risk-based thinking across each line of defense, encouraging risk awareness, challenging the present position and creating a transparent, safe and open environment for employees to communicate risk concerns.



Emphasize on Client's Credit Rating: SJIBL always remains vigilant about the rating status of the clients and monitors the rating status of the investment clients on a regular basis as SJIBL presumes that credit rating is an effective tactic to manage and mitigate investment risk. The bank provides noticeable attention at the branch level so that the branch also remains watchful about increasing the number of credit rating clients. A significant improvement in the rating status of the clients is made in this year as the percentage of rated clients stood at 93.49% in 2021 which was 90.05% in the previous year.



Enhance Information and Cyber Security (ICS): A new strategy for the bank's ICS has been developed to align with the overall corporate strategy and drive cohesion across the Bank on managing ICS Risk. In 2021, the Bank embedded a refreshed approach on the enhancement of the operating model to clarify accountabilities between the first and second lines of defense; increased training and awareness alongside crisis management exercises to ensure business responses with a focus on clients and critical services, which has facilitated greater insights into the Bank's risk position.



Managing Climate Risk: Climate Risk is a serious concern across the world today and needs much attention and focus to lessen the adverse movements of the environment. For addressing Climate Risk, SJIBL has successfully conducted tree planting programs in 2021 through its 50 Branches across the country to minimize the negative externalities of the environment, particularly in the rural areas, to reduce land contamination and erosion of the upper layer of the land. Different types of fruits, forests and herb plants such as Teak, Mahogany, Cocunut, Guava, Neem have been planted based on the nature of the weather and soil of the selected location, along with ensuring primary protection by buliding a fence around the plant. Around 25,000 trees have been planted and more than 5,000 plants have been distributed among students from different educational institutions.



Manage Financial Crime Risks: The Bank remains committed to be leading in the fight against financial crime. The Bank reclassified the Fraud Risk sub-type from Operational Risk to Financial Crime Risk, thus providing new insights and a more holistic view of Financial Crime threats. The Bank is demonstrating delivery against its mission through its Correspondent Banking Channels, its ongoing deployment of upgraded systems for AML, sanctions, fraud and customer due diligence.

Emerging Risks

Emerging Risks refer to unpredictable and uncontrollable outcomes from certain events and circumstances which are on the radar but not yet fully measurable may have the potential to impact our business materially.

The following table summarizes the Emerging Risks that the Bank may face and its managing process:

Type of Emerging Risks	Risk trend since 2020*	Managing Process
Climate-related transition Risk		• The Bank is developing a Climate Risk framework to deliver a consistent approach to climate risk management. • The Bank is actively collaborating with clients, regulators, investors to solve the collective challenges in the approach to managing climate-related risks.
Regulatory Changes, Regulatory reviews, investigations and legal proceedings		• The Bank continues to train and educate its human resources on relevant issues including conduct, conflicts of interest, information security and financial crime compliance in order to reduce its exposure to legal and regulatory proceedings.
New technologies and digitalization, including business disruption risk and obsolescence risk		• The Bank repeatedly monitors emerging trends, opportunities and risks in the technology space which may have implications on its core banking operations. • The Bank continues to make headway in harnessing new technologies, actively targeting the reduction of obsolescent/end of support technology and ensuring operational resilience. • The Bank has an integrated strategy to leverage technology to manage new technological risk and combat cyber-enabled financial crime.

Risk Heightened in 2021 *Risk reduced in 2021* *Risk remained consistent with 2020 levels*

** The risk trend refers to the overall risk score trend which is a combination of potential impact, likelihood and rate of change.*

Final Words

Risk is one of those things that can present both challenges and opportunities. Over the past decades, risk management practices have changed dramatically under the forces of the business environment and technological development. Efficient risk management is crucial for banks to ensure profitability and maximize the value of stakeholder assets. In the light of the global financial crisis, bank risk management has become a major concern of banking regulators and policy makers. Early in 2021, we faced the new coronavirus Omicron variant. But the bank continues its vigilant focus on its risk management capabilities that will help the bank navigate these headwinds and ensure a sustainable, innovative, resilient, more convenient and client-oriented bank. The awareness of the bank's such precaution and vigilance is being treated as key to the optimum success of the bank and helps it to look forward to walking on the journey of uncertainty, taking challenges and exploring new opportunities full of thrill and excitement.



Mohammed Ashfaqul Hoque, FCA, FCS
Chief Risk Officer

RISK MANAGEMENT **FRAMEWORK**

A Risk Management Framework (RMF) is a set of components that provide the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organization. The notion of a risk management framework is essentially equivalent to the concept of Enterprise Risk Management (ERM).

1.0 Risk Management Overview

Risk management is a discipline at the core of every banking company and encompasses all activities that affect its risk profile. The bank should attach considerable importance to improving the ability to identify, measure, monitor, and control the overall risks assumed.

Shahjalal Islami Bank Limited (SJIBL) embraces risk management as an integral part of its business, operations, and decision-making processes. In order to ensure that SJIBL achieves optimum returns whilst operating within a sound business environment, the risk management teams are involved at the early stage of the risk-taking process by providing independent inputs, including relevant valuations, investment evaluations, new product assessments, and quantification of capital requirements. These inputs enable the business units to assess the risk-vs-reward of their propositions, thus enabling risk to be priced appropriately in relation to the return.

Generally, the objectives of the bank's risk management activities are to:

- promote better risk culture
- develop the standards for risk management practices
- ensure that risk-taking activities are consistent with risk policies and the aggregated risk positions are within the risk appetite as approved by the Board
- improve internal financial soundness and stability
- adopt and implement a sound risk management framework and
- introduce important risk management tools and techniques for the assessment and necessary treatment of different risks

2.0 Bank's Risk Management Policy

It is important to not only fulfill regulatory requirements but also improve the financial and operational performance of the bank. The risk management policy has evolved as a key part of the organizational structure. Indeed, it is now more vital for the stability of banks in the long run.

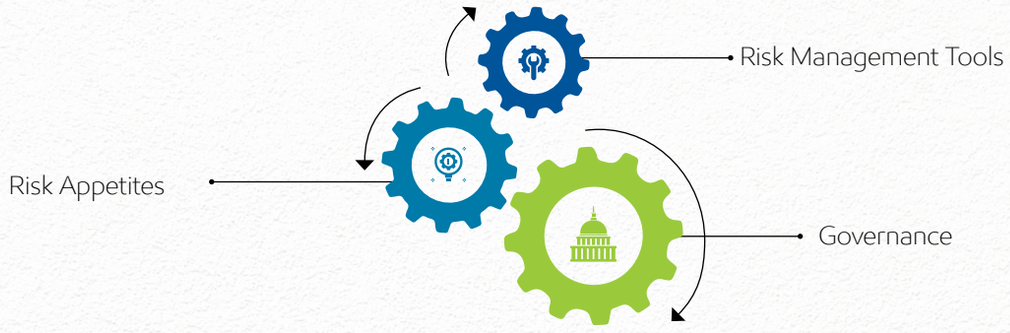
Shahjalal Islami Bank Limited has an all-inclusive outlook on risk management. As a result, all of the activities related to risk management are being driven by the bank's risk management policy, delineating a clear vision for our entire enterprise. The SJIBL risk management policy covers detailed guidelines for sound risk management. We also adhere to the industry's best practices at the national and international level. To illustrate this, the SJIBL risk management policy includes, but is not limited to, the following aspects:

- An outline of the dimensions of risk management
- An inclusive risk management framework
- A rigorous process for sound risk management
- Emphasis on capital management for sound risk management
- Application of disclosure requirements of risk reporting

3.0 Bank's Risk Management Framework

Shahjalal Islami Bank Limited has developed a Risk Management Framework (RMF) as a standardized approach to effectively manage its risks and opportunities. The Bank's Risk Management Framework provides its Board and Management with tools to anticipate and manage both the existing and potential risks, taking into consideration changing risk profiles as dictated by changes in business strategies, the external environment and/or the regulatory environment.

The key components of the Bank's Risk Management Framework are represented as:



The design of the Bank's Risk Management Framework incorporates a complementary 'top-down strategic' and 'bottom-up tactical' risk management approach.



3.1 Risk Culture

The bank has established an integrated and institution-wide risk culture, based on a full understanding of the risks it faces and how they are managed, considering risk tolerance and appetite. Since the banking business involves risk-taking, it is fundamental that risks are appropriately managed. A sound and consistent risk culture throughout the bank is a key element of effective risk management. The bank has developed its risk culture through policies, examples, communication, and training of staff regarding their responsibilities for risk. Every member of the bank is fully aware of his or her responsibility regarding risk management. The sound risk culture of the bank encourages effective risk management, promotes sound risk-taking, and ensures the risk-taking activities that are beyond the bank's risk appetite are recognized, assessed, reported, and addressed in a timely manner.

The Bank's risk governance structure, risk appetite, and risk management tools are influenced by risk culture of the Bank. The risk culture is built upon:



Tone from the top

Clear and consistent communication from leaders on risk behavior expectations and the importance of SJIBL's values.



Accountability

All SJIBL employees in every business function are held accountable for risk ownership and their actions in accordance with the three lines of defense model.



Compensation

Programs are designed to discourage and punish behavior that is inconsistent with the bank's values, policies and Code of Conduct.

Reporting

Dashboards for reputational and operational risk, as well as other crucial variables, are tracked and reported. Employee feedback is also sought through a number of surveys.

Training

SJIBL maintains a risk culture by offering all employees with effective and informative mandatory and non-mandatory risk management training modules, as well as presentations and other training media on a variety of risk management issues.

Centralized Decision-making

The membership of senior and executive management committees responsible for the review, approval and monitoring of transactions and the related risk exposures (whether global or local) include business line heads and senior risk officers.

3.2 Risk Governance & Organization

Risk governance refers to the structure, rules, processes, and mechanisms by which decisions about risks are taken and implemented. A strong governance structure is important to ensure an effective and consistent implementation of the bank's risk management framework. The Board is ultimately responsible for the bank's strategic direction, which is supported by the risk appetite and relevant risk management frameworks, policies, and procedures. The Board is assisted by different risk committees and control functions in ensuring that the bank's risk management framework is effectively maintained.

It covers the questions about what risk management responsibilities lie at which levels, the ways the board influences risk-related decisions, and the role, structure, and staffing of the risk organization. Good practice in this dimension is where the board has regular involvement in managing key risk issues, and risk management responsibilities are proportionate to the risks assumed at a particular level or unit. The bank's risk management philosophy is embodied in the Three Lines of Defense approach, whereby risks are managed at the point of risk-taking activity.

THREE LINES OF DEFENSE APPROACH



The First Line of Defense

- To have an effective process in place for identifying, assessing, measuring, monitoring, mitigating, and reporting on risks.
- To operate in accordance with the risk management policies and delegated mandates.
- To be responsible for having skills, operating procedures, systems, controls and authority.

The Second Line of Defense

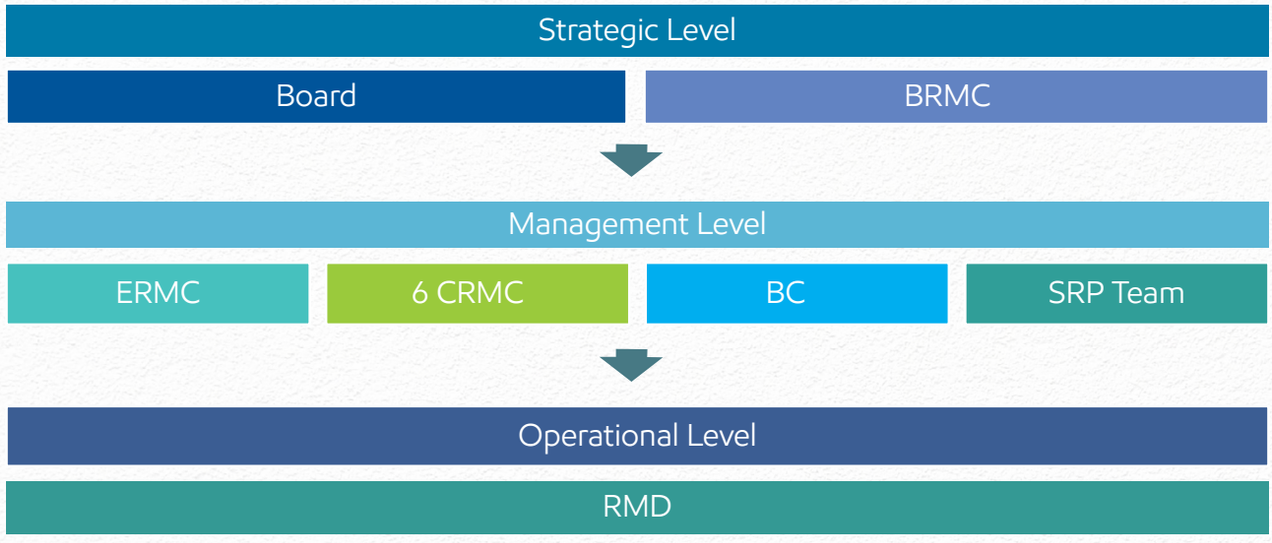
- To put in an appropriate internal control framework for effective and efficient operations.
- To be responsible for recommending, reviewing and monitoring the bank's risk appetite and policies.
- To follow-up and report on the bank's risk associated issues and affairs.

The Third Line of Defense

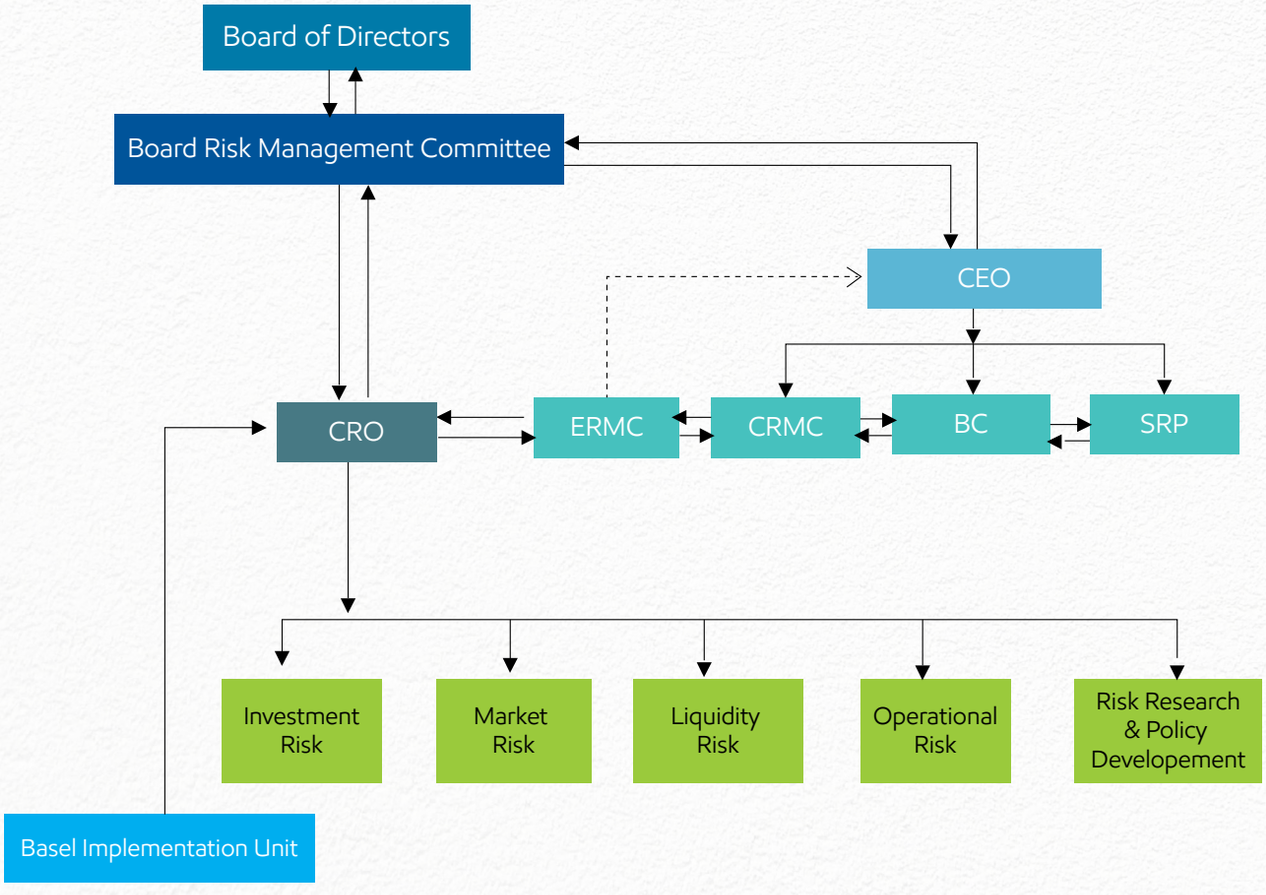
- To conduct independent periodic reviews of the first and second line defense.
- To assess and notify the strengths and weaknesses of the first and second line defense for potential improvement.
- To add value in accomplishing the objectives of operational effectiveness & efficiency.
- To act as an objective source of independent advice to the governing body and senior management for improvement of risk management, control, compliance and governance processes.
- To assure the senior management on reliable financial reporting and compliances with laws, regulations & policies.

3.2.1 Risk Management Structure

Risk management procedures are approved, monitored, and mitigated at different stages of the bank by a combination of the board and its committees, management level committees, the Risk Management Division, and the Basel Implementation Unit (BIU). The risk management structure of SJIBL consists of three layers, through which an effective and sound risk management system has been established throughout the bank.



Risk Governance System



3.2.2 Roles & Responsibilities of Risk related Committees

Committees	Roles & Responsibilities
Board Risk Management Committee (BRMC)	• Formulate and review the risk management strategies and policies at least once a year. • Monitor and implement the risk management policy and process. • Ensure the construction of an adequate organizational structure. • Supervise the activities of ERMC, SRP Team and CRMC. • Ensure, formulate, review and recommend risk appetite, limit and tolerance level. • Ensure compliance with BB instructions regarding core risk management. • Hold four meetings at least once a year. • Submit proposals, suggestions, and summaries of BRMC meetings to the Board of Directors on at least a quarterly basis. • Ensure that RMD has adequate and efficient staff resources. • Assess the overall effectiveness of risk management functions on a yearly basis.
Executive Risk Management Committee (ERMC)	SJIBL has formed an ERMC comprising of the Chief Risk Officer (as the Chairman), the heads of divisions from ICC, IRM/IAD, Treasury, AML, ICT, ID, Operation, Business, Finance, and Recovery, and representatives of other divisions related to risk. The following responsibilities are carried out by the ERMC: • Identify, measure, and manage the bank's existing and potential risks; • Hold at least one meeting a month based on the findings of the risk report; • Ensure incorporation of all the decisions in the meeting minutes; • Control risks through proper implementation of the decisions of the ERMC, BRMC, and Board meetings; • Submit proposals, suggestions, and a summary of ERMC meetings to the CEO and BRMC; • Assess the need for adequate capital and ensure that it is maintained; • Determine the risk appetite, limits in accordance with strategic planning; • Contribute to the formulation of risk policies for business units; • Monitor and follow up the reviews and reports of the Bangladesh Bank and inform the BRMC about issues that affect the bank's operations.
Supervisory Review Process (SRP) Team	• Ensure that the bank has implemented Pillar 2 of the RBCA framework according to Bangladesh Bank instructions; • Develop an internal process document called the Internal Capital Adequacy Assessment Process (ICAAP) for assessing the bank's overall risk profile; • Ensure that the bank has overall capital adequacy in relation to its risk profile and follows a strategy for maintaining its capital at an adequate level; • Report in time the bank's quantitative information regarding ICAAP along with the supplementary documents to BRMC, the board and Bangladesh Bank.
Core Risk Management Committee (CRMC)	• Adopt a core risk assessment methodology developed in-house; • Conduct a periodic assessment of each of the Core Risk Guidelines and their implementation status. • Reviewing and approval of the core risk rating and recommendation for improvement • Extend supervisory support for implementation of the committee's meeting minutes; • Submit proposals, suggestions, and a summary of the CRMC meetings to RMD and BRMC.
Risk Management Division (RMD)	The bank has an independent, full-fledged Risk Management Division (RMD) which is headed by the Chief Risk Officer (CRO). The bank has separate desks within the RMD to oversee each key risk area. It also maintains a close relationship with BIU to have better communication. The RMD deals with the following major functions: ✓ Manage the process for developing risk policies and procedures; ✓ Coordinate with business units to prepare functional specifications; ✓ Prepare and forward risk reports; and ✓ Assist in the implementation of all aspects of the risk functions.
Basel Implementation Unit (BIU)	• Raise the quality and level of the capital to ensure the bank is better equipped to absorb losses on both a going concern and a gone concern basis. • Increase the risk coverage of the capital framework. • Introduce the leverage ratio to serve as a backstop to the risk-based capital measure. • Raise the standards for the supervisory review process (Pillar 2) and • Ensure public disclosures (Pillar 3), etc.

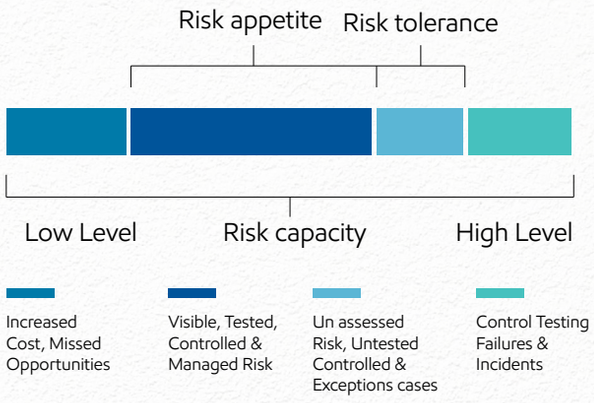
3.3 Risk Strategy and Risk Appetite

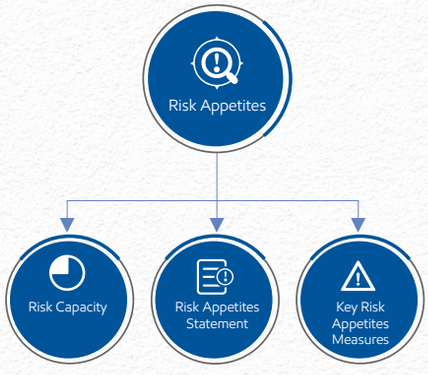
The bank's strategy details the long-term and, in some cases, short-term goals and objectives, as well as how progress towards their achievement is measured. The Board of Directors sets the strategies, and senior management is responsible for implementing those strategies and communicating them throughout the bank.

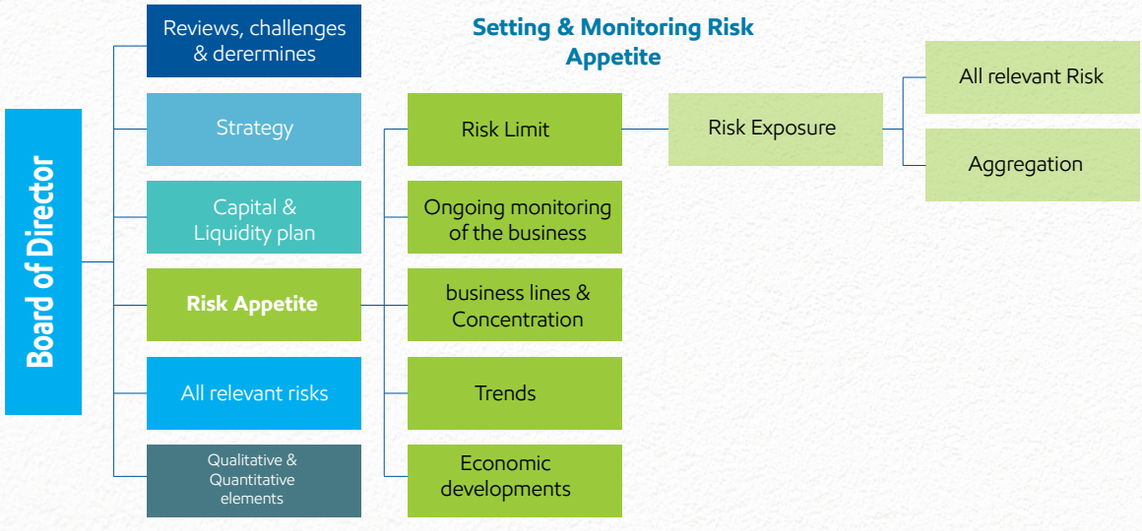
Risk appetite is defined as the amount and type of risk that the bank is able and willing to accept in pursuit of its strategic and business objectives. SJIBL sets risk appetite, including tolerance and limit, every year to ensure appropriate alignment between strategy, growth aspirations, operating plans, capital and risk.

The bank's risk appetite framework consists of risk capacity, risk appetite statement, and key risk appetite measurement. Application of the risk appetite statement and monitoring of the key risk appetite measurement help to ensure the bank stays within appropriate risk boundaries.

The risk appetite statement plays an important role in cascading the risk strategy through the bank. As per instruction of the central bank, the bank sends a board-approved copy of the same appetite to the Bangladesh Bank within the prescribed time each year.

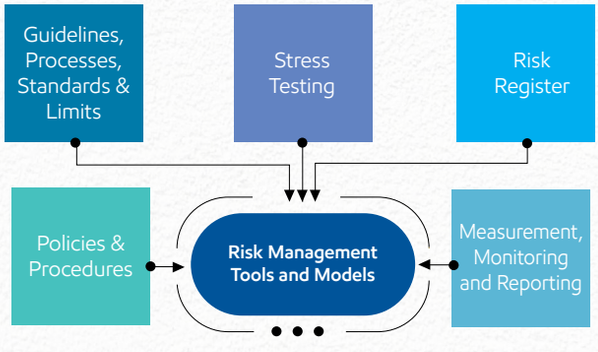






3.4 Risk Management Tools and Models

In managing investment, market, liquidity, and operational risks, the bank follows the latest six (6) Core Risk Management Guidelines, Stress Testing Guidelines, and related circulars issued by Bangladesh Bank. Sound risk management includes different tools and models that are guided by the bank's risk appetite framework and integrated with the bank's strategies and business planning process.



3.4.1 Risk Policies, Procedures, Process, Standards and Limits

Policies and Procedures

The Board of Directors and Senior Management have formulated risk management policies and procedures to deal with various risks that arise from the bank's business and operational activities. The bank's policies and more detailed procedures provide guidance for the day-to-day implementation of broad risk strategies and limits designed to protect the bank from imprudent and unwarranted risks.

These policies and procedures include not only those relevant to specific risk areas like investment policy, liquidity management policy, and operational risk management policy, but also those related to overall risk management.

The management reviews risk policies, procedures, and limits on a yearly basis and updates them when necessary. Policies are guided by the bank's risk appetite, which sets the limits and controls within which the bank can operate.

- Key risk policies are approved by the Board of Directors.
- Senior executive management and/or key risk committees approve management level risk policies and manuals associated with processes such as the Investment Policy Manual and new product initiation and development.



Process

The activities are associated with identifying, evaluating, documenting, reporting and controlling risk.

Standards

Standards are developed covering the whole enterprise and documented in a series of policies, manuals, and handbooks under the purview of the Risk Management Division.

Limits

Control risk-taking activities within the tolerance level established by the board and senior management. Limits also establish accountability for key tasks in the risk-taking process and establish the level or conditions under which transactions may be approved or executed.

3.4.2 Pillar 1 & 2 under Basel III and Stress Testing

Through the Pillars 1 & 2 under Basel III and the bank's stress testing programs at the enterprise level, the bank can estimate the potential impact on income, capital, and liquidity of significant changes in market conditions, investment environment, operational conditions, liquidity demands, or other risk factors. The development, approval, and on-going review of the bank's pillars 1 & 2 under Basel III and stress testing programs are subject to the Bangladesh Bank's updated guidelines and instructions. Reports for Pillar 1 under Basel III and the stress testing are prepared on a quarterly basis, and the report for Pillar 2 under Basel III is prepared on a yearly basis and presented to ERMC, BRMC, and the Board.

3.4.3 Risk Register

The risk register is one of the effective tools for comprehensive risk management that is maintained by the bank to identify the key business and financial risks and to define and implement respective controls and mitigating factors to reduce the risks faced by the bank. RMD reviews the risk register based on the reports provided by the business line managers, suggests the mitigation measures to the concerned units, and also submits the effectiveness of the mitigation measures to BRMC on a quarterly basis. The minimum components of the risk register are as follows:

Risk Register

1	Date	Identification Date	A
		Target Date	B
		Completion Date	C
2	Risk Number	Unique identifying number	D
3	Risk Description	Brief Description (Causes and impact)	E
4	Existing Controls	Brief description of the controls (currently in place for the risk)	F
5	Consequence	Using Scales (e.g. 1-5 with 5 being most severe)	G
6	Likelihood	Using Scales (e.g. 1-5 with 5 being most likely)	H
7	Overall risk score	Determined by multiplying likelihood times consequence for a scale ranging from 1-25	I=G*H
8	Risk Ranking	Priority List	J
9	Trigger	Indicates that a risk is about to occur or has already occurred	K
10	Management Action	Action is to be taken if the risk found adverse	L
11	Risk Owners	Mainly Business Line personnel	M

3.4.4 Measurement, Monitoring and Reporting



Risk Measurement

The bank uses models for different purposes, including estimating the value of transactions, measuring risk exposures, determining investment risk ratings and parameters, and calculating economic and regulatory capital. The use of quantitative risk methodologies and models is balanced by a strong governance framework and includes the application of sound and experienced judgment.



Regular Monitoring

Regular monitoring ensures that business activities are within approved limits or guidelines and are aligned with the bank's strategies and risk appetite. Breach (if it occurs) of any of these limits or guidelines is reported to senior management, risk committees, and/or the Board, depending on the limit.



Risk Reports

Aggregate measures of risk, across products and businesses, are used in compliance with policies, limits, and guidelines. They also provide a clear statement of the amounts, types and sensitivities of the different risks in the bank's portfolios. Senior management and the Board use this information to comprehend the bank's risk profile as well as the performance of the portfolio.

3.5 Risk Management Process

The risk management process is the systematic application of management policies, procedures, and practices to the assessment, treatment, controlling and monitoring of risk. It is an iterative process that, with each cycle, can contribute progressively to organizational improvement by providing management with a greater insight into risks and their impact. Risk assessment is the process of risk identification, analysis and evaluation. It is a series of multi-steps that, when undertaken in sequence, enable continual improvement in decision-making. Shahjalal Islami Bank Limited adopts the following steps of the Risk Management Process:



Communicate and Consult: This is a preparatory step that aims to identify the responsible persons involved in risk assessment and also the persons engaged in the treatment, monitoring and review of risk.

Establish the Context: This is another preparatory stage that is close to starting the formal risk management process.

Identify the Risks: The next step is to identify possible risks that may affect, either negatively or positively, the objectives of the business and the activity under analysis.

Analyze the Risks: The risk analysis step assists in determining which risks have a greater consequence or impact than others.

Evaluate the Risks: Risk evaluation entails comparing the amount of risk discovered during the analysis process to previously established risk criteria and determining if these risks need to be treated.

Treat the Risks: Risk treatment is about considering options for treating risks, evaluating those options, preparing the risk treatment plans and implementing those plans to achieve the desired outcome.

Monitor the Risks: Risks need to be monitored periodically to cope with changing circumstances. The risk management process needs to be regularly repeated so that new risks are captured in the process and effectively managed.

RISK MITIGATION **METHODOLOGY**

Shahjalal Islami Bank Limited develops and implements its own guidelines and different types of risk management tools inconsistent with the complexity, size and nature of business, risk strategy and Bangladesh Bank guidelines for sound risk management and risk mitigation. The bank considers capital adequacy, expected level of profitability, market reputation, experienced personnel, logistic support, macro and microeconomic scenarios, risk management practices, etc. to determine its risk strategy. The bank's reputation and its ability to achieve depend on the ability to identify, assess and mitigate risks at all levels. The risk management strategy is therefore fundamentally based on maintaining adequate capital, liquidity, and operational control at all times in order to safeguard the interests of depositors, borrowers, shareholders and other stakeholders.

1.0 Risk Mitigation Approach

The bank has adopted a sound risk mitigation approach (RMA) to ensure risk exposures within the bank. Risks of the bank are mitigated consistently in line with the Board-approved risk appetite that supports the bank's strategy. The RMA sets standardized practices to promote accountability and necessary oversight for the effective management of all these risk types.

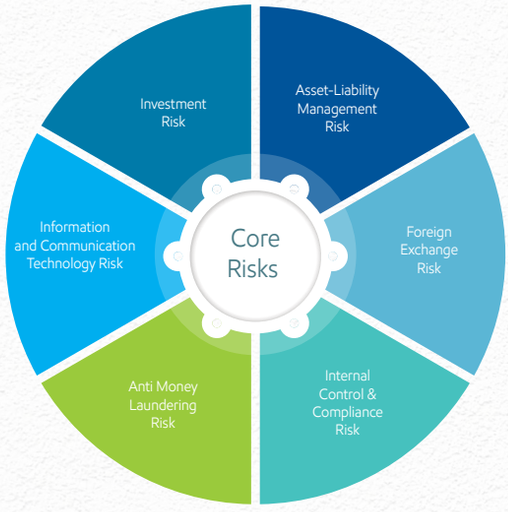
Taking into consideration the COVID-19 pandemic situation and to alleviate the risks, the bank has taken several fruitful steps in response to the COVID-19 pandemic, including work from home arrangements for staff, strict adherence to safety instructions issued by health authorities to ensure staff health and safety, and strengthening the disaster recovery sites as part of the Business Continuity Plan. Further, the bank continued to provide uninterrupted customer service through ATMs at branches that were closed due to the lock-down and also ensured 24/7 accessibility via the bank's digital channels. The impact of the COVID-19 lockdown and moratorium measures on the bank's NPI levels was assessed using a range of additional stress tests. In addition, the Bank reviewed the risk-exposed industries in the context of the COVID-19 pandemic. Notable action was also taken to mitigate cyber risk by introducing several security measures.

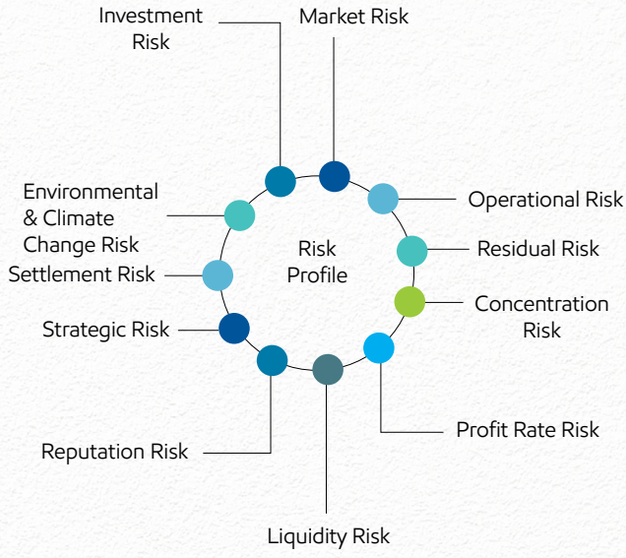
2.0 Principal Risks and Uncertainties facing by the bank

Risk is inherent in the banking business. When a bank runs on the principle of avoiding all risks will be stagnant and will not adequately serve the legitimate needs of the customers. On the other hand, a bank that takes excessive risks is likely to run into difficulty. Banking risks can be sourced in many ways through its activities and it is possible to draw up a long list of the types of risks to which banks are exposed. Bangladesh Bank has identified six core risks for banks and issued policy guidelines for sound management of these core risks that are central to the functioning of risk management activities. These core risks are Investment Risk, Asset/ Liability Management Risk, Foreign Exchange (FEX) Risk, Internal Control & Compliance Risk (ICC), Anti Money Laundering (AML) risk and Information and Communication Technology (ICT) Risk.

On the other hand, as per the Guidelines on Risk-Based Capital Adequacy Framework in line with the Basel-III issued by Bangladesh Bank, risk profile is measured to determine overall risk position of the bank for economic capital allocation. According to the Basel-III guidelines, three major risks that a bank faces are considered under pillar-1 that are Investment risk, Market risk and

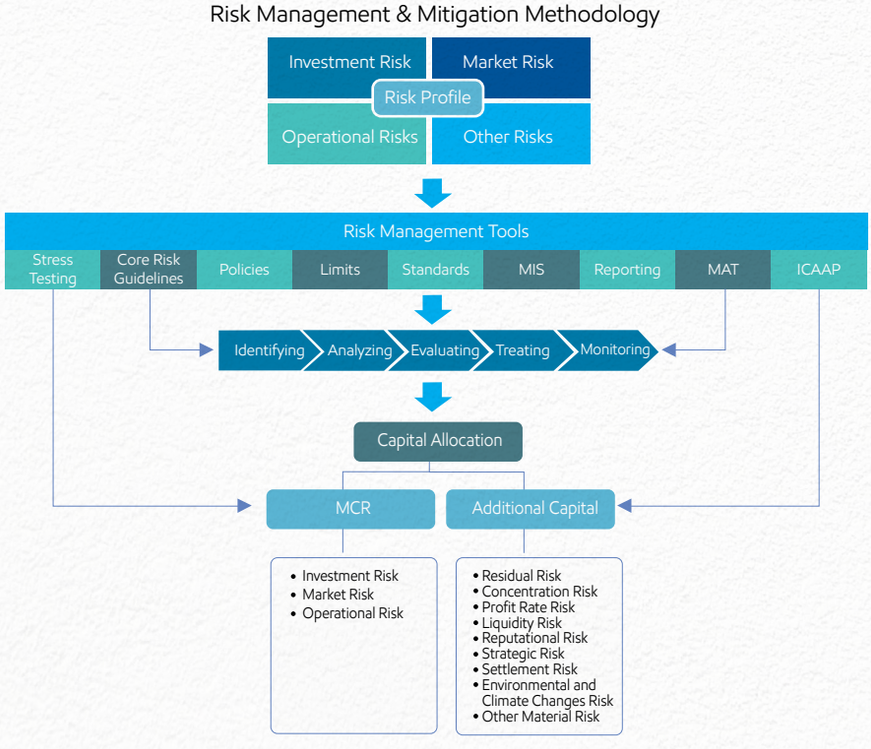
Operational risk. In addition to the pillar-1, additional ten risks are also considered under Pillar-2 of the said guidelines through ICAAP that are Residual Risk, Concentration Risk, Profit Rate Risk, Liquidity Risk, Reputational Risk, Strategic Risk, Settlement Risk, Environmental and Climate Changes Risk and Other Material Risk. The details of these principal risks and uncertainties have been described later in this section and also enumerated in the disclosure section of the risk management report.





3.0 Risk Management and Mitigation Tactics

Risk mitigation tactics need to be dynamic to successfully establish sound risk management. However, there are certain types of risks that are more likely to occur and impede business goals. Hence, effective policies or action plans need to be in place to ensure highly effective risk management. In the banking business, risk is inherent. As a result, risk management can have a significant impact on financials. As a part of regulatory and global benchmarking, the bank has developed risk mitigation tactics based upon the risk management policies and guidelines of Bangladesh Bank and its own bank, risk appetites, limits, standards, MIS, reporting, MAT and capital allocation as per the Basel framework, including Stress Testing. The acknowledged risks that the bank is currently mitigating are represented in the below diagram:



In view of core risk guidelines, the bank has established different divisions to address specific risks, e.g., the Investment Risk Management Division (IRMD), Investment Administration Division (IAD), Special Asset Management Division (SAMD), Internal Control and Compliance Division (IC&CD), Anti-Money Laundering Division (ALMD) etc. Further, to manage the overall risks of the bank and Basel-III implementation, the bank has formed a dedicated Basel Implementation Unit and Risk Management Division.

Besides, the bank has different high powered committees to monitor and ensure smooth risk management activities. For example, the Senior Management Team (SMT), Asset Liability Committee (ALCO), Executive Risk Management Committee (ERMC), Supervisory Review Process (SRP) Team, Central Compliance Committee (CCC), Investment Committee (IC), Shariah Inspections and Report Review Committee, etc.

Capital is allocated as per the risk profile, i.e., the amount or type of risk the bank is exposed to. The forward risk profile is a forward-looking view of how the risk profile may change both under expected and stressed economic conditions. To determine the overall risk position, the bank generally considers diversification benefits across risk types.

3.1 Investment (Credit) Risk

Investment (Credit) risk arises from the potential that a bank's borrower will fail to meet its obligations in accordance with agreed terms, resulting in a negative effect on the profitability and capital of the bank.

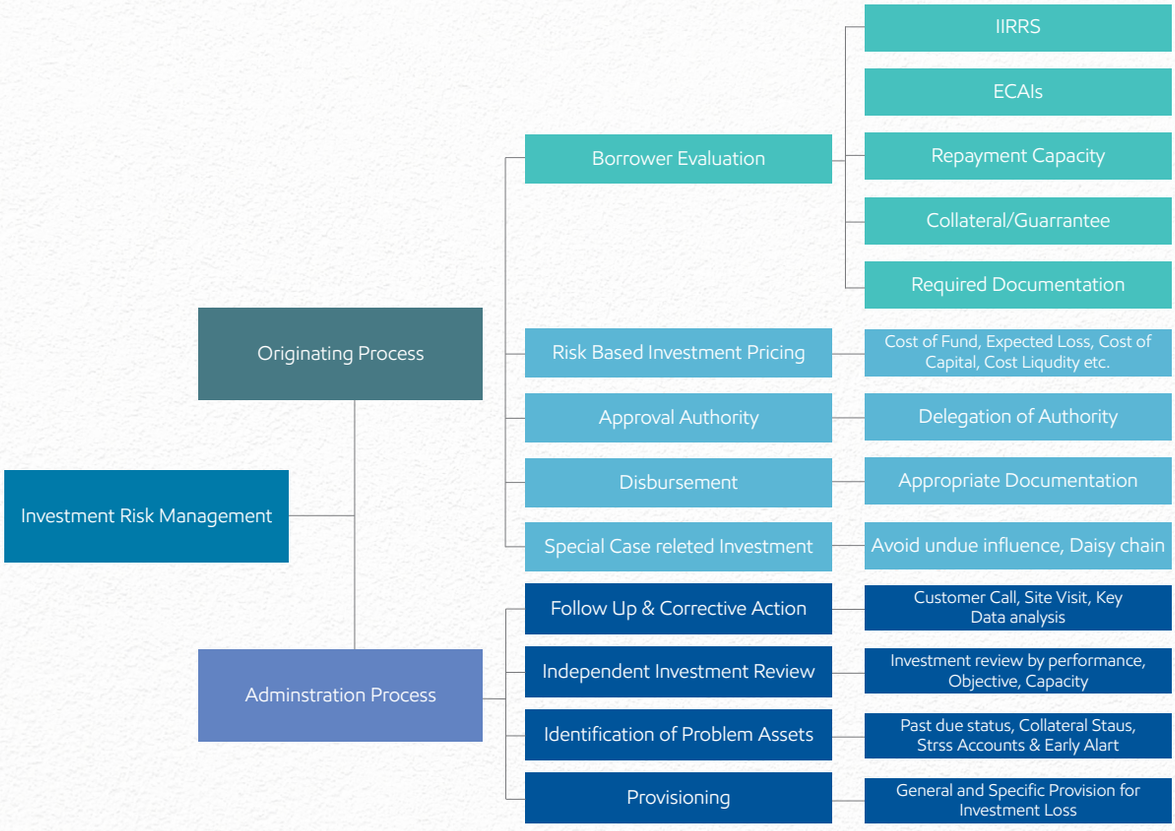
Major investment portfolio risks come from the bank's investments in corporate (industrial), small and medium-sized enterprises (SMEs), retail and consumer financing, household clients, transport, construction, real estate, and financial institutions. Investment portfolio risk could stem from both on-balance sheet exposures and off-balance sheet items. Like most of the banking institutions in Bangladesh, investments are the largest and most obvious source of investment risk for SJIBL.

3.1.1 Approach to Managing Investment Risk

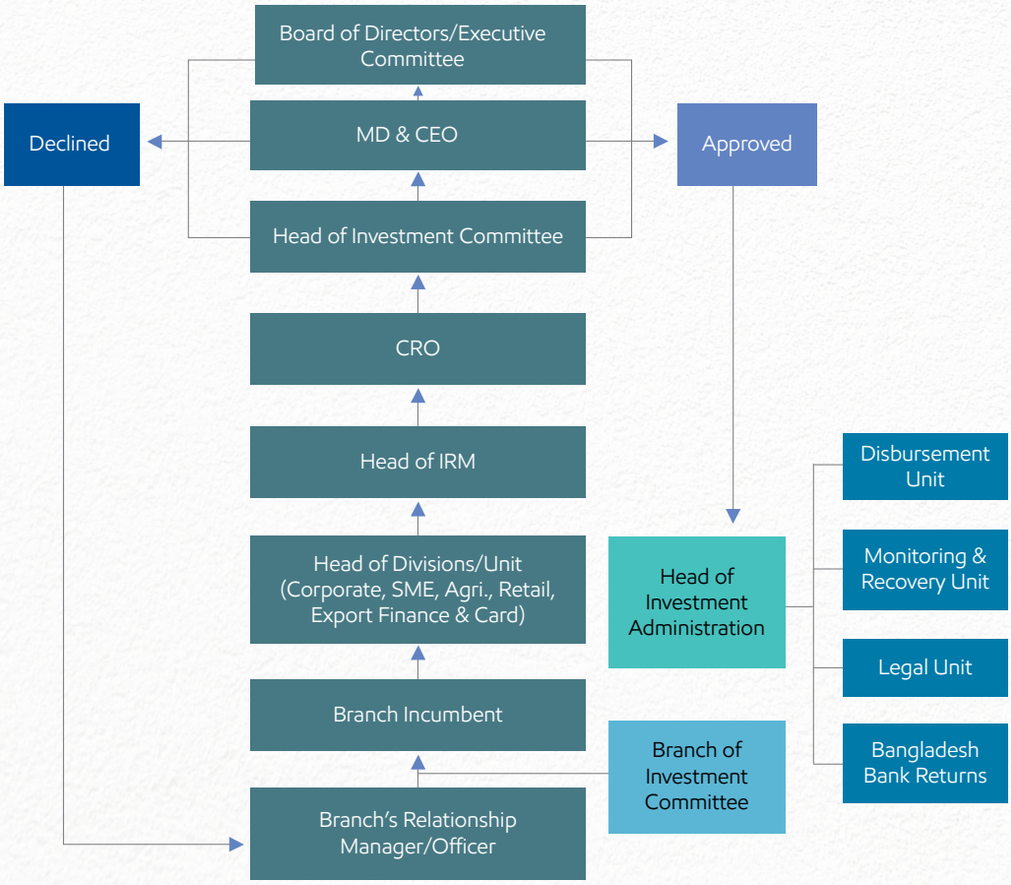
Shahjalal Islami Bank Limited adopts a holistic approach towards investment risk management (IRM). In this regard, the bank maintains the following functions of IRM.

- Ensure timely processing of investment proposals received from applicants through corporate banking/branch/relationship officers after the primary level of examination with recommendation.
- Examine investment proposals in detail in relation to determining a customer's investment risks via a CIB Report, Risk Grading Score, and divisional observations for acceptance or rejection, and/or forward the same as per delegation for decision.
- Set out specific terms of investment to be approved, based on the merit of the proposal following a satisfactory screening process.
- Assure that all investment facilities are properly approved and documented in favor of qualified/ known customers.
- Ensure approved investment facilities are structured and designed appropriately in line with the needs of the customer or applicant and their repayment capacity.
- Ensure compliance with investment policy guidelines and related strategies of the bank before approving any investment facility for any customer.
- Make sure that investment facilities allowed to the same or affiliated customers are properly identified and calculated for determining compliance with one customer/group exposure as per the guidelines of Bangladesh Bank for large-investment facilities.
- Affirm customers' investment information is updated periodically and reviewed from time to time.
- Ensure approval of exceptions like waivers or amendments of sanction terms by the competent authority.
- Ensure a prudent level of investment portfolio diversification as per the policy guidelines of the Bank.
- Confirm compliance with specific regulatory requirements and decisions resolved by the Board in respect of the issues related to the division.
- Ensure delivery of annual investment plans and goals and to promote strong asset quality.
- Make sure that all risk within the Investment Division is minimized and systems are in place to monitor and as appropriate, eliminate risk in all areas of the business.
- Ensure support to attain the highest standard of corporate governance.

Investment Risk Management Process



3.1.2 Investment Management Process



3.1.3 Investment Risk Mitigation Measurement

Shahjalal Islami Bank Limited uses a number of tools and programs to control and mitigate its investment risk at the operational level to which it is exposed. The control and mitigation tools of the bank are mentioned below:

Key Risk	Methdology Tools Used	Mitigation Process	Measured In	Frequency
Portfolio Risk	Reasons for Growth	ICAAP, MAT, RAS, Limit, Standards	MRMR, CRMR	Monthly,Quarterly, Half yearly & Yearly
Investment Concentration	HHI, Gini, SEI, SI	Sectoral Investment Cap, Capital Allocation	MRMR, CRMR	Monthly,Quarterly, Half yearly & Yearly
OBS Exposure	Reason for Growth, CCF	Risk Tolerance Cap	MRMR, Commitment, Leverage Ratio	Monthly,Quarterly, Half yearly & Yearly
Security/Collateral/ Margin Status	Reason for Growth, Coverage Assessment	Management Action Trigger	MRMR, CRMR, Stress Testing	Monthly,Quarterly, Half yearly & Yearly
Asset Quality, Categorization & Classification	Transaction Matrix, Reason for Classification	Management Action Trigger, Special Program	MRMR, CRMR, ICAAP, Stress Testing	Quarterly
Credit Rating Status of Clients	Reason for deterioration	Continuous follow-up, Capital Allocation	CRMR, MCR	Quarterly
Unplanned Conversion & Undrawn	Separate product and periodic Review	Management Strategy & Capital Allocation	Management Format	Management Requirement
Regulatory Adherence	Single Borrower Limit, Env. Risk Rating	Risk Tolerance Cap	Regulatory Format	Monthely, Regulatory Requirement

3.2 Market Risk

Market risk is the risk of losses in positions arising from movements in market prices of financial assets, liabilities, and off-balance sheet positions arising from adverse movements in market rates or prices. Market risk for the bank arises from deposits received from depositors, investment grants, and trading activities.

The primary objective of market risk management is to ensure that the bank's activities that are exposed to different market risks are granting optimum returns and that downside risks are under control and within the agreed limit of appetite.



Profit (Interest) Rate Risk

Profit Rate Risk is the risk to earnings or capital of a bank arising from the movement of profit rates. It arises from differences between the timing of rate changes and the timing of cash flows (repricing risk), from changing rate relationships among yield curves that affect the bank's activities, from changing rate relationships across the range of maturities (yield curve risk), and from profit-rate-related options embedded in the bank's products.

Equity Price Risk

Equity Price Risk is defined as losses due to changes in the market price of equity held by the bank. To measure and identify the risk, mark-to-market valuations of the share investment portfolios are done. Mark to market valuation is done against a predetermined limit.

Foreign Exchange Risk

Foreign Exchange Risk is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. The foreign exchange position arises from the following activities:

- Trading in foreign currencies through spot, forward and option transactions as a market maker or position taker, including the unheeded positions arising from customer-driven foreign exchange transactions;
- Holding foreign currency positions in the banking book; or
- Engaging in derivative transactions that are denominated in foreign currency for trading or hedging purposes.

Commodity Risk

Commodity Risk is the risk of loss due to changes in spot and forward prices and the volatility of precious and base metals and energy products. A commodity is defined as a physical product which is or can be traded on a secondary market, e.g., agricultural products, minerals and precious metals. In the year ended 2021, the bank had no risk-weighted assets for commodity risk.

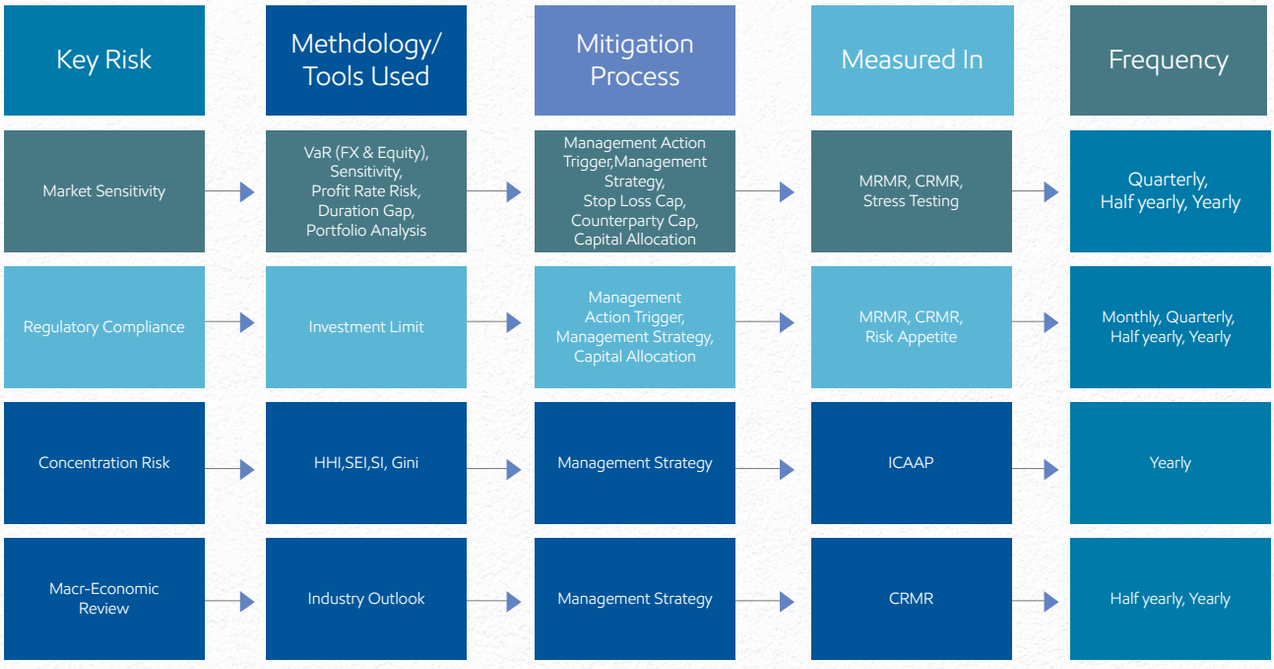
3.2.1 Approach to Managing Market Risk

Shahjalal Islami Bank Limited has developed an extraordinary approach to managing market risk. In this regard, the bank maintains the following major functions:

- Ensure the compliance and integrity of market risk policies and procedures.
- Ensure effective management controls over the profit rate position, equity price position, foreign exchange position and commodity price position.
- Calculate rate-sensitive assets, rate-sensitive liabilities, duration gap analysis, and VaR.
- Verify the adequacy and accuracy of the management information report.
- Govern and control the management of security and stock portfolios.
- Maintain the Net Open Position (NOP) within the limit set by the regulatory body.
- Set a counterparty limit, which includes forward placement for foreign exchange transactions.
- Set limits for foreign exchange dealers.
- Reconcile Nostro accounts periodically under the directives set by the regulatory body.
- Randomly test all aspects of market risk management activities.

3.2.2 Market Risk Mitigation Measurement

Shahjalal Islami Bank Limited deals with the following mitigation tools and programs to control and mitigate its market risk at the operational level to which it is exposed.



3.3 Liquidity Risk

Liquidity risk is the risk that a bank may be unable to meet short-term financial demands. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital or income in the process. Managing liquidity and the balance sheet are crucial to the ongoing existence of a bank. It is also essential to have profitable and sustainable growth on the balance sheet.

3.3.1 Approach to Managing Liquidity Risk

Shahjalal Islami Bank Limited, where off-balance sheet exposure is significant or has a strong dependency on corporate deposits, is exposed to high liquidity risk. Liquidity risk should not be seen in isolation because financial risk is not mutually exclusive and liquidity risk is often triggered by the consequence of other financial risks such as investment risk, profit rate risk, foreign exchange risk, etc. The following are the two types of liquidity risks:

1. **Funding Liquidity Risk:** This risk is generated when a bank is unable to meet its current and future cash flow and collateral needs without affecting its daily operations or its financial condition.

2. **Market Liquidity Risk:** This risk is generated when a bank can't easily offset or sell a position without incurring a loss because of inadequate depth in the market.

The Asset Liability Committee (ALCO) manages overall balance sheet (asset liability) risk. The Treasury Division is accountable for managing the balance sheet as per recommendations of the ALCO to minimize risk and maximize returns. ALCO arranges a meeting at least once a month to set and review ALM strategies. Below are the liquidity risk indicators used to monitor the status of the bank's liquidity position:

Liquidity Risk Indicators (LRI)



3.3.2 Liquidity Risk Mitigation Measurement

Shahjalal Islami Bank Limited uses the following monitoring tools and programs to mitigate its liquidity risk at operational level:

- Assets-Liability Management Guidelines
- Wholesale Borrowing and Funding Guidelines,
- Liquidity Contingency plan (LCP),
- Management Action Trigger (MAT)

Shahjalal Islami Bank Limited maintained additional capital through the computation of capital charges against regulatory liquidity indicators.

Key Risk	Assessment Tool	Measured in	Frequency	Mitigation Process
Sensitivity	RSA, RSL, LCR, NSFR	Stress Testing, CRMR, ICAAP	Quarterly Half Yearly, Yearly	Management Action Trigger, Escalation to Senior Management, ALCO, Capital Allocation
Liquidity Ratio	CRR, SLR, MCO, IDR	ICAAP	Yearly	
Maturity Mismatch	Duration Gap, SLP	Stress Testing, ICAAP	Quarterly Yearly	

3.4 Operational Risk

Operational Risk refers to the risk resulting from inadequate or failed internal process, people and system or from external events. This definition includes legal risk but excludes strategic and reputational risk. Within the bank, Operational risk may arise from negligence and dishonesty of the employees, lack of management supervision, inadequate operational control, lack of physical security, poor technology, lack of automation, non-compliance of regularity requirements, internal and external fraud etc.

3.4.1 Approach to Managing Operational Risk

Shahjalal Islami Bank Limited follows an effective approach to managing operational risk. In this regards, the Bank manages operational risk in the following manner:

- Ensure compliance of operational risk policy guidelines and procedures.
- Establish an effective operational risk management framework which adequately covers all of these categories of operational risk.
- Define the organizational structure with roles and responsibilities for all aspects of operational risk management.
- Establish an appropriate process for the identification, assessment, mitigation, monitoring and reporting of operational risk.
- Establish tolerance level and set strategic direction in relation to operational risk.
- Divisional Control Function Check List (DCFCL) is in place for evaluation of control.
- Provide senior management clear guidance and direction regarding the principles underlying the framework.
- Review the operational risk management framework regularly to ensure that the Bank is managing the operational risks.
- Assess the appropriateness of the management oversight process in light of the risks inherent in a business unit's policy.
- Ensure the maintenance of the bank's Business Continuity Plan (BCP).

There are two methods for calculating the capital charges for operational risk such as:

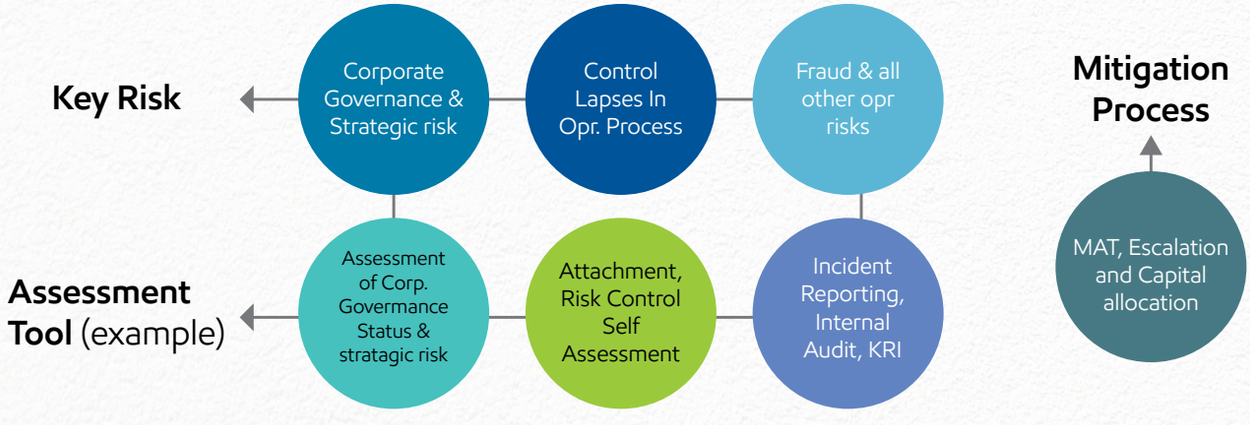
a) the Basic Indicator Approach; and

b) the Standardized Approach.

Shahjalal Islami Bank Limited follows the Basic Indicator Approach (BIA) for calculating Operational Risk. The capital charge for operational risk under the BIA is a fixed percentage (denoted by alpha) of the bank's average positive annual gross income over the previous three years. When computing the average, figures for any year with a negative or zero annual gross income should be omitted from both the numerator and denominator.

3.4.2 Operational Risk Mitigating Measurement

Some significant operational risks have low probabilities but potentiality considerable financial impact. Shahjalal Islami Bank Limited uses the following tools and programs to mitigate and control the operational risk at operational level:



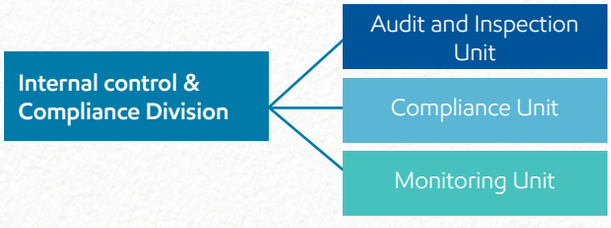
Key Risk	Tools and Programs	Measured In	Frequency	Mitigation Process
Manpower by age-group, Executive on contract, Manpower movement, Manpower by gender, Training & developments	Human Resources Status	CRMR	Half-yearly	Management Action Trigger, Escalation to Senior Management, Capital Allocation
No. of Complaint received from customers/through Bangladesh Bank, No. of complaint settled % of Complaint settled	Customer Satisfaction Status	CRMR, ICAAP	Half-yearly, Yearly	
Decisions taken by the board risk management committee for sound risk management purpose, Risk issues submitted to the board by board-level risk management committee, Implementation status of the decisions given by the Board	Board Performance Status	CRMR	Half-yearly	
Total amount of cash in hand/vault of branches, ATMs, Fast Tracks, etc.	Insurance Coverage Status	CRMR	Half-yearly	
Control Lapses in Operational Process	Attachment, Risk Control Self-Assessment	ICAAP	Yearly	
Fraud & all other Operational Risks	Incident Reporting, Internal Audit, KRI	Stress Testing, ICAAP	Quarterly, Yearly	

3.5 Internal Control and Compliance Risk

Internal control and compliance risk is the current or prospective risk to earnings and capital arising from violations or non-compliance with laws, rules, regulations, agreements, prescribed practices, or ethical standards, as well as from the possibility of incorrect interpretation of effective laws or regulations.

3.5.1 Approach to Managing Internal Control and Compliance Risk

Shahjalal Islami Bank Limited has a robust organizational structure to enable the prudent management of internal control and compliance risk. It also has a structured Internal Control & Compliance Division (IC & CD) with three distinct units headed by a senior-level executive.



Internal control and compliance is a management process designed to achieve effectiveness and efficiency in operations, reliable financial reporting, and compliance with laws, regulations and internal policies. A sound internal control function plays an important role in contributing to the effectiveness of the internal control system. The Bank maintains the following approaches and functions for managing internal control and compliance risk:

- Ensure compliance with internal control and compliance-risk policy guidelines and procedures.
- Assess the effectiveness of controls for mitigating fraud and reputational risks.
- Determine that senior management takes appropriate corrective actions when compliance failures are identified.
- Ensure that the scope and frequency of the audit plan/program is appropriate to the risk exposures.
- Determine the level of senior management compliance with central bank directives.
- Monitor internal control and compliance risk profiles on an on-going basis.
- Analyze the timeliness and accuracy of internal control and compliance risk reports to senior management and the board of directors.

3.5.2 Internal Control and Compliance Risk Mitigation Measurement

To mitigate and control internal control and compliance risk at the operational level, Shahjalal Islami Bank Limited created the following tools and programs.

Key Risk	Tools and Programs	Measured In	Frequency	Mitigation Process
No. of branches audited, major irregularities found and officers involved. whether it is placed to audit committee, Action taken against the accused, No. of non-compliance	Internal Control and Compliance Status of Internal Audit Report, Risk Control Self-Assessment	CRMR, ICAAP	Half-yearly, Yearly	Management Action Trigger, Presented to Senior Management and Board of Directors
No. of major irregularities found, compliant issues and non-compliant issues. Action taken for regularizing the non-compliant issues	Internal Control and Compliance Status of all inspection reports of Bangladesh Bank, Risk Control Self-Assessment			

3.6 Money Laundering Risk

Money laundering is the process of transforming the proceeds of crime into legitimate money or other assets. The prevention of laundering the proceeds of crime has become a priority for all jurisdictions in which financial activities are carried out. Both money laundering and terrorist financing can weaken individual financial institutions, and they are also threats to a country's overall financial sector reputation. SJIBL is committed to preventing money laundering and combating financing of terrorism at all stages of our banking activities.

3.6.1 Approach to Managing Money Laundering Risk

Shahjalal Islami Bank Limited treats Money Laundering and Terrorist Financing issues as a vital part of its core risk management strategies. The Bank complies meticulously with the Money Laundering Prevention (Amendment) Act, 2015, the Anti-Terrorism (Amendment) Act, 2013 and related circulars of the BFIU of Bangladesh Bank to prevent money laundering and combat terrorism financing.

To manage the money laundering risk and ensure regulatory compliance, the bank employs the following strategy:

- A Central Compliance Committee (CCC) has been formed, which is headed by a DMD who is also the Chief Anti-Money Laundering Compliance Officer (CAMLCO).
- The "Guidelines on Prevention of Money Laundering and Terrorist Financing" have been reviewed, updated, and disseminated to all branches of the bank in the year 2021, which was duly approved by the Board of Directors of the bank.
- It has implemented a risk-based customer due diligence (CDD) measure and keeps track of business contacts and transactions in accordance with national and international requirements.

3.6.2 Money Laundering Risk Mitigation Measurement

Shahjalal Islami Bank Limited has developed the following tools and programs to mitigate and control the money laundering risk at operational level:

Key Risk	Tools and Programs	Measured In	Frequency	Mitigation Process
Excessive cash movement	Reviews TP	ECMR, CRMR	Daily Half-yearly	Management Action Trigger, Escalation to Senior Management and Board of Directors
Transaction volume exceeds the transaction limits	Reviews TP and KYC Profile	Exception Report	Monthly	
Cash transactions that breach certain limit set by Bangladesh Bank	Review the Cash Transaction and Check List	CTR, STR CRMR	Monthly Half-yearly	
Violation relating to Money Laundering	Risk Control Self-Assessment	ICAAP, CRMR	Half-yearly, Yearly	

3.7 Information and Communication Technology (ICT) Risk

Banks have become more dependent on information and communication technology, such as the internet, computers, and other electronic data, to run their daily operations. There are certain risks involved in the use of information and communication technology. This risk may arise from malfunction of the system, failure of the network, lack of knowledge about the use of technology, virus attacks, hacking, cyber-attacks, etc.

3.7.1 Approach to Managing ICT Risk

Shahjalal Islami Bank Limited manages ICT risk in the following manner:

- Maintains an up-to-date ICT security policy that is aligned with the latest Bangladesh Bank ICT guidelines as well as international standards.
- The IT processes, assets, and inventories are adequately maintained and reviewed periodically.
- Works on determining acceptable IT risk levels for the bank and ensuring that IT environments are adequately protected from potential risks and threats.
- Maintains a framework for best practice to be followed by all employees while ensuring overall data and information assurance for the organization according to the ICT policy. It outlines the responsibilities and requirements of Shahjalal Islami Bank Limited and its employees regarding its IT resources.

3.7.2 ICT Risk Mitigation Measurement

Shahjalal Islami Bank Limited has adopted global standards of information security. For ICT risk mitigation, the bank has also embraced different core technological improvement initiatives, including:

- Enhance capabilities through upgrading the Core Banking System to a newer version.
- The app-based banking service is enhanced to accept e-commerce transactions through two-factor authentication.
- SMS notifications for all types of CASA transactions
- Enhanced the functionality and security of the Internet Banking system.
- Introduced a server health monitoring system.
- Automated collection and interpretation of CIB reports.
- Enhanced capabilities of the call center systems.
- Enhanced capabilities of the SOC and NOC.
- Regularly update software to the latest versions.
- Data backups that include off-site and remote storage.

3.7.2.1 Cyber Security Management

The bank created a separate ICT security department to handle security events, policy documentation, inherent ICT risks, risk treatments, and other relevant operations in a more objective and unbiased manner, in order to address the issue of cyber security management.

Furthermore, as a result of the constant change, unpredictability, and uncertainty, cybersecurity has become everyone's responsibility.

Shahjalal Islami Bank Limited conducts a year-round cybersecurity awareness program for key stakeholders, employees, and clients. As part of a constant process, the bank informs staff about security in every manner imaginable. In practice, a number of activities are in place to verify and increase the preventative measures against cyber-attacks, including the use of anti-virus and anti-spyware protection, firewalls, perimeter security, vulnerability assessment, intrusion detection, and prevention.

3.7.2.2 IT Audit

An IT audit team has been formed in compliance with the Central Bank's regulations. Members of the team conduct audits of the branches and divisions that they oversee. They are aware of the legal responsibilities of digital and online transactions, follow the instructions, settle any unresolved issues, and then report them to higher management for further action.

3.8 Residual Risk

The Risk-Based Capital Adequacy (RBCA) framework and other supervisory regulations issued by Bangladesh Bank on investment risk management allow banks to offset credit or counterparty risk with collateral along with the legal and financial documents. While the bank uses different techniques to reduce its investment risk, improper application of these techniques may give rise to additional risks that may render the overall risk management less effective.

Accordingly, these additional risks (e.g. documentation risk, valuation risk) are termed "Residual Risk." Residual risk is a risk that arises mainly from the following situations:

- **Error in Documentation:** The bank collects and preserves documents against investment to have legal protection in case of adverse events like default on investment.

- **Error in Valuation of Collateral:** The bank requires appropriate valuation of collateral (both physical and financial) and guarantees (bank guarantee and personal guarantee) against investments and for mitigation of default probability.

3.8.1 Approach to Managing Residual Risk

Shahjalal Islami Bank Limited manages residual risk in the following approach:

- Establish a policy or plan for reducing documentation lapses and valuation errors.
- Establish a Residual Risk Review Committee (RRC).
- Create a Material Documents Checklist and assign a risk weight to it.
- Regularly monitor and control residual risk performance.
- Review the client-wise related audit reports and credit rating status of clients.

3.8.2 Residual Risk Mitigation Measurement

To mitigate and control residual risk at the operational level, Shahjalal Islami Bank Limited employs the following tools and programs.

Key Risk	Tools and Programs	Measured In	Frequency	Mitigation Process
Credit Rating of Clients	Reason for Growth	CRMR, MCR	Half-yearly, Quarterly	Continuous follow-up, Capital Allocation
Documentation Lapses	Audit Report Review	ICAAP	Yearly	Continuous follow-up, Capital Allocation

3.9 Concentration Risk

Concentration risk arises when any bank invests most or all of its assets in single or few individuals, entities, sectors or instruments. That means when any bank fails to diversify its investments and investment portfolios, concentration risk emerges.

In the context of Pillar-2, concentration risk can be of the following two types:

- **Investment Concentration Risk** arises when the investment portfolio of the bank is concentrated on a few individuals, entities, or sectors.
- **Market Concentration Risk** arises when the investment portfolio of the bank is concentrated on a few instruments, or any instrument of a few companies or any instrument of a few sectors.

3.9.1 Approach to Managing Concentration Risk

Shahjalal Islami Bank Limited has developed an extraordinary approach to managing concentration risk. In this regard, the bank maintains the following major functions:

- Ensure compliance with and integrity of concentration risk policies and procedures.
- Track the sector-wise exposure, division-wise exposure, group-wise exposure, single borrower-wise exposure, and top borrower-wise exposure on a regular basis to assess investment concentration risk.
- Monitor the Instrument-wise (financial securities) investment, Sector-wise investment in listed instruments and Currency-wise investment of foreign exchange portfolio on regular basis to measure the market concentration risk.
- Randomly test all aspects of concentration risk management activities.

3.9.2 Concentration Risk Mitigation Measurement

Shahjalal Islami Bank Limited uses the following tools and programs to mitigate and control the concentration risk at operational level.

Key Risk	Tools and Programs	Measured In	Frequency	Mitigation Process
Investment Concentration	HHI, Gini, SEI, SI	CRMR, ICAAP	Half-yearly, Yearly	Sectoral Investment Cap, Capital Allocation
Market Concentration	HHI, Gini, SEI, SI	ICAAP	Yearly	Market Risk Cap, Capital Allocation

3.10 Reputation Risk

Reputation Risk may arise from the possibility that negative publicity regarding the bank and its business practices, in the territory or elsewhere through related entities, whether accurate or not, will adversely impact the operations and position of the bank.

Reputational risk arises from the failure to meet stakeholders' reasonable expectations of an organization's performance and behavior. Reputational risk is a subset of operational risk that can adversely affect the capital base if the driving forces behind the risk turn worse.

3.10.1 Approach to Managing Reputational Risk

Shahjalal Islami Bank Limited always remains vigilant and conscious about the following events to manage and control the reputational risk:

- Negative media report.
- Non-payment of cheques and accepted bills.
- Penalty
- Technological disruption.
- Violation of laws, regulations.
- Fake notes in the ATM machine.
- Insufficient fund in the ATM machine etc.

3.10.2 Reputational Risk Mitigation Measurement

Shahjalal Islami Bank Limited utilizes the following tools and programs to mitigate and control the reputational risk at operational level.

Key Risk	Tools and Programs	Measured In	Frequency	Mitigation Process
No. of negative media report published, Types of Report	Electronic and Print Media	CRMR	Half-yearly	Management Action Trigger, Escalation to Senior Management and Board of Directors, Capital Allocation
No. of penalty imposed by the regulatory body, No. of case of violation of laws, regulations with amount	Letter of Regulatory Body, Review the Statement	CRMR	Half-yearly	
No. of non-payment cheques and accepted bills with amount	Review the Statement	CRMR, ICAAP	Half-yearly, Yearly	
Credit Rating Position of Bank (If falls below 2 of BB rating grade)	Credit Rating Report Conducted by ECAIs	ICAAP	Yearly	
No. of internal fraud and external fraud with total value in taka	Audit Report, Statement of Fraud and Forgeries	ICAAP	Yearly	
No. of ATM Machine where fund was Insufficient, No. of customer's complaint, Quality of customer service.	Customer's Complaint Documents, Customer Service Evaluation Statement	CRMR, ICAAP	Half-yearly, Yearly	

3.11 Strategic Risk

Strategic risk is the current or prospective risk to earnings and capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to changes in the business environment, both internal and external.

3.11.1 Approach to Managing Strategic Risk

Shahjalal Islami Bank Limited manages strategic risk in the following way:

- Review the performance of senior management against set goals at least annually.
- Monitor market changes and advancements in technology to determine new services or products.
- Establish a strategic policy or plan for management succession.
- Monitor and control the performance of outsourcing arrangements.
- Set compensation guidelines and methods for management and employees.
- Set a training plan and adequately budget for training.

3.11.2 Strategical Risk Mitigation Measurement

Shahjalal Islami Bank Limited uses the following tools and programs to mitigate and control the strategic risk at operational level.

Key Risk	Tools and Programs	Measured In	Frequency	Mitigation Process
CAMELS Rating Position of Bank (If falls below 2 of BB rating grade)	Letter of Regulatory Body	ICAAP	Yearly	Management Action Trigger, Escalation to Senior Management and Board of Directors, Capital Allocation
Operating expenses, Classified investments ratio, Recovery of classified investments, Written-off investments, Profit waiver, Rescheduling of investments that breach certain limit/times set by Bangladesh Bank	Review the different Statement	ICAAP	Yearly	

3.12 Settlement Risk

Settlement Risk arises when an executed transaction is not settled as the standard settlement system suggests or within predetermined method.

3.12.1 Approach to Managing Settlement Risk

Shahjalal Islami Bank Limited manages settlement risk in the following manner:

- Eliminate the delay between the two legs of a transaction.
- Reduce the number and size of payments requiring settlement.
- Establish a settlement policy or plan for management succession.

3.12.2 Settlement Risk Mitigation Measurement

Shahjalal Islami Bank Limited uses the following tools and programs to mitigate and control the settlement risk at operational level.

Key Risk	Tools and Programs	Measured In	Frequency	Mitigation Process
Non-receiving or delayed receiving of receivable bills (foreign & domestic)	Review the different Statement, Online monitoring system of Regulatory Body	ICAAP	Yearly	Management Action Trigger, Escalation to Senior Management and Board of Directors, Capital Allocation

3.13 Environmental & Social Risk (ESR)

Environmental and social change risk refers to the uncertainty or probability of losses that originate from any adverse environmental or climate change events (natural or manmade) and/or the non-compliance of the prevailing national environmental regulations.

3.13.1 Approach to Managing Environmental & Social Risk

Shahjalal Islami Bank Limited develops an effective approach to managing environmental and social risk. In this regard, the bank manages environmental and social risk in the following manner:

- Adopt a comprehensive environmental and social risk management policy.
- Implement Sector Environmental and Social Due Diligence (ESDD) Check List according to Bangladesh Bank directives.
- Make a positive contribution to environmental and social concerns by enacting policies.
- Recognize the balancing of non-financial factors such as environmental and social issues.

- Protect the natural systems upon which all life depends while lifting people out of poverty and advancing economic development.
- Train relevant employees to take responsibility for and implementation of these policies.
- Define the term "environment" to include both ecological aspects and related social aspects.
- Assess the environmental and social aspects of all investment applications.
- Prioritize and actively seek to finance projects with direct or indirect environmental benefits.

3.13.2 Environmental & Social Risk Mitigation Measurement

Shahjalal Islami Bank Limited uses the following tools and programs to mitigate and control environmental and social risk at operational level.

Key Risk	Tools and Programs	Measured In	Frequency	Mitigation Process
Environmental Risk Rating Position of Investment (If consider "High" rating grade)	Assess the Sectors specified as high risky in the related guidelines, ESDD Check List	Activities regarding Green Banking Report, ICAAP	Quarterly, Yearly	Presented to Senior Management and Board of Directors, Capital Allocation

3.14 Other Material Risk

These are risks that are not directly covered by core risk guidelines of Bangladesh Bank, more precisely additional risk under pillar II of Basel III. The Risk Management Division is primarily responsible for assessing and developing controls for mitigating these risks. In order to do so, the RMD of the bank is performing various exercises like assessment of quality risk-weighted assets of the bank, stress testing to assess the sensitivity of the bank against adverse scenarios, additional capital (on top of MCR under Pillar-II) will be assessed using a model, namely the Internal Capital Adequacy Assessment Process (ICAAP), performing the capital reporting model, etc.

On top of that assessment, the bank's RMD reports these risks to senior management (via BRMC), which ultimately assists the bank in allocating adequate capital in accordance with Basel III requirements while also implementing active strategies to precisely manage all of the bank's potential risks.

DISCLOSURE OF **RISK REPORTING**

In the banking business, risk is inherent and needs to be minimized to achieve the organizational goal. Risk management has a significant impact on financials. Bangladesh Bank has identified six key risks for banks and issued policy guidelines for sound management of these core risks that are central to the functioning of risk management activities in the banking industry. As per Bangladesh Bank's directive, Shahjalal Islami Bank Limited formulates its own strategies to manage particular risks, i.e., investment risk, market risk, operational risk, liquidity risk, etc., and prepares risk management reports on a monthly, quarterly, half-yearly, and yearly basis.

1.0 Risk Management Principles

SJIBL is continuously following the international standards for managing risks as specified by the Bank for International Settlements (BIS) in its core principles of effective banking supervision which, along with others, are:

- Principle 15 Risk management process
- Principle 16 Capital adequacy
- Principle 17 Investment (Credit) risk
- Principle 18 Problem assets, provisions and reserves
- Principle 19 Concentration risk and large exposure limits
- Principle 20 Transactions with related parties
- Principle 21 Country and transfer risks
- Principle 22 Market risks
- Principle 23 Interest rate risk in the banking book
- Principle 24 Liquidity risk
- Principle 25 Operational risk

2.0 Risk Profile & Risk Management Process

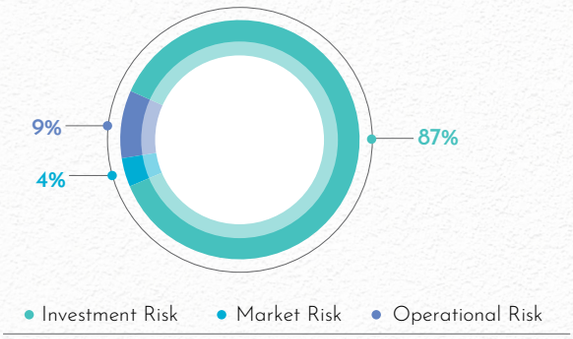
The risk profile of a bank is measured by the economic capital usage calculated for investment, market and operational risk. Shahjalal Islami Bank Limited determines the overall risk positions by calculating total Risk Weighted Assets (RWAs) of investment, market and operational risk at each quarter end and allocated capital against them.

The risk profile of Shahjalal Islami Bank Limited as measured by economic capital allocation by risk types is as follows:

Amount in Million

Risk Types	2021	2020
Investment Risk Weighted Assets	196,845	175,181
Market Risk Weighted Assets	8,270	4,136
Operational Risk Weighted Assets	19,538	16,838
Total Risk-Weighted Assets	224,653	196,155
Minimum Capital Requirement	22,465	19,615
Total Regulatory Capital	33,778	27,828

Risk Profile (RAWs)-2021



As per the risk profile, Investment Risk was accounted for 87% of total Risk Weighted Assets (RWA) where the Market Risk and Operation Risk were 4% and 9% respectively at the end of December-2021.

3.0 Capital Adequacy: Implementation of Basel III

Capital adequacy is the measure of the financial strength and sustainability of a bank. A bank's capital is the "cushion" for potential losses that protects the bank's depositors or other borrowers. Thus, capital management is considered an integral part of the risk management of Shahjalal Islami Bank Limited. The bank has a capital management process in place to measure, deploy and monitor its available capital as per the guidelines on Risk-Based Capital Adequacy Framework in line with the Basel III issued by Bangladesh Bank.

Capital to Risk Weighted Assets Ratio (CRAR)

Amount in Million

Particulars	2021	2020
Total Regulatory Capital	33,778	27,828
Total Risk Weighted Assets	224,653	196,155
CRAR	15.04%	14.19%

At the end of 2021 and 2020 Capital to Risk Weighted Assets Ratio (CRAR) of Shahjalal Islami Bank Limited stood at 15.04% and 14.19% respectively which indicate that Bank is far above the Basel-III implementation Road Map of Bangladesh Bank to maintain targeted CRAR of 12.50% with buffer.

3.1 Minimum Capital Requirement (MCR) under Basel III (Pillar-1)

According to the Basel III roadmap, the Minimum Capital Requirement (MCR) for the banks in Bangladesh is currently 10% of its total RWAs with the addition of a Capital Conservation Buffer of 2.5% of total RWAs from the year 2019.

Amount in Million

Particulars	2021	2020
Tier 1 Capital	24,532	17,949
Tier 2 Capital	9,246	9,879
Total Regulatory Capital	33,778	27,828
Minimum Capital Required @ 10% of RWAs	22,465	19,615
Buffer @ 2.50% of RWAs	5,616	4,904
Excess /Shortfall	5,697	3,309

At the end of 2021 and 2020, the total Regulatory Capital of Shahjalal Islami Bank Limited was BDT. 33,778 million and BDT. 27,828 million respectively. The Bank has maintained BDT. 5,697 million and 3,309 million excess capital after deducting the minimum requirement of 12.50% of RWAs plus buffer in 2021 and 2020, respectively.

3.2 Adequate Capital Requirement under ICAAP of Basel-III (Pillar-2)

The Supervisory Review Process (Pillar-2 of Basel-III) of the risk-based capital adequacy framework aims to ensure that banks have sufficient capital in place to mitigate all risks. It encourages banks to take action in creating and making proper use of sophisticated risk management techniques in terms of monitoring and managing their risks. Shahjalal Islami Bank Limited is maintaining an adequate level of capital each year as per Bangladesh Bank's SREP review and the bank has perfectly minimized the capital charge under residual risk year to year through rigorous oversight of bank's SRP team.

3.3 Market Disclosure: Pillar-3 of Basel-III

Market discipline has established transparency and discipline in the financial markets. Stakeholders can judge a bank's position with regard to assets held. It also allows them to take note of the risks relating to these assets and the adequacy of capital available to handle any likely losses. Thus, SJIBL has created a set of disclosure principles as per guidelines of Bangladesh Bank which includes information on assets, risk exposure, risk assessment processes, and capital adequacy to meet risk. The disclosure has been reported in another section of this annual report.

4.0 Stress Testing Report

The underlying tool is used to assess the bank's vulnerability to unexpected but presumable changes in various related factors (e.g. increase in NPI, change in profit rate, fall in security value etc.). The impact of this model is expressed through the change in overall CRAR of the bank. The Central Bank has advised all banks to perform stress testing on a quarterly basis. The outcome of stress testing needs to be submitted to Bangladesh Bank upon review by senior management and the Board.

Stress Testing Result:

Particulars	2021			2020		
	Minor	Moderate	Major	Minor	Moderate	Major
Performing investment directly downgraded to B/L: Sectoral Concentration - 1	(0.14)	(0.43)	(0.71)	(0.12)	(0.37)	(0.62)
Performing investment directly downgraded to B/L: Sectoral Concentration - 2	(0.11)	(0.33)	(0.55)	(0.20)	(0.60)	(1.00)
Increase in NPIs due to default of top large investment(loan) borrowers	(2.86)	(5.89)	(7.02)	(3.92)	(5.84)	(7.20)
Negative shift in NPIs categories	(0.23)	(1.74)	(2.23)	(0.33)	(1.37)	(1.96)
Decrease in the FSV of collateral	(0.24)	(0.47)	(0.95)	(0.28)	(0.57)	(1.15)
Increase in NPIs	(0.95)	(3.38)	(7.46)	(1.01)	(3.56)	(7.80)
Profit(Interest) Rate	0.00	0.00	0.00	0.00	0.00	0.00
FEX: Currency Appreciation	(0.05)	(0.09)	(0.14)	(0.02)	(0.04)	(0.07)
Equity price	(0.30)	(0.59)	(1.20)	(0.23)	(0.47)	(0.94)
Combined Shock	**(1.76)**	**(6.27)**	**(11.97)**	**(1.87)**	**(6.01)**	**(11.92)**
CRAR after Combined Shock	**13.27**	**8.76**	**3.06**	**12.31**	**8.18**	**2.27**

At the end of December-2021, the CRAR of SJIBL was 15.04% and the CRAR after minor, moderate and major shocks stood at 13.27%, 8.76% and 3.06 respectively, which indicates that the bank is minor shock resilient.

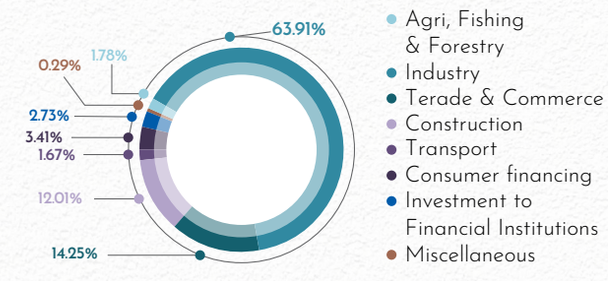
5.0 Investment Risk

Investment risk arises from the potential that a bank's borrower will fail to meet its obligations in accordance with agreed terms and results in a negative effect on the profitability and capital of the bank. Measuring the investment risk of an entire bank is a complicated assessment, involving many quantitative and qualitative factors. In the context of Shahjalal Islami Bank Limited, the most important factors of which are summarized below:

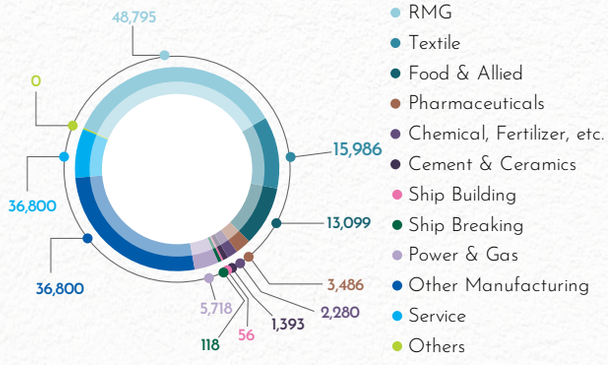
5.1 Investment Concentration:

When the investment portfolio of a bank is concentrated on a few individuals or entities or sectors, investment concentration risk arises. Investment risk is increased by investment concentration like portfolio, geographic, sector, group concentration, funded and non-funded etc. To avoid concentration, the principle of investment diversification is followed as per the Risk Appetite Statement (RAS) and IRM policy guidelines.

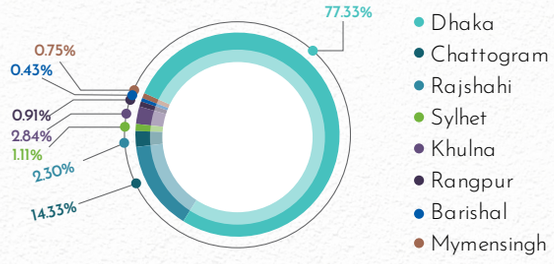
Portfolio Concentration- 2021



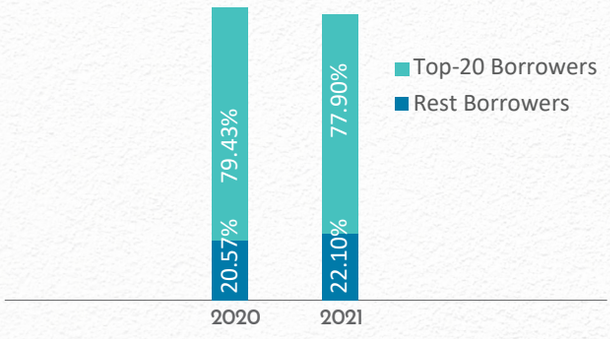
Industry Concentration-2021



Geographic concentration- 2021



Top-20 Borrowers Concentration -2021

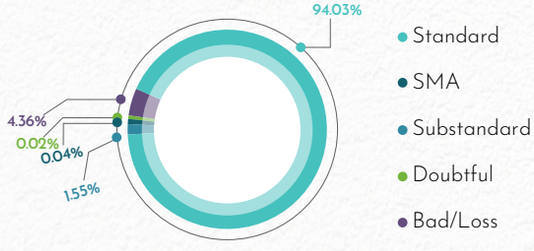


5.2 Assets Quality

The quality of assets is of paramount importance and how well the banks manage them to remain with high quality assets dictates the success of the bank. One of the major parameters of measuring bank's performance is the quality of assets. It draws attention to the quality of investment that provides earnings for the bank. This shows the stability of the bank when faced with particular risks.

At the end of December-2021, Performing Investment including SMA of SJIBL stood at 95.58% of total investment, while NPI stood at only 4.42% which indicates that the bank has quality assets in its portfolio.

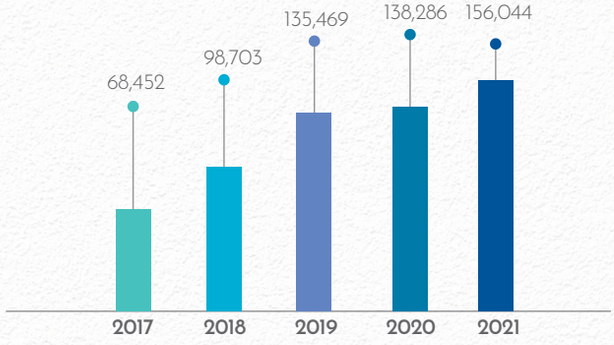
Investment Classification



5.3 Credit Rating of Investment clients

Shahjalal Islami Bank Limited always gives emphasis to the client's credit rating. A good rating of the borrowers implies the identification of high-quality borrowers that improve the asset quality and also require less capital. According to Bangladesh Bank's Standardized Approach of Risk Based Capital Adequacy (RBCA) guidelines of Basel-III, the client's credit rating is the most important tool for managing investment risks. The bank gives more attention to its branches to increase the number of rated-investment clients to reduce risk-weighted assets (RWAs). The rating growth is graphically presented here.

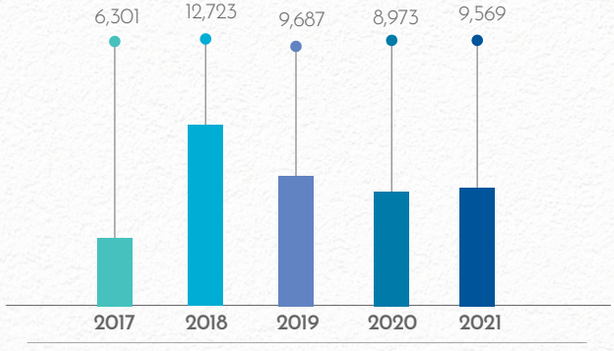
Rated Investment (Taka in million)



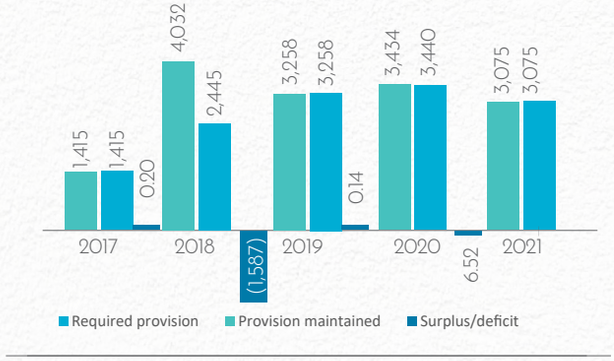
5.4 Non Performing Investment (NPI)

Non Performing Investment (NPI) has severely spread into the country's banking sector, which impedes the overall economy's ability to grow and deprives honest borrowers of collecting required funds at a reasonable price. Because of the rise of default culture, banks are losing out on revenues and need to make provisioning against the bad investment from income.

Non Performing Investment (NPI) (Taka in million)



Provision Maintainance (Taka in million)

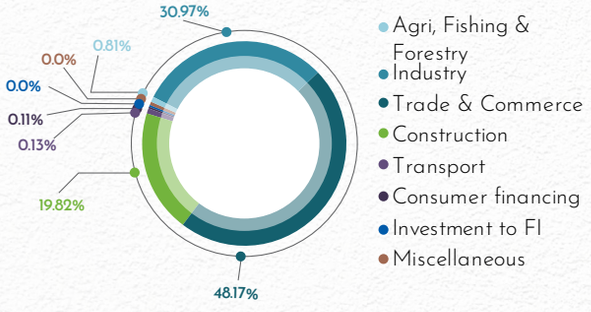


Shahjalal Islami Bank Limited has been able to downsize the NPI Ratio by 0.15% from 4.57% in 2020 to 4.42% in 2021. The bank's management prudently reduce the NPI, showing the bank's commitment to its stakeholders. The bank has also shown expertise in maintaining the provision against its Non Performing Investment that stood at 100% at the end of 2021 which was 100.19% in 2020.

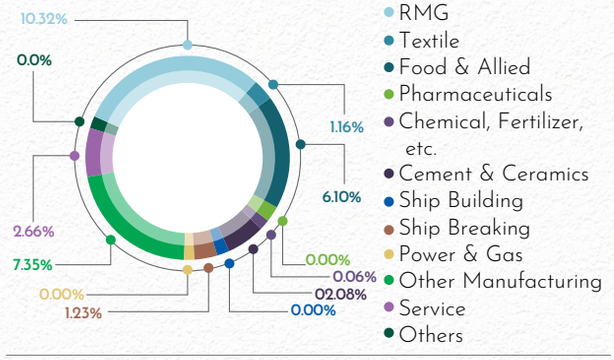
5.5 Concentration of NPI

Banks provide investment in short term and long term finance to various clients expecting to get back the money with a profit as per the repayment schedule. For many reasons banks are unable to get back some of their money on time from many clients. It creates significant problems in running banking operations. SJIBL always tries to diversify its investment portfolio in various sectors to avoid concentration risk and avoid risky sectors to reduce investment risk.

NPI Concentration: Portfolio- 2021



NPI Concentration: Industry- 2021



SJIBL follows the diversification rules and makes the cap narrow for risky sectors. At the end of the year-2021, Trade & Commerce, Industry and Construction covered most of the NPIs of the Investment portfolio at a rate of 48.17%, 30.97% and 19.82%, respectively. On the other hand, the RMG, Other Manufacturing and Food & Allied sectors of the industry have mostly NPIs.

5.6 Cash Recovery against NPI

The special asset management team of the bank played a contributory role in getting the below stated handsome figure with their all-out effort for the recovery of investment. Proper follow-up and monitoring through frequent customer visits are the keys to an efficient and effective recovery system.

Amount in Million

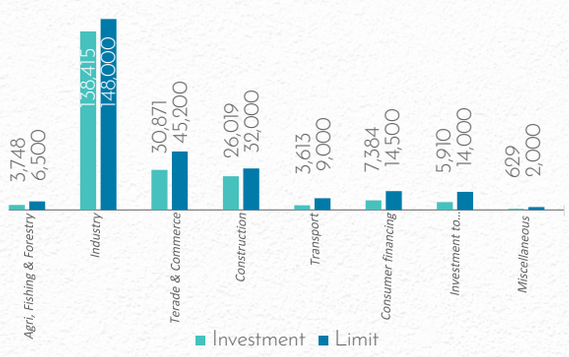
Particulars	2021	2020
Cash Recovery	2,483	1,335
Regularization	2,466	2,341
Total Recovery & regularization	4,949	3,676
Cash Recovery to NPI	25.95%	14.88%
Total Recovery & regularization to NPI	51.72%	40.97%

In spite of having Covid-19 pandemic and economic slowdown due to a countrywide lockdown, Shahjalal Islami Bank Limited has recovered Cash of BDT. 2,483 million and regularized BDT 2,466 million from Stressed and Non Perfuming Investment clients during the year of 2021 which is 51.72% of total NPIs and is higher than the 40.97% of the last year of 2020.

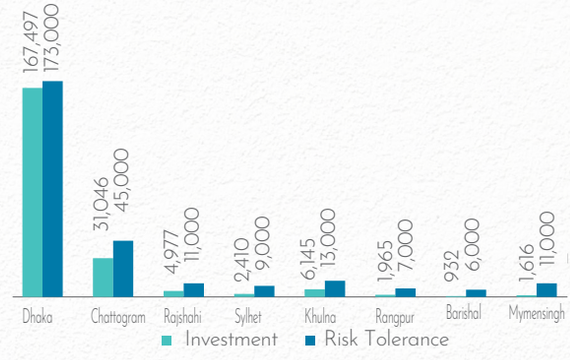
5.7 Exposures Limit

SJIBL has its own investment cap for different types of investment, such as sectors, industries and geographic locations. Investment caps are generally reviewed once a year in order to remain reasonably aligned with business needs. The bank does not exceed the Single Borrower Exposure Limit set by Bangladesh Bank.

Exposures Limit: Portfolio wise- 2021 (Taka in million)



Exposures Limit: Area wise- 2021 (Taka in million)



Single Borrower Exposure Limit-2021

Amount in Million

Single Borrower Exposure Limit	2021	2020
Total Regulatory Capital	33,778	27,828
Funded Limit @15% of Regulatory Capital	5,066	4,174
Non Funded Limit @20% of Regulatory Capital	6,756	5,566
Total Limit (Other than Exporter)	**11,822**	**9,740**
Non Funded Limit @35% of Regulatory Capital	11,822	9,740
Total Limit (Exporter)	**16,889**	**13,914**

Top-10 Borrower Exposure -2021

Amount in Million

Borrowers	Funded	Non-Funded	Total
Smart Group	2,663	4,442	7,105
Nassa Group	3,290	3,441	6,731
Mir Akter Group	2,298	4,154	6,452
Impress Group	3,261	2,810	6,071
Anwar Group	3,667	2,200	5,867
Palmal Group	1,764	4,070	5,834
Mondol Group	2,974	2,491	5,465
Rahmat Group	2,920	2,239	5,159
Rose Group	1,807	3,306	5,113
Dhaly Construction Ltd.	4,046	1,004	5,050

5.8 Collateral against Investment

Where a transaction is secured by eligible financial collateral (cash, gold, rated securities, debt securities, equities, transferable securities and mutual funds) and meets the eligibility criteria, it minimizes the capital requirements and the bank is allowed to reduce its investment exposure by taking into account the risk mitigating effect of the collateral for the calculation of capital charge.

Amount in Million

Particulars	2021	2020
Total Investment	216,587	196,513
Collateral (FSV)	137,481	121,008
Collateral Coverage Ratio	63%	62%

SJIBL focuses on collateral based investment to secure its quality of investment. At the end of December-2021, the collateral coverage ratio was 63% which was up from 62% in 2020.

6.0 Market Risk

Market risk is the risk that any changes in market prices, such as profit rates and capital market conditions, will affect the bank's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters. The major components of Market Risk and the position of Shahjalal Islami Bank Limited are as follows:

6.1 Profit (Interest) Rate Risk

Shahjalal Islami Bank Limited computes an estimated change in the 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.

Amount in Million

Particulars	2021	2020	Change
RSA ≤ 1 Year	255,399	241,308	14,091
RSL ≤ 1 Year	171,162	161,677	9,485
Net Gap	84,237	79,631	4,606
Impact on NII (Rate Change by @1%)	842	796	46

The probable impact on net profit (interest) income of SJIBL at the end of December-2021 was measured at BDT. 842 million, which was BDT. 796 million in 2020.

6.2 Equity Price Risk

Shahjalal Islami Bank Limited uses the mark to market valuation method against a predetermined limit. From an accounting perspective, the cost or market value of a share, whichever is lower, should be considered. If the market value falls below the cost, the bank must keep a provision for unrealized losses.

Amount in Million

Particulars	2021	2020
Market Value of Capital Market Exposure	3,534	3,691
Provision Maintained	150.88%	134.13%
Capital Market Exposure to Audited Capital	17.85%	20.56%

SJIBL has maintained sufficient provisions against its investment in the share market for un-realized losses and the limit of capital market exposures is also maintained as per Bangladesh Bank instruction.

6.3 Foreign Exchange Risk

The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying commitments and other remittance requirements. The impact of Foreign Exchange transaction risk is identified by providing exchange rate shocks to the net open position of the bank.

Amount in Million

Particulars	2021	2020
Net Open Position Limit	2,991	2,956
Net Open Position	2,438	998
Net Open Position to Capital	7.22%	5.59%
No. of position breached during the period	Nil	Nil

At the end of 2021, the bank's open position was BDT. 2,438 million against its limit equivalent to BDT. 2,991 million as determined by Bangladesh Bank, and there was no case of breaching the FEX holding limit as per Bangladesh Bank instruction during the year 2021.

7.0 Liquidity Risk

The bank's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquid assets to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or taking risk of damage to the bank's reputation.

Liquidity Risk Indicators (LRI)

Particulars	2021	2020
Cash Reserve Requirement (CRR)	4.58%	4.74%
Statutory Liquidity Requirement (SLR)	14.73%	11.50%
Investment to Deposit Ratio (IDR)	84.48%	79.62%
Liquidity Coverage Ratio (LCR)	181.95%	390.52%
Net Stable Funding Ratio (NSFR)	127.96%	130.31%

Typically, the bank ensures that it has sufficient cash and cash equivalents to meet expected operational expenses through the preparation of the cash flow forecast, which is prepared based on the time line payment of the financial obligation and accordingly arranges for sufficient liquidity/fund to make the expected payment by the due date.

8.0 Operational Risk

SJIBL, through its Internal Control and Compliance Division, controls the operational procedures of the bank. The Internal Control and Compliance Division undertakes periodic and special audits of the branches and departments at the Head Office for review of the operation and compliance with statutory requirements.

Particulars	2021	2020
No. of Branches Audited	132	132
No. of Major Non Compliances	154	167
Whether it is placed to audit committee	Yes	Yes

SJIBL has continued to develop the technological risk management capabilities and is ready to handle ICT security incidents and system failures and to conduct IT Audit on regular basis.

9.0 Money Laundering Risk

The Bank complies meticulously with the Money Laundering Prevention (Amendment) Act, 2015, Antiterrorism (Amendment) Act, 2013 and related circulars of BFIU, Bangladesh Bank to prevent money laundering and combating terrorism financing. A Central Compliance Committee (CCC) has been formed headed by a DMD who is the Chief Anti Money Laundering Compliance Officer (CAMLCO).

Particulars	CTR	STR
No of Accounts	282,734	13
Amount	347,556.60	64.30

The concerned branch officials examine all transaction alerts raised in TP for Suspicious Transactions. Bank has already screened all of our existing customers through Sanction Screening Software (S3 Compliance) against updated list of Special Designated Nationals/Entities/ Jurisdictions. The Bank founds no violation relating to Money Laundering activities.

10.0 ICT Risk

Shahjalal Islami Bank Limited has adopted global standards of information security. For ICT risk mitigation, the Bank has also embraced different core technological improvement initiatives, including:

- Enhance capabilities through upgrading the Core Banking System to a newer version.
- The app-based banking service is enhanced to accept e-commerce transactions through two-factor authentication.
- SMS notifications for all types of CASA transactions
- Enhanced the functionality and security of the Internet Banking system.
- Introduced a server health monitoring system.
- Automated collection and interpretation of CIB reports.
- Enhanced capabilities of the call center systems.
- Enhanced capabilities of the SOC and NOC.
- Regularly update software to the latest versions.
- Data backups that include off-site and remote storage.

A separate ICT Security Division and an IT Audit Team have been formed as per the Central Bank's guidelines. The ICT Security Division ensures ICT security on an ongoing basis, and the IT Audit teams do the follow-up analysis. The team members regularly audit the branches and related divisions. The security team is in charge of all security policies and procedures, as well as offensive and defensive security strategies. They follow the prescribed guidelines, solve the unsettled issue, and also suggest it to the higher management for needful action.

11.0 Residual Risk

Residual Risk is a risk that arises mainly out of errors in documentation and errors in valuation of collateral. The bank always tries to make documentation appropriately and conduct valuation of collateral both physically and financially at market rates. The residual risk of the bank has been measured and reported to the ICAAP-2020 submitted to Bangladesh Bank in 2021, where an investment of BDT. 3,343.60 million was assessed against residual risk. The base for capital charge was BDT. 1,559.70 million and an amount of 156.00 million in capital has been kept. The ICAAP Report-2021 will also be submitted in 2022 as per the time frame of Bangladesh Bank, and the bank is expecting to lower the residual risk.

12.0 Concentration Risk

Investment Concentration Risk arises when the investment portfolio of the bank is concentrated on a few individuals, entities, or sectors. As there are no unanimously agreed tools to measure the concentration risk, some indicators are applied, such as:

a) Herfindahl Hirschman Index (HHI),

b) Simpson's Equitability Index (SEI),

c) Shannon's Index (SI),

d) Gini Coefficients (GC)

The concentration risk of the bank has been measured and reported in the ICAAP-2020 submitted to Bangladesh Bank in 2021, where the capital charge was BDT. 196.20 million. The ICAAP Report-2021 will also be submitted in 2022, as per the time frame of the Bangladesh Bank.

13.0 Reputation Risk

Reputation risk may arise from the possibility that negative publicity regarding the bank and its business practices, in the territory or elsewhere through related entities, whether accurate or not, will adversely impact the operations and position of the bank. The reputational risk of the bank has been measured and reported in the ICAAP-2020 submitted to Bangladesh Bank in 2021, where the capital charge was BDT.19.40 million. ICAAP Report-2021 will also be submitted in 2022, as per the time frame of Bangladesh Bank.

14.0 Strategic Risk

Strategic risk is the current or prospective risk to earnings and capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to changes in the business environment, both internal and external. Strategic risk of the bank has been measured and reported to the ICAAP-2020 submitted to Bangladesh Bank in 2021, where BTD 392.30 million was charged and it was adjusted from the capital kept under Operational Risk in Pillar-1 (MCR) of Basel-III. As a result, no additional capital was required under the strategic risk of the bank. ICAAP Report-2021 will also be submitted in 2022, as per the time frame of Bangladesh Bank.

15.0 Settlement Risk

Settlement risk arises when an executed transaction is not settled as the standard settlement system suggests or within a predetermined method. The settlement risk of the bank has been measured and reported in the ICAAP-2020 submitted to Bangladesh Bank in 2021, where no capital was charged due to the outstanding amount of non-receiving and the payment amount was below 5% of the total investment. The ICAAP Report-2021 will also be submitted in 2022, as per the time frame of Bangladesh Bank.

16.0 Environmental & Social Risk

Shahjalal Islami Bank Limited has developed an effective approach to managing environmental & social risk. In this regard, the bank measured environmental & social risk and reported it in the ICAAP-2020 and submitted it to Bangladesh Bank in 2021, where no capital was charged. ICAAP Report -2021 will also be submitted in 2022 as per the time frame of Bangladesh Bank.

17.0 Other Material Risk

These are risks that are not directly covered by the core risk guidelines of Bangladesh Bank, and more precisely, additional risks under pillar II of Basel III are measured under this risk. Other material risks have been reported in the ICAAP-2020 and submitted to Bangladesh Bank in 2021, where no capital was charged. ICAAP Report-2021 will also be submitted in 2022 as per the time frame of Bangladesh Bank.

18.0 Policy Development

SJIBL has made significant progress in transitioning to uniform operations rather than practice-based operations. As part of that, policy and operational procedure development and review remain a top priority of the Bank. In parallel to the development and review of direct risk-related policies and procedures, RMD has simultaneously focused on ensuring the development and review of cross-divisional policies and procedures. In reference to policy-related issues, the bank has developed a number of policies for the year 2021 as follows:

Risk Management Guidelines :

- Risk Management Guidelines
- Investment Risk Management Guidelines
- ALM Guidelines
- Foreign Exchange Guidelines
- ICC Risk Guidelines
- AML Guidelines
- ICT Guidelines

Risk Management Policies :

- Risk Appetites Statement (RAS)
- Management Action Triggers (MAT)
- Self Assessment of 6 Core Risks
- Methodology for Customer Services & Evaluation Process
- Collateral Valuation Guidelines
- Surveyors Enlistment Policy
- Fraud Detection & Prevention
- Valuation Methodology
- Wholesale Borrowing

19.0 Meeting & Implementation of Minutes

SJIBL arranged meetings of different risk-related committees according to the direction of Bangladesh Bank. During 2021, the bank has arranged the following meetings and discussions with the risk management activities regarding their findings, observations, and recommendations on various issues of interest and concern.

Meeting Status: 2021

SL	Meeting	Members	Meeting Nos.	Agenda
1	ERMC	15	11	All Risks
2	SRP Team	17	06	Capital Adequacy (ICAAP)
3	Basel Unit	12	05	Basel Implementation (Basel-III)
4	Basel Working Team	06	05	Calculation Accuracy
5	BRMC	05	06	All Risks

20.0 Reporting & Compliance

Aggregate measures of risk, across products and businesses, are used in compliance with policies, limits, and guidelines. They also provide a clear statement of the amounts, types, and sensitivities of the different risks in the bank's portfolios. Senior management and the Board use this information to comprehend the bank's risk profile as well as the performance of the portfolio. The bank submitted the following risk reports during the year 2021:

Compliance of Reporting: 2021

Sl	Name of the Reports/Papers	Frequency	Submitted to	Compliance Status
A.	**Risk Management Reporting**			
1.	Monthly Risk Management Reporting (MRMR)	Quarterly	ERMC/BRMC/BB	Complied
2.	Minutes of the Monthly Risk Management Committee Meeting	Quarterly	ERMC/BRMC/BB	Complied
3.	Implementation Report of RMC Meeting Minutes	Quarterly	ERMC/BRMC/BB	Complied
4.	Comprehensive Risk Management Report (CRMR)	Half Yearly	ERMC/BRMC/BB	Complied
5.	Compliance Report on Risk Rating	Half Yearly	ERMC/BRMC/BB	Complied
6.	Risk Appetite Statements	Annually	ERMC/BRMC/BB	Complied
B.	**Basel - III Reporting and Capital Management**			
7.	Risk Based Capital Adequacy Reporting (Pillar-1)	Quarterly	ERMC/BRMC/BB	Complied
8.	ICAAP Report (Pillar-2)	Annually	ERMC/BRMC/BB	Complied
9.	Disclosure on Risk Based Capital: Market Discipline (Pillar-3)	Annually	Uploading Bank's website/BB	Complied
C.	**Stress Testing Report**	Quarterly	ERMC/BRMC/BB	Complied

21.0 Building Risk Culture & Awareness

In 2021, the following risk management training was provided to bank officials both online and offline in order to raise risk management awareness and build a strong risk management culture across the bank.

Sl	Subject	No. of Courses	Total Participants
1	Asset Liability Risk Management	02	96
2	Investment Risk Management	19	1,470
3	Foreign Exchange Risk Management	10	456
4	Internal Control and Compliance Risk Management	2	96
5	Money Laundering Risk Management	16	1,171
6	ICT Risk Management	6	2,628
7	Comprehensive Risk Management	11	1,495
8	Basel Accord	2	167
9	Overview on Stress Testing	1	95
10	Others	-	-
Total		**69**	**7,674**

22.0 Capital Planning

A bank's capital planning is a dynamic, ongoing, and forward-looking mechanism to incorporate changes in a bank's strategic focus, risk tolerance levels, business plans, operating environment, or other factors that materially affect capital adequacy. Capital planning assists the bank's Board of Directors and senior management to:

- Identify risks, improve the bank's understanding of overall risks, set risk tolerance levels, and assess strategic choices in long-term planning.
- Identify vulnerabilities, i.e. concentrations, and assess their impact on capital.
- Integrate business strategy, risk management, capital and liquidity planning decisions.

Capital Plan for 5 Years: Amount in Million

Particulars	2021 (Actual)	2022	2023	2024	2025
Tier 1 Capital	24,532	26,525	28,683	31,156	40,012
Tier 2 Capital	9,246	11,906	11,203	10,143	8,918
Total Eligible Regulatory Capital	33,778	38,431	39,886	41,299	48,930
Total Risk Weighted Assets	224,654	251,685	283,719	316,430	353,900
CRAR	15.04%	15.27%	14.06%	13.05%	13.83%

In devising capital planning, both short-term and long-term capital needs have been considered, and the bank's overall strategy and business growth have been coordinated, usually with a forecast horizon of five years.

22.1 Raising Additional Tier 1 Capital

To strengthen the Tier-1 capital and also keep the adequate capital base according to the Capital plan of the Bank, SJIBL has issued Mudaraba Perpetual Bond at floating rate of Tk. 5,000 million in the year 2021 of which Tk. 4,500 million raised through private placement & Tk. 500 million through public offer.

22.2 Raising Tier 2 capital

SJIBL is always keen to maintain a sufficient capital base to do business to support the healthy growth of the business and ensure compliance with the Basel III capital accord in line with the Bangladesh Bank roadmap. The bank's CRAR (Capital to Risk Weighted Assets Ratio) reached 15.04% as of December 31, 2021 against the required 12.50% with buffer. To keep an adequate capital base, the bank issued a floating rate non-convertible 1st Mudaraba subordinated bond amounting to Tk.4,000 million for 7 years on June 15, 2017 and subsequently a 2nd Mudaraba subordinated bond amounting to Tk. 6,000 million on December 19, 2018 through private placement after obtaining required approvals from general shareholders, the Bangladesh Securities and Exchange Commission and Bangladesh Bank. The bank also intends to issue a 3rd Mudaraba subordinated bond in 2022.

23.0 Key Initiatives Achievement-2021

During the year 2021, the Risk Management Division (RMD) of the bank took different initiatives to strengthen the overall risk management functions of the bank. The following are the major initiatives taken by RMD for the year 2021:

- **Reached at the Landmark of Borrowers Credit Rating:**

The credit rating quantifies or assesses the creditworthiness of a borrower in general terms or with respect to a particular debt or financial obligation. The credit rating plays a pivotal role in reducing the RWA and helps to maintain the minimum capital at an adequate level. SJIBL has conducted numerous initiatives to meet the challenge of achieving the 90% credit rating of its eligible ratable clients set by the bank management and has achieved this milestone successfully at a percentage of 93.49 at the end of December 31, 2021.

- **Improved Bank Risk Profile:**

Bank exposures, both on and off balance sheet, have grown year after year. In contrast, the bank's risk-weighted assets (RWA) have been increasing at a decreasing rate. The Risk Management Division of the Bank has taken various initiatives to reduce the risk weight of the assets of the bank, as a result of which the ratio of RWAs to Total Exposures (On & Off Balance Sheet) stands at 59.80% at the end of December 31st, 2021.

- **Improved Capital Management:**

The Risk Management Division always provides the necessary recommendations to the Board of Directors

and the Senior Management of the bank to select the investment clients having creditworthiness and sound SME clients keeping adequate financial collateral. It helped to reduce the capital requirement of the bank. As a result, at the end of the year 2021, the bank was able to maintain an adequate CRAR of 15.04% against a requirement of 12.50% and, more specifically, Tier-1 Capital with Buffer at 10.92% as against 8.50%, which is 2.42% higher than the standard.

- **Low Risk Bank:**

It was a major challenge for the bank to keep it at a low-risk status. Through effective risk management activities and appropriate risk governance, the bank has been able to hold that status recognized by the Bangladesh Bank. During the year-2021, the bank has improved in all categories of risk, like investment risk, market risk, operational risk, risk governance, and, above all, the establishment of enterprise wide risk management throughout the bank.

- **Internal Investment Risk Rating System (IIRRS) implementation:**

The bank has fully adopted the IIRRS in line with Bangladesh Bank's BRPD circular letter no. 14 dated February 23, 2021. Along with regulatory compliance, the implementation of IIRRS has further strengthened the risk assessment process against allowing credit facilities. The CRO is evaluating and viewing the risk profile of the clients with greater investment values than ever.

- **Reduced Documentation Lapses:**

The bank is maintaining its additional capital requirement for documentation lapses for its funded credit portfolio. During the year 2020, a strong monitoring process helped the bank reduce the capital charge for the documentation lapses. The Risk Management Division of the bank worked with the Audit Report of the Bank and screened the errors in the documentation. A good numbers of lapses have been rectified through the strong persuasion of RMD. As a result, the capital charge against Residual Risk has been reduced and the capital requirement under Residual Risk was at BDT. 156.00 million under ICAAP-2020, submitted in the last year-2021.

- **Sectoral Lending Cap:**

The investment portfolio of the banking industry is concentrated in a few sectors, areas or some large groups, and SJIBL is no exception to the industry. To avoid the concentration risk, the bank has duly adopted the lending cap for 2021 and throughout the year the bank has regularly monitored the changes in the investment portfolio in line with the approved lending cap. Based on observations, various strategies have been formulated to maintain sector wise exposures. Similar to last year, the bank has initiated the formulation process of the lending cap for 2021.

- **Review of Top-20 Borrowers & Defaulters:**

The top 20 borrowers are reviewed periodically on their latest performance, with the help of the IRMD, and a new initiative has been taken to review the top 20 borrowers' funding structures, uses, credit ratings, repayment performance, and other metrics. On the other hand, to evaluate the latest status of the top-20 defaulters, a joint collaboration between the members of RMD and the Special Asset Management Division (SAMD) has been started to review the top NPI files.

- **Review Pending Court Cases:**

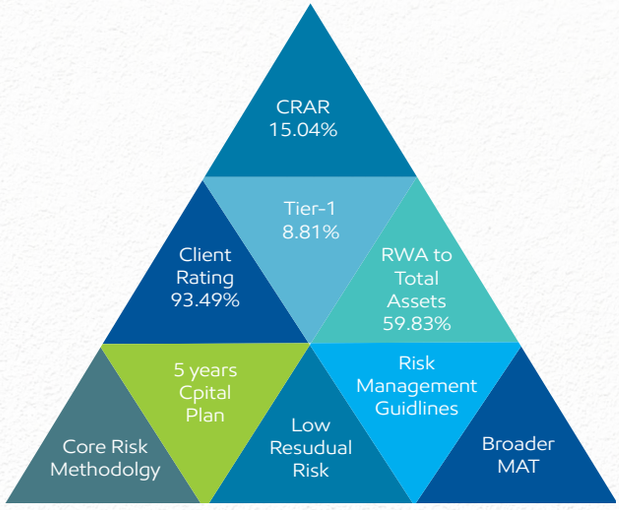
In the year 2021, RMD conducted a review of the NPI against which legal initiatives have already been taken. The report contains the observations and recommendations along with the associated risk associated with the pending cases at the bank. Management has been able to know the total numbers of pending cases, their outstanding amounts, aging, stay orders, settlements, and the latest position.

- **Arrange Annual Risk Conference (ARC)-2021:**

The bank has organized a day long Annual Risk Conference (ARC)-2021 with the participation of all the branch managers and deputy branch managers, including the officials related to risk issues in the year 2021. The Risk Profile of the Bank, the Framework of Risk Management, and the Mitigation Process of Risk have been presented before the participants, which has empowered the branch officials and the head office officials to cope with the risk.

At a Glance: Achievement-2021

- Maintained Tier-1 Capital at 8.81% against Basel-III requirement of 8.50% with Buffer.
- Maintained CRAR to 15.04% against Bangladesh Bank requirement of 12.50%.
- Decreased documentation lapses and reduced capital requirement under Residual Risk at BDT.156.00 million (2020) under ICAAP.
- Improved Credit Rating to 93.49% of eligible Clients.
- Decreased RWAs to Total Exposures (On & Off Balance Sheet) at 59.80%.
- Arranged Annual Risk Conference (ARC)-2021.
- Low Risk Bank in Comprehensive Risk Management.



23.0 Future Plan-2022

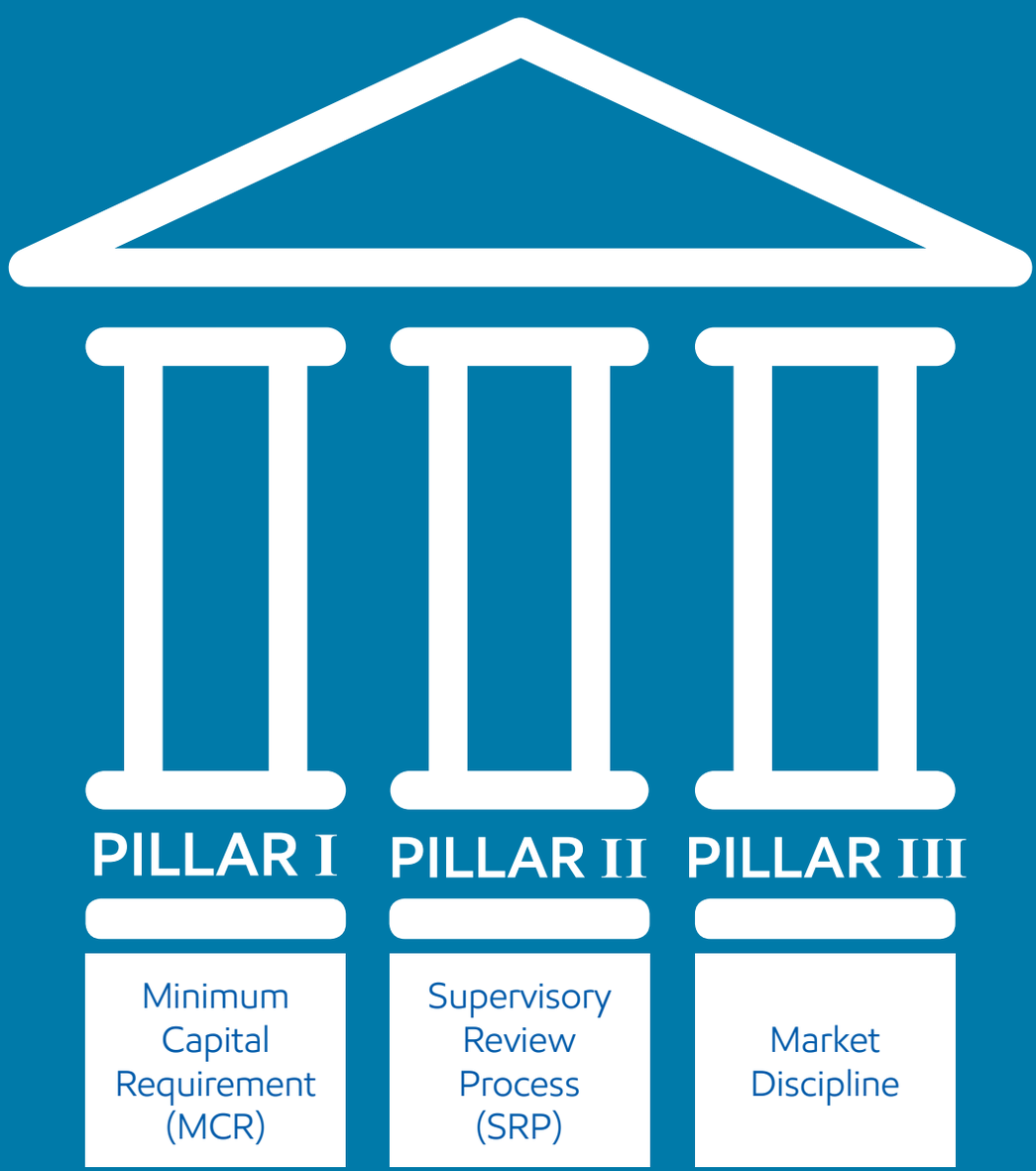
- To keep an adequate capital base, the bank has planned to issue a floating rate non-convertible 3rd Mudaraba subordinated bond for an amount of BDT 5,000 million for a period of 7 years during the year 2022 as per the capital plan.
- In parallel to the generic audit function, the necessity of adopting Risk-Based will be conducted to validate that the internal control environment is functioning as planned.
- Increased Credit rating with percentage and quality grading in relation to the investment portfolio.
- Arrange the Annual Risk Conference with the participation of all the branch managers and deputy branch managers.
- Interim review of Risk Appetites and the status of risk exposures against thereof.
- Establishing a sophisticated risk management infrastructure with a sufficiently robust data base, data architecture, and information technology.
- Prepare a Comparative Analysis Report (CAR) on the bank's gain or loss due to or lack of proper risk management activities.

Shahjalal Islami Bank Limited has tuned the existing risk management practices to align with global best practices. The risk management activities are running with the motto that 2021 was the year of risk management awareness and 2022 will be the year of strengthening the risk management structure. Being an active part of the country's banking industry, SJIBL always undertakes an active approach to risk management and remains consistent in forming a best-in-class capability. The core mottos of risk management practice at SJIBL are: solid understanding of material risks of the bank and continuous formulation of effective strategies for active risk mitigation.

MARKET DISCIPLINE

DISCLOSURES ON RISK BASED CAPITAL (PILLAR 3 OF BASEL-III)

For the Year Ended December 31, 2021



MARKET DISCIPLINE
DISCLOSURES ON RISK BASED CAPITAL (PILLAR 3 OF BASEL-III)

For the Year Ended December 31, 2021

Background

To strengthen global capital and liquidity rules with the goal of promoting a more resilient banking sector, the Basel Committee on Banking Supervision (BCBS) issued "Basel-III: A global regulatory framework for more resilient banks and banking systems" in December 2010. The objective of the reforms was to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thereby reducing the risk of spillover from the financial sector to the real economy. Through its reform package, BCBS also aims to improve risk management and governance as well as strengthen banks' transparency and disclosures. The Basel Committee's comprehensive reform package also addressed the lessons of the economic and financial crisis, which began in 2007, by holding insufficient liquidity buffers and building up excessive on and off-balance sheet leverage that resulted in a gradual erosion of the level and quality of the capital base.

To comply with international best practices and to make the bank's capital shock absorbent, Bangladesh Bank issued "Guidelines on Risk Based Capital Adequacy" (Revised Regulatory Capital Framework for Banks in Line with Basel-III) in December 2014 with the instructions to maintain the minimum capital requirement under pillar 1, an additional capital requirement under pillar 2 and a market disclosure requirement under pillar 3. Shahjalal Islami Bank Limited (SJIBL) has given special attention to implement Basel-III inside the bank. As per Bangladesh Bank guidelines, SJIBL has formed a "Basel Implementation Unit (BIU)" which is under the supervision of a supervisory committee and includes senior management of the Bank. SJIBL has an exclusive body named the Supervisory Review Process (SRP) team, constituted by the concerned departmental heads and headed by the Managing Director of the Bank.

Purpose

As part of Basel-III compliance, Market Discipline (pillar 3) is formulated with a view to establish more transparent and more disciplined financial market so that stakeholders can assess the position of a bank regarding holding of assets and to identify the risks relating to the assets and capital adequacy to meet probable loss of assets.

Disclosure Framework

Shahjalal Islami Bank Limited has adopted the Basel-III framework as part of its capital management strategy in line with the revised guidelines of Bangladesh Bank and also developed a set of formal disclosure frameworks approved by the Board of Directors of the Bank which includes the 'Qualitative and Quantitative Disclosures containing the components of Scope of Application, Capital Structure, Capital Adequacy, Investment (Credit) Risk, Equities: Disclosures for Banking Book Positions, Profit (Interest) Rate Risk in the Banking Book (PRRBB), Market Risk, Operational Risk, Liquidity Ratio, Leverage Ratio and Remuneration of the Bank.

Consistency and Validation

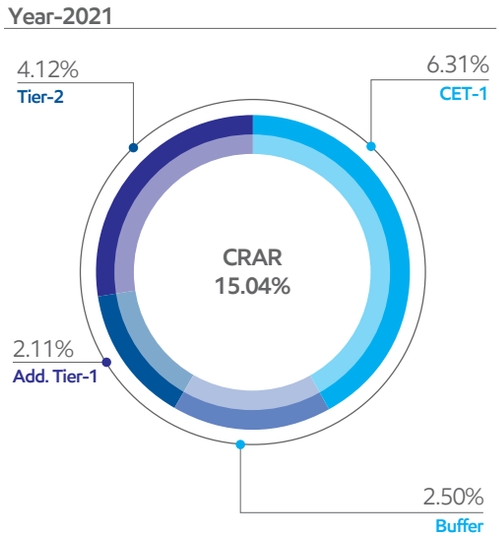
The quantitative disclosures on Risk Based Capital (Basel-III) are made on the basis of the audited consolidated financial statements of Shahjalal Islami Bank Limited (SJIBL) and its subsidiaries for the year ended December 31, 2021. Those are prepared under the historical cost convention in accordance with the International Financial Reporting Standards (IFRSs).

As Financial Reporting Standards are yet to be issued by FRC, as per the provisions of FRA (Section-69), consolidated and separate financial statements of the Group and the Bank, respectively, have been prepared in accordance with the International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and, in addition to this, the Bank also complied with the provisions of the "Guidelines for Islamic Banking" issued by Bangladesh Bank through BRPD Circular No. 15 dated November 09, 2009 with reference to the provisions of the Bank Companies Act, 1991 and amendment thereon, the Companies Act 1994 and other circulars/instructions of Bangladesh Bank, the Securities and Exchange Rules 1987 and Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as a member of that organization.

Therefore, information presented in the 'Quantitative Disclosures' section can easily be verified and validated with corresponding information presented in the audited consolidated financial statements-2021 of SJIBL and its subsidiary. The report is prepared once a year and is available on the bank's website (www.sjiblbd.com).

Key Metrics (Solo Basis)

(Taka in Million)



Key Items	Particulars	2021	2020
1. RWAs	Investment Risk	196,845	175,181
	Market Risk	8,270	4,136
	Operational Risk	19,538	16,838
	Total RWAs	**224,653**	**196,155**
2. Capital	CET 1 Capital	19,803	17,949
	AT 1 Capital	4,729	-
	Tier 1 Capital	24,532	17,949
	Tier 2 Capital	9,246	9,880
	Total Regulatory Capital	**33,778**	**27,829**
3. MCR	Tier-1 @6.00%	13,479	11,769
	Buffer @2.50%	5,616	4,904
	Tier-1 plus Buffer @8.50%	19,095	16,673
	MCR @10%	22,465	19,615
	MCR plus Buffer@12.50%	28,081	24,519
4. Surplus/ Shortfall	Tier-1 plus Buffer	5,437	1,276
	MCR plus Buffer	5,697	3,789
5. Leverage	Exposures	375,675	339,365
	Leverage (%)	6.53%	5.29%
	RWAs to Exposures (%)	59.80%	57.80%

Presentation of Information

In this report, the information of Shahjalal Islami Bank Limited is presented on a solo and consolidated (conso) basis. All amounts in the format of this pillar 3 disclosure are denominated in Bangladesh Taka, unless stated otherwise. Certain figures in this document have been calculated using rounded figures.

1. Scope of Application

Qualitative Disclosures

a) The name of the top corporate entity in the group to which this guidelines applies:	**Shahjalal Islami Bank Limited (SJIBL)**
b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group: i. that are fully consolidated; ii. that are given a deduction treatment; and iii. (c) that are neither consolidated nor deducted (e.g. where the investment is risk - weighted).	The Consolidated Financial Statements of the Bank include the financial statements of (i) Shahjalal Islami Bank Limited including Offshore Banking Unit (OBU) and (ii) Shahjalal Islami Bank Securities Limited. Shahjalal Islami Bank Limited holds 91.79% shares of Shahjalal Islami Bank Securities Limited. A brief description of the Bank including OBU and its subsidiary are given below:

	Shahjalal Islami Bank Limited Shahjalal Islami Bank Limited (hereinafter called 'the Bank' or 'SJIBL') was established as a Public Limited Company (Banking Company) on April 01, 2001 under the Companies Act 1994 as interest free Islamic Shari'ah based commercial Bank and commenced its operation on May 10, 2001 with the permission of Bangladesh Bank. Currently, the Bank is operating its business through Head Office having 132 branches, 118 ATM booths, 100 agent banking outlets and 2,741 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 Bank offers all kinds of Islamic Shari'ah based Commercial Banking Services to its customers through its branches following the provisions of the Banking Companies Act 1991 (as amended up to 2018), Bangladesh Bank's Directives and directives of other regulatory authorities and the principles of the Islamic Shari'ah. The registered office of the Bank is located at Shahjalal Islami Bank Tower, Plot-4, Block-CWN(C), Gulshan Avenue, Gulshan, Dhaka-1212.
	Offshore Banking Unit Offshore Banking Unit is a separate business unit of Shahjalal Islami Bank Limited, governed under the rules and guidelines of Bangladesh Bank. The Bank commenced the operation of its Offshore Banking Unit on December 21, 2008 with the permission from Bangladesh Bank vide letter no. BRPD (P-3)744(99)/2008-2800 dated July 24, 2008. The unit is located at Shahjalal Islami Bank Tower, Plot-4, Block-CWN(C), Gulshan Avenue, Gulshan, Dhaka-1212.
	Agent Banking Shahjalal Islami Bank Limited obtained permission from Bangladesh Bank on October 16, 2019 vide reference no. BRPD (P-3)745(54)/2019-8354 to commence Agent Banking services and subsequently started commercial operations on January 02, 2020. Till December 31, 2021 there were 100 Agent Banking Outlets in 41 districts and 86 Upazillas across the country.
	Shahjalal Islami Bank Securities Limited Shahjalal Islami Bank Securities Limited is a subsidiary company of Shahjalal Islami Bank Limited incorporated as a public limited company under the Companies Act 1994 vide certificate of incorporation no. C - 86917/10 dated September 06, 2010 and commenced its operation on May 25, 2011. Presently the company is operating its business through Head Office with 02 extension office and 08 branches with 74 employees all over Bangladesh. The main objective of the company is to carry on business of stock brokers/dealers in relation to shares and securities dealings and other services as mentioned in the Memorandum and Articles of Association of the Company. It has corporate membership of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. Its corporate Head office and Principal place of business is at DSL Building (3rd floor), 1/C, DIT Avenue, Motijheel C/A, Dhaka-1000.
c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group	The rules and regulations of BRPD of Bangladesh Bank that govern 'Single Borrower Exposure Limit' for the customers are equally applicable for the Bank in financing its own subsidiaries. Bank is following latest Bangladesh Bank circular in determining maximum amount of finance to the subsidiaries of the Bank.

Quantitative Disclosures	
d) The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation i.e. that are deducted and name(s) of such subsidiaries.	Not Applicable

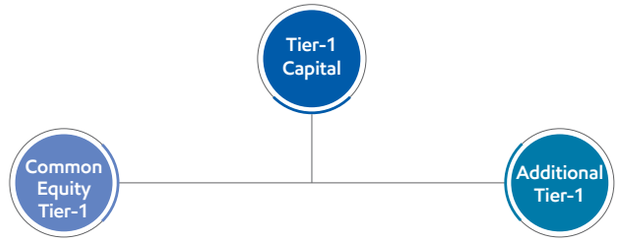
2. Capital Structure

Qualitative Disclosures

a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Common Equity Tier-1, Additional Tier-1 or Tier -2.

As per Guidelines on Risk Based Capital Adequacy of Bangladesh Bank, the regulatory capital of Bank is classified into two tiers which will consist of sum of the following categories:

1. Tier-1 Capital (going-concern capital) divided into two categories which are:



a) **Common Equity Tier-1 capital of SJIBL** consists of Paid-up Capital, Statutory Reserve, Retained Earnings and Minority Interest in Subsidiaries.

b) **Additional Tier-1 capital of SJIBL** consists of Mudaraba Perpetual Bond issued by the Bank meeting the qualifying criteria for Additional Tier-1.

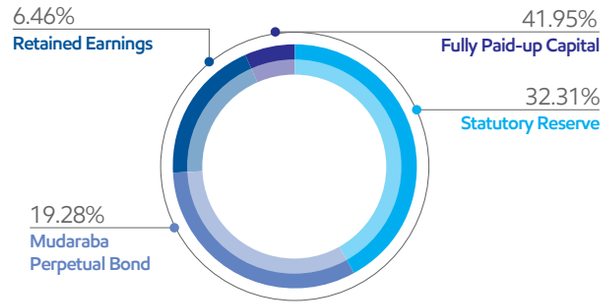
2. Tier-2 Capital (gone-concern capital) of SJIBL consists of General Provisions and Mudaraba Subordinated Bond/ Debt issued by the Bank meeting the qualifying criteria for Tier-2 Capital.

Quantitative Disclosures

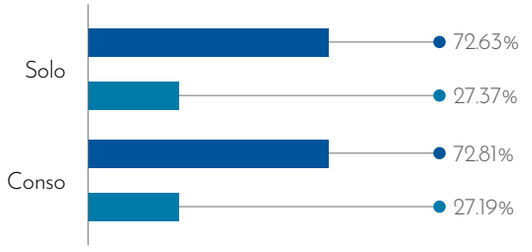
b) The amount of Regulatory Capital, with separate disclosure of:

Particulars		Taka in Million	
		Solo	Consolidated
1.	Fully paid-up capital	10,290.97	10,290.97
2.	Statutory reserve	7,927.20	7,927.20
3.	General reserve	-	3.45
4.	Retained earnings	1,584.82	1,608.65
5.	Minority interest in subsidiaries	-	227.44
i.	**Common Equity Tier-1 (CET1) Capital (1 to 5)**	**19,802.99**	**20,057.71**
1.	Instruments issued by the Bank that meet the qualifying criteria for AT1 (Mudaraba Perpetual Bond)	5,000.00	5,000.00
2.	Regulatory Adjustments: Excess amount over maximum limit of AT1 (as specified in Annex-4 of Basel III Guidelines)	(271.25)	(243.26)
ii.	**Additional Tier-1 (AT1) Capital (1 to 2)**	**4,728.75**	**4,756.74**
A.	**Total Tier-1 Capital (i to ii)**	**24,531.74**	**24,814.45**
1.	General provision against unclassified investments/loans and off balance sheet exposures (including OBU)	3,775.04	3,824.50
2.	Subordinated debt/instruments issued by the Banks that meet the qualifying criteria for Tier 2 capital	5,200.00	5,200.00
3.	Others (if any item approved by Bangladesh Bank)	271.25	243.26
B.	**Total Tier 2 Capital (1 to 3)**	**9,246.29**	**9,267.76**
C.	**Regulatory Adjustments/Deductions from Capital**	**-**	**-**
D.	**Total Regulatory/Eligible Capital (A+B-C)**	**33,778.03**	**34,082.21**

Tier 1 Components (Solo Basis)



Composition of Capital



3. Capital Adequacy

Qualitative Disclosures

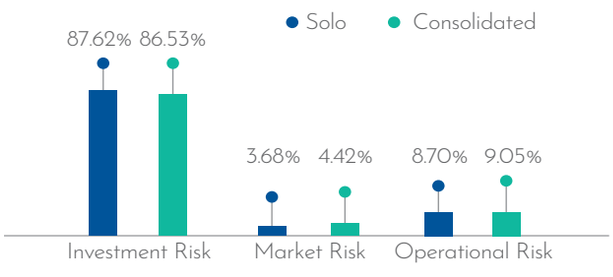
a) A summary discussion of the Bank's approach to assess the adequacy of its capital to support current and future activities.	Shahjalal Islami Bank Limited with its focused strategy on risk management has always been consistent in maintaining Capital to Risk Weighted Assets Ratio above the regulatory requirements. The Bank has been successfully managing the incremental growth of Risk Weighted Assets (RWA) by ensuring diversification of the portfolio in SME, Agriculture, Retail and Corporate segments. However, RWA is also managed by taking collaterals against investments. The Bank Management strives to ensure external credit rating which is duly conducted by the investment clients. The Bank has adopted the Standardized Approach (SA) to calculate the RWA for Investment Risk and to calculate the capital charge for market risk. On the other hand, Basic Indicator Approach (BIA) is adopted to calculate the capital charge for operational risk. Assessment of capital adequacy is made against the total RWA under the said three (03) approaches.  The Bank has maintained Capital to Risk Weighted Assets Ratio (CRAR) of 14.72% & 15.04% on the basis of "Consolidated" and "Solo" respectively against the minimum regulatory requirement of 12.50% (MCR 10% + Conservation Buffer 2.50%). The Bank's policy is to manage and maintain adequate capital that is sufficient to absorb all material risks associated with the Bank and to comply with regulatory requirements and to satisfy the external rating agencies and all other stakeholders including depositors. The main objective of the capital management process in the Bank is to ensure that Bank has adequate capital to meet up its losses.

Quantitative Disclosures

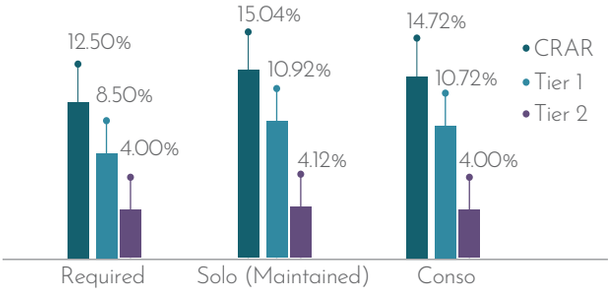
Particulars	Taka in Million	
	Solo	Consolidated
b) Capital requirements for Investment (Credit) Risk	19,684.54	20,030.20
c) Capital requirements for Market Risk	827.00	1,023.41
d) Capital requirements for Operational Risk	1,953.82	2,094.89
Minimum Capital Requirement (b+c+d)	22,465.36	23,148.50
Total Regulatory Capital	33,778.03	34,082.22
Total Risk Weighted Assets (RWA)	224,653.54	231,484.97
e) Capital to Risk-weighted Asset Ratio(CRAR) (iii to iv)	15.04%	14.72%
i. CET 1 capital ratio	8.81%	8.66%
ii. AT 1 capital ratio	2.11%	2.06%
iii. Total Tier 1 capital ratio (i to ii)	10.92%	10.72%
iv. Tier-2 capital ratio	4.12%	4.00%
f) Capital Conservation Buffer (2.50%)	4.92%	4.72%
g) Available Capital under Pillar 2 Requirement*	5,696.33	5,146.60

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

Capital Requirements Under Pillar-I



Capital to Risk Weighted Assets (CRAR)



4. Investment (Credit) Risk

Qualitative Disclosures

a)The general qualitative disclosure requirement with respect to investment (credit) risk, including:

i) Definitions of past due and impaired (for accounting purposes)	**Past Due:** As per Bangladesh Bank guidelines, any Investment if not repaid within the fixed expiry date will be treated as Past Due. **Impaired:** An Investment where profit and/or installment of principal remain for more than 90 days in respect of a Continuous Investment, Demand Investment or a Term Investment etc. except Term Investment below Tk.1 million will be treated as Impaired (NPI).
	Bangladesh Bank issued Circulars from time to time for strengthening Investment (Credit) discipline and brings provisioning. All Investments/Loans & Advances will be grouped in to four (4) categories for the purpose of classification, namely **(a) Continuous Investment (Loan):** The Investment accounts in which transactions may be made within certain limit and have an expiry date for full adjustment will be treated as Continuous Investment. Examples are: Cash Credit, Overdraft, etc.
	(b) Demand Investment (Loan): The Investments that become repayable on demand by the Bank will be treated as Demand Investment. If any contingent or any other liabilities are turned to forced investment (i.e. without any prior approval as regular investment) those too will be treated as Demand Investment. Such as: Forced Investment against Imported Merchandise, Payment against Document, FBP and IBP etc.

	(c) Fixed Term Investment (Loan): The Investments, which are repayable within a specific time period under a specific repayment schedule, will be treated as Fixed Term Investment. **(d) Short Term Agricultural & Micro Investment (Loan):** Short-term Agricultural Investment will include the short-term investments as listed under the Annual Credit Programme issued by the Agricultural Credit and Financial Inclusion Department (ACFID) of Bangladesh Bank. Investments in the agricultural sector repayable within 12 (twelve) months will also be included herein. Short-term Micro-Credit will include any micro-credit not exceeding an amount determined by the ACFID of Bangladesh Bank from time to time and repayable within 12 (twelve) months, be those termed in any names such as Non-agricultural credit, Self-reliant Credit, Weaver's Credit or Bank's individual project credit. **The above Investments (Loans) are classified as follows:**

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

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

Every business line as well as the overall economic activities got severely affected and influenced by Covid-19. Taking this into consideration, Bangladesh Bank issued BRPD circular # 17 dated September 28, 2020, BRPD circular letter # 56 dated December 10, 2020, BRPD circular letter # 59 dated December 30, 2020, BRPD circular letter # 45 dated October 04, 2021, BRPD circular # 51 & 52 dated December 29, 2021 and BRPD circular # 53 dated December 30, 2021 instructed to facilitate deferral facilities to the borrowers without applying the above frame of Investment (Loan) classification.

ii) Description of approaches followed for specific and general allowances and statistical methods;	Provision for Investments is created for covering the Bank from possible investment losses in the future. General provision is made on the outstanding amount of investments without considering the classified status following the prescribed rate of Bangladesh Bank. Classified investments of the Bank are categorized as Sub-standard, Doubtful and Bad & Loss as per Bangladesh Bank circulars. For investments which are classified, specific provision is created netting off eligible security value and profit suspense from the outstanding amount. Provision for off balance sheet items is made as per BRPD circular no. 14 dated September 23, 2012 for covering the Bank for possible losses in the future. Profit accrued on Sub-standard, Doubtful and Bad & Loss investments is transferred to profit suspense account and not consider as profit income. This profit is recognized as profit income when it realized in cash by the Bank as per latest circular of Bangladesh Bank. Investment are written off to the extent that (i) there is no realistic prospect of recovery, and (ii) against which legal cases are filled and classified as bad & loss as per BRPD circular no. 01 dated January 13, 2003 and

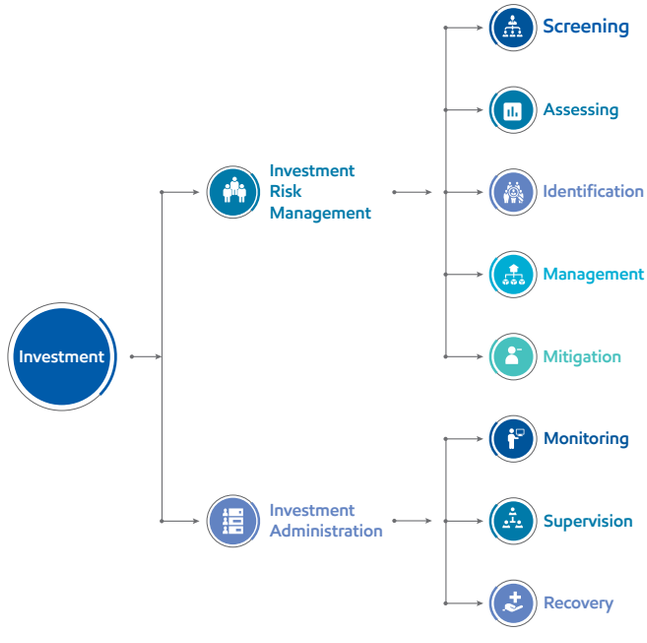
13 dated November 07, 2013. However, these write off will not undermine/affect the claim amount against the client of Investments. Detailed memorandum records for all such write off accounts are meticulously maintained and followed up.

The Bank is required to maintain the following general and specific provision in respect of un-classified and classified investments on the basis of Bangladesh Bank guidelines issued from time to time. Rates of provision are noted below:

Types of Investments		Rates of Provision				
		Un-classified (UC)		Classified		
		STD	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 Financing	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 Credit and Micro Credit		1%	1%	5%	5%	100%
Investment to Stock Dealers & Stock Broker		2%	2%	20%	50%	100%
Credit Card		2%	2%	20%	50%	100%
All Other Credit		1%	1%	20%	50%	100%
Staff Investment		0%	0%	20%	50%	100%
Off Balance Sheet Exposures		1%	N/A	N/A	N/A	N/A
Special General Provision for COVID-19		1%	BRPD Circular letter no. 56, Date: December 10, 2020			

iii) Discussion of the Bank's investment risk management policy

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



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

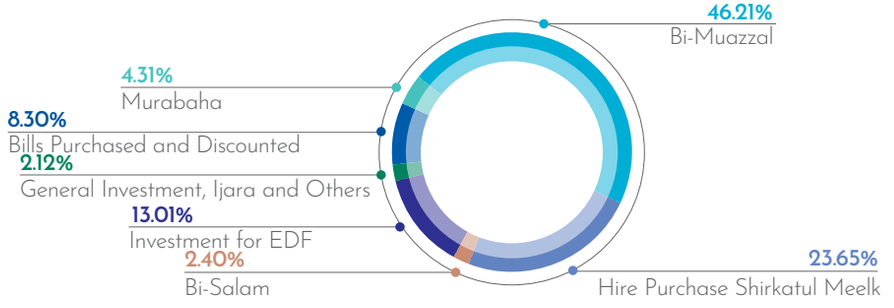
Quantitative Disclosures

a) Total gross investment risk exposures broken down by major types of investment exposures.

a) Total gross investment risk exposures broken down by major types of investment exposures.

Particulars	Taka in Million
Murabaha	9,336.51
Bi-Muazzal	100,091.29
Hire Purchase Shirkatul Meelk	51,205.44
Bi-Salam	5,190.00
Investment for EDF	28,182.49
General Investment, Ijara and Others	4,601.57
Bills Purchased and Discounted	17,979.28
Total	**216,586.58**

Type of Investments

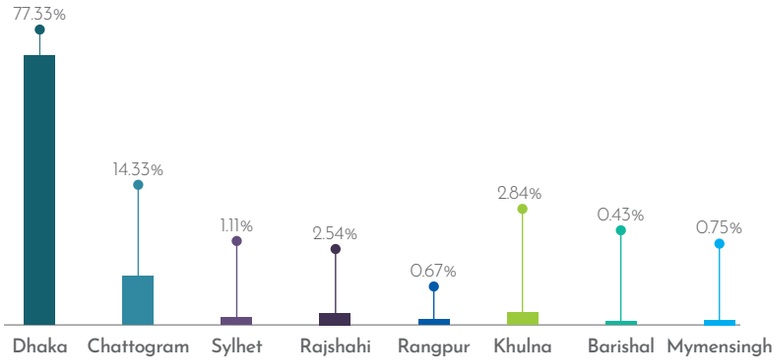


b) Geographical distribution of exposures, broken down in significant areas by major types of investment exposure.

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

Particulars	Taka in Million
i. Area-wise:	
Urban	205,968.67
Rural	10,617.91
Outside Bangladesh	0.00
Total	**216,586.58**
ii. Division- wise:	
Dhaka	167,496.62
Chattogram	31,045.72
Sylhet	2,410.01
Rajshahi	5,498.80
Rangpur	1,443.03
Khulna	6,144.77
Barishal	931.78
Mymensingh	1,615.85
Total	**216,586.58**

Geographical Distribution of Exposures (Division-Wise)



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

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

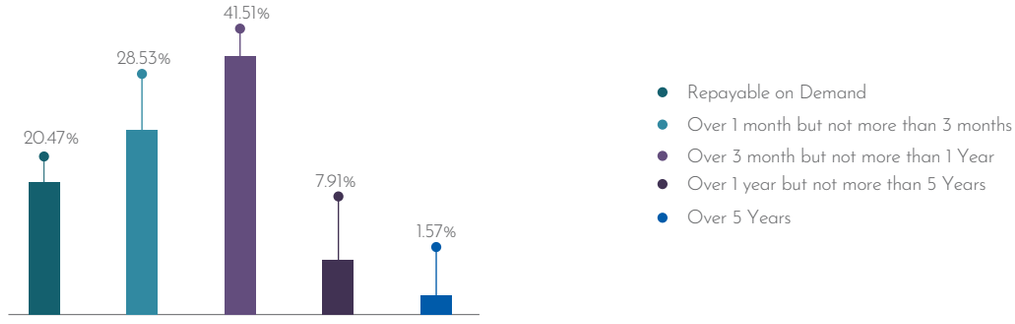
Particulars	Taka in Million
i. Industry-wise:	
Agriculture & Fishing	3,745.30
Cotton & Textile	15,986.25
Garments	48,795.25
Cement	1,377.20
Pharmaceuticals & Chemicals	5,765.43
Real Estate	7,861.74
Transport	3,612.70
Information Technology	785.68
Non Banking Financial Institutions	1,049.27
Steel & Engineering	7,861.74
Food Processing & Beverage	13,394.92
Power & Energy	5,718.06
Paper & Paper Products	2,128.66
Plastic & Plastic Products	6,299.68
Electronics	6,650.42
Services Industries	7,314.96
Trading	30,870.69
Constructions	21,190.24
Share business	2,388.41
Staff Investment	2,013.48
Others	21,776.50
Total	**216,586.58**
i. Counterparty-wise:	
Investments to allied concern of Directors	2,684.32
Investments to Executive/Officers	2,013.48
Investments to Customer Groups	84,154.89
Industrial Investment	127,733.63
Others	0.26
Total	**216,586.58**

d) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of investment exposure.

Residual contractual maturity break down of the whole portfolios, broken down by major types of investment exposure of the Bank are as under:

Particulars	Taka in Million
Repayable on Demand	44,341.51
Over 1 month but not more than 3 months	61,797.34
Over 3 month but not more than 1 year	89,905.88
Over 1 year but not more than 5 years	17,142.11
Over 5 years	3,399.74
Total	**216,586.58**

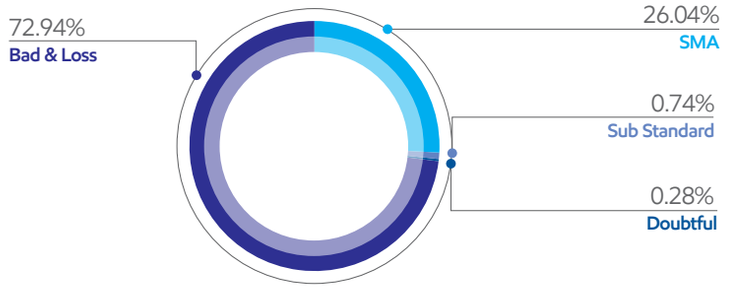
Residual Contractual Maturity Breakdown of the Whole Portfolio



e) By major industry or counterparty type:

i. Amount of impaired investments and if available, past due investments provided separately

Particulars	Taka in Million
Past Due	
Special Mention Account (SMA)	3,367.80
Sub Standard	96.30
Doubtful	36.77
Bad & Loss	9,435.77
Total	**12,936.64**



ii. Specific and general provisions	
Unclassified Investment	2,418.84
Classified Investment	3,075.12
Off-Balance Sheet Exposure	1,356.20
Total	**6,850.16**
iii.Charges for specific allowances during the period	
Provision on Unclassified Investment	194.54
Provision on Classified Investment	541.49
Provision on Off-Balance Sheet Exposure	421.00
Provision for other Assets	**10.00**
Total	**1,167.03**

f) Gross Non Performing Assets (NPAs)

i. Non Performing Assets (NPAs) to outstanding Investments	4.42%

ii. Movement of Non Performing Assets (NPAs)

Particulars	Taka in Million
Opening Balance	8,973.48
Additions	595.37
Reductions	(364.94)
Closing Balance	**9,203.91**

iii. Movement of specific provisions for NPAs	
Opening Balance	3,440.06
Recovery amount previously written-off	31.81
Provisions made during the period	541.49
Fully provided Investment write-off	(938.24)
Adjustment and Provision transferred	**-**
Closing Balance	**3,075.12**

5. Equities: Disclosures for Banking Book Position

Qualitative Disclosures

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

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

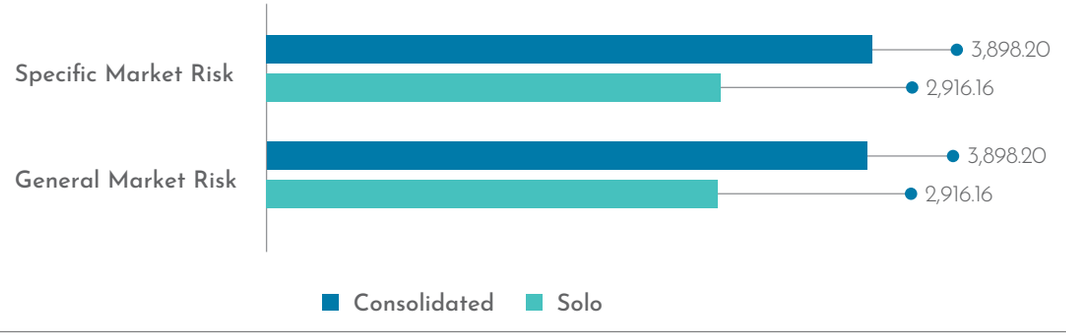
Quantitative Disclosures

Particulars	Solo	Consolidated
	Taka in Million	
a) Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	2,916.16	3,898.20
c) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	314.44	518.53
d) Total un-realized gains (losses)	(424.83)	(658.77)
Total latent revaluation gains (losses)	-	-
Any amounts of the above included in Tier-2 capital.	-	-

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

Particulars	Solo	Consolidated
	Taka in Million	
▪ Specific Market Risk	2,916.16	3,898.20
▪ General Market Risk	2,916.16	3,898.20

(Taka in million)



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

Qualitative Disclosures

a) The general qualitative disclosure requirement including the nature of PRRBB and key assumptions, including assumptions regarding investment prepayments and behavior of non-maturity deposits, and frequency of PRRBB measurement.

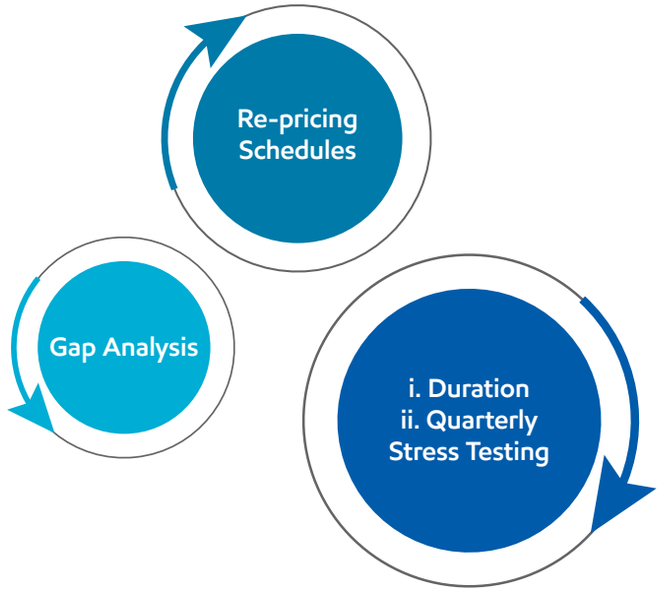
Profit rate risk is the risk where changes in market profit rates might adversely affect Bank's financial condition. Changes in profit rates have two following types of affect:

i. **Earning Perspective** (Current Earnings): It affects a Bank's earnings by changing its net profit income and the level of other profit (interest) sensitive income and operating expenses. The short term impact of changes in profit rates is on the Bank's Net Profit (Interest) Income (NII).

ii. **Economic Value Perspective** (Net Worth of the Bank): The economic value of future cash flows changes when profit rate changes. In a longer term, changes in profit rates impact the cash flows on the assets, liabilities and off-balance sheet items, giving rise to a risk to the net worth of the Bank arising out of all re-pricing mismatches and other profit rate sensitive position.

In Shahjalal Islami Bank Limited, the Treasury Division under the supervision of the Asset & Liability Committee (ALCO) is responsible for managing market risk arising from Banking book activities of Bank.

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



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

	Gap Analysis: It helps to assess the profit rate risk of current earnings. To evaluate earnings exposure, profit rate-sensitive liabilities in each time band are subtracted from the corresponding profit rate sensitive assets to produce a re-pricing "gap" for that time band. This gap is then multiplied by an assumed changed in profit rates to yield an approximation of the change in net profit income that would result from such a profit rate movement. **i. Duration:** A maturity/re-pricing schedule is also used to evaluate the effects of changing profit rates on a Bank's economic value by applying sensitivity weights to each time band. Typically, such weights are based on estimates of the duration of assets and liabilities that fall into each time band. **ii. Quarterly Stress Testing:** It is conducted quarterly as per the directives of Bangladesh Bank to gain better insight into the vulnerable issue of PRRBB.

Quantitative Disclosures

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

Particulars			Taka in Million
Market Value of Assets			313,300.90
Market Value of Liabilities			292,802.10
Weighted Average of Duration of Assets (DA)			0.77%
Weighted Average of Duration of Liabilities (DL)			0.99%
Duration GAP (DA-DL)			-0.16%
Yield to Maturity (YTM-Assets)			5.16%
Yield to Maturity (YTM-Liability)			2.38%
Magnitude of Profit Rate Change	1%	2%	3%
Change in Market Value of Equity due to an Increased in Profit Rate	466.17	932.34	1,398.51
Stress Testing	**Minor**	**Moderate**	**Major**
Regulatory Capital (After Shock)	33,311.90	32,845.70	32,379.50
RWA (After Shock)	224,633.30	224,633.30	224,633.30
CRAR (After Shock)	14.83%	14.62%	14.41%

7. Market risk

Qualitative Disclosures

a) i) Views of BOD on trading / investment activities	The Board approves all policies related to market risk, setting of limits and review on Core Risk compliance on a regular basis. The objective is to provide cost effective funding to finance asset growth and trade related transactions.
ii) Methods used to measure market risk	Standardized approach has been used to measure the market risk. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk sub-categories. For each risk category minimum capital requirement is measured in terms of two separately calculated capital charges for "specific risk" and "general market risk".
iii) Market Risk Management system	The Treasury Division manage market risk covering liquidity, profit rate and foreign exchange risks with oversight from Asset-Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director. ALCO meets at least once in a month.

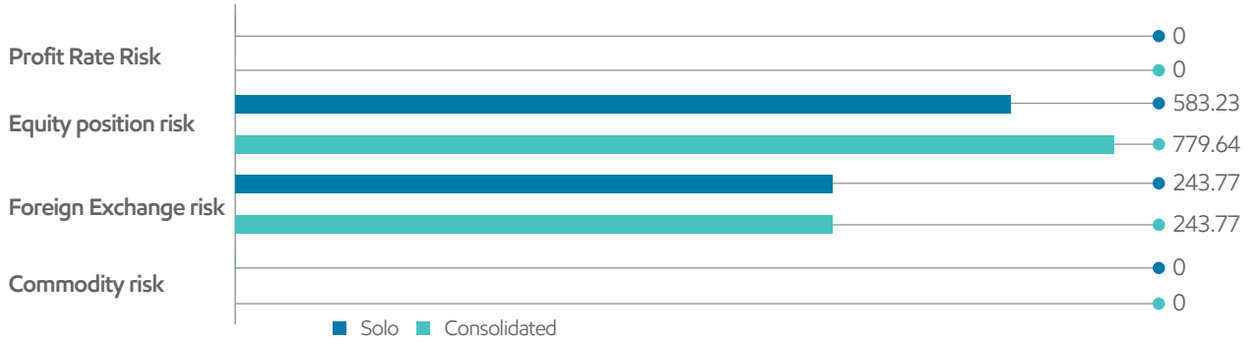
iv) Policies and processes for mitigating market risk	There are approved limits for Investment (credit) to deposit ratio, liquid assets to total assets ratio, maturity mismatch, commitments for both on-balance sheet and off-balance sheet items and borrowing from money market and foreign exchange position. The limits are monitored and enforced on a regular basis to protect the loss against market risks. The exchange rate of the Bank is monitored regularly and the Bank reviews the prevailing market condition, exchange rate, foreign exchange position and transactions to mitigate foreign exchange risks.

Quantitative Disclosures

b)The capital requirements for

Particulars	Taka in Million	
	Solo	Consolidated
Profit rate risk	-	-
Equity position risk	583.23	779.64
Foreign Exchange risk and	243.77	243.77
Commodity risk	-	-
Total Capital Requirement	**827.00**	**1,023.41**

(Taka in million)



8. Operational Risk

Qualitative Disclosures

a) i) Views of BOD on system to reduce Operational Risk	Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Board of Directors is always focused on deployment of Capable Human Resources, Systems etc. to carry out a large number of transactions effectively and accurately while complying with applicable laws and regulations constitute operational risk management activities of the Bank. The policy for operational risks including internal control & compliance risk is duly approved by the Board taking into account relevant guidelines of Bangladesh Bank. Audit Committee of the Board directly oversees the activities of Internal Control & Compliance to protect against all operational risks. Senior Management is always committed on implementation of the Operational Risk Management framework as approved by the Board. Management also ensures regular review and active participations in monitoring the effectiveness of Risk Management. Both the Board of Directors & Management of Shahjalal Islami Bank Ltd. believe that efficient management of Operational Risk always contribute to earnings and development of bank and preserve interest of all stakeholders.

ii) Performance gap of executives and staffs	Employee performance is the most important factor to achieve organizational goals. Bank maintains a technology based yearly performance monitoring system of each employee to monitor productivity based on allotted budget. Employee can easily check his/her performance growth as well as set strategy for achieving yearly budget. Rewards and recognition decisions of employees are made on the basis of individual performances. Bank has a special focus on: • Ensuring a balanced diversity, • Increase employee ownership to the Bank, • Improving productivity of an employee • Providing competitive compensation and benefits • Protecting human rights, • Ensuring a healthy and safety workplace, • Ensuring equal opportunity. SJIBL's strong brand image also plays an important role in employee motivation. SJIBL arranges internal and external Training, Workshop, Webinar, Seminar, Symposium and Participation in Fare etc. to develop employee skills.
iii) Potential external events	By its nature, Operational Risk cannot be totally eliminated. Like other Banks, SJIBL also operates its business with few potential external events that may significantly affect the Bank into operational risks are as follows: • General business and political condition, • Inflation, • Changes in taxation rules, • The risk of litigation process, • Changes in credit quality of borrowers, • Damage of physical asset, • Volatility in equity market, • Information security, • External fraud, Vendor Risk etc. • Business disruption and system failure etc. • Directives from Regulatory Authorities • Changes in Environment, Climate etc.
iv) Policies and processes for mitigating operational risk	In order to mitigate the day to day Operations Manual including Internal Control & Compliance Risk Manual is approved by the Board taking into account relevant guidelines of Bangladesh Bank. Senior Management Team (SMT), Executive Committee, Risk Management Division (RMD) & Banking Operations Division (BOD) regularly analyzed different outlook of Operational Risks and go up the findings to appropriate authority and Internal Control & Compliance Division (IC & CD) formulate appropriate policies to alleviate Operational Risk of the Bank. Apart from that, there is adequate check & balance at every stage of operation through Department Control Function Check List (DCFCL), Quarterly Operations Report (QOR), Key Risk Indicator (KRI), Internal Audit etc.
v) Approach for calculating capital charge for operational risk	Basic Indicator Approach (BIA) was used for calculating of capital charge for operational risk as per Guidelines on Risk Based Capital Adequacy of Bangladesh Bank. Under BIA, the capital charge for operational risk is a fixed percentage, denoted by @ (alpha) of average positive annual gross income of the Bank over past three years and multiply the average income by 15% to determine capital charges. Figures for any year in which annual gross income is negative or Zero, should be excluded from both the numerator and denominator when calculating the average.

Quantitative Disclosures

Particulars	Taka in Million	
	Solo	Consolidated
b) The capital requirements for :		
Operational risk	1,953.82	2,094.89

9. Liquidity Ratio

Qualitative Disclosures

i) Liquidity Risk	Liquidity risk is the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss (or make the required profit) or when a Bank is unable to fulfill its commitments in time when payment falls due. Thus, liquidity risk can be of two types: (i)Funding liquidity risk and (ii)Market liquidity risk.
ii) Views of Board of Directors on system to reduce liquidity risk	The Bank's Board of Directors already approved the strategy and significant policies related to the management of liquidity. According to the strategy and policies, SJIBL maintains diversified and stable funding base comprising of core retail, corporate and institutional deposits to manage liquidity risk. The responsibility of managing the liquidity risk of the Bank lies with Treasury Front Office. Different key ratios including LCR and NSFR are regularly discussed in monthly meeting of ALCO. The committee meets at least once in a month to review Asset-Liability and Liquidity position of the Bank. Treasury Division maintains liquidity based on current liquidity position, anticipated future funding requirement, sources of fund, options for reducing funding needs and ALCO monitors present and anticipated asset quality, present and future earning capacity, present and planned capital position etc.
iii) Methods used to measure liquidity risk	A sound liquidity risk management employed in measuring, monitoring and controlling liquidity risk is critical to the viability of the Bank. The measurement tools those are used to assess liquidity risks are: i. Cash Reserve Requirement (CRR); ii. Statutory Liquidity Ratio (SLR); iii. Investment to Deposit Ratio (IDR); iv. Structural Liquidity Profile (SLP); v. Maximum Cumulative Outflow (MCO); vi. Liquidity Coverage Ratio (LCR); vii. Net Stable Funding Ratio (NSFR) etc.
iv) Liquidity risk management system	The Asset Liability Committee (ALCO) meets at least once in a month to discuss and monitor overall position of the Bank including liquidity. Treasury Division closely monitors liquidity requirements on daily basis by appropriate coordination among funding activities. Besides, monthly fund flow projection is reviewed in ALCO meeting regularly in order to manage liquidity risk of the Bank.
v)Policies and processes for mitigating liquidity risk	In order to develop comprehensive liquidity risk management framework, the Bank has Board approved Contingency Funding Plan (CFP), a set of policies and procedures that serves as a blueprint for the Bank, to meet its funding needs in a planned manner at reasonable cost. Thus, CFP is an extension of ongoing liquidity management that formalizes the objectives of liquidity management by ensuring:

	a) Reasonable liquid assets being maintained; b) Measurement and projection of funding requirements during various scenarios; and c) Management of access to sources of find. Maturity ladder of cash inflows and outflows are effective tool to determine the Bank's cash position. A maturity ladder estimates a Bank's cash inflows and outflows and thus net deficit or surplus (GAP) on a day to day basis in different time buckets (e.g. call, 2-7 days, 1 month, 1-3 months, 3-12 months, 1-5 years, over 5 years).

Quantitative Disclosures

Particulars	Percentage (%)	
	Standard	Maintained
Cash Reserve Requirement (CRR)	≥4.00%	4.58%
Statutory Liquidity Ratio (SLR)	≥5.50%	14.73%
Investment to Deposit Ratio (IDR)	≤92%	84.48%
Liquidity Coverage Ratio (LCR)	≥100%	181.95%
Net Stable Funding Ratio (NSFR)	>100%	127.96%

10. Leverage Ratio

Qualitative Disclosures

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

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

Particulars	Taka in Million	
	Solo	Consolidated
Tier 1 Capital (A)*	24,531.74	24,814.45
Exposure Measure:		
On Balance Sheet Exposure*	310,655.98	312,975.78
Off-Balance Sheet Exposure*	65,018.59	65,018.59
Less: Regulatory adjustment made to Tier 1 Capital	0.00	0.00
Total Exposure (B)	375,674.57	377,994.37
Leverage Ratio (A/B)	6.53%	6.56%

**Considering all regulatory adjustments*

11. Remuneration

Qualitative Disclosures

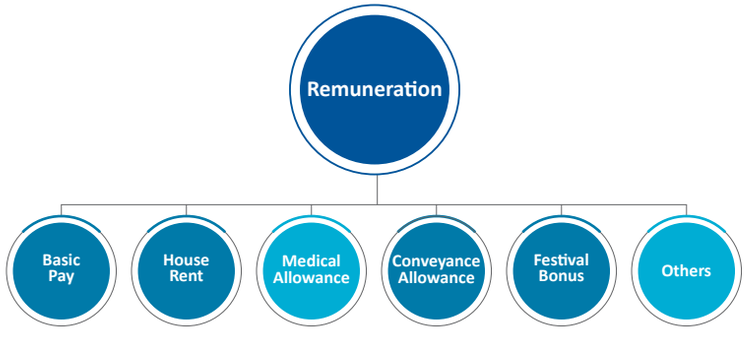
a) Information relating to the bodies that oversee remuneration.

i. Name, composition and mandate of the main body overseeing remuneration.	Human Resources Division of the Bank deals with the remuneration related issues of employees with the assistance of Financial Administration Division as per specific provisions laid down in the Employees' Service Rules of the Bank and Pay structure duly approved by the Board of Directors, while the same is governed and oversight by the Managing Director, Management Committee and Head of Human Recourses Division. The Bank has a well defined Employees' Service Rules approved by the Board of Directors, which includes remuneration/compensation packages, retirement benefits of regular employees and incentive schemes etc. The Board has also approved a very competitive and rewarding scale of pay for the Employees. The Service Rules and Remuneration policies/Pay Structure is reviewed and revised from time to time by the management constituting high powered committee taking account of peer group salary structures as well as inflation.
ii. External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process.	Bank does not seek advice from any external consultant in any step of remuneration process and therefore, no commission is paid to this effect.
iii. A description of the scope of the Bank's remuneration policy (e.g. by regions, business lines) including the extent to which it is applicable to foreign subsidiaries and branches.	SJIBL follows the uniform remuneration policy. However, management ensures extremely fair and performance based compensation to all employees. Further, the remuneration of higher management, consultants and contractual appointments are determined and oversight by the Board of Directors on case to case basis. As on December 31, 2021, the Bank had no foreign subsidiaries and branches outside Bangladesh.

iv. A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.	The Bank has not categorized any group or grade of employees as material risk taker. The risks in different operational events of the Bank are borne by the concerned employees of those particular areas as a team. However, the members of senior management, senior most branch managers and Head of the functional division at Head Office are considered as senior managers. As such, a number of 114 Executives of the Bank up to the rank of Vice President as on December 31, 2021 has been considered as senior managers as follows:

Designation	Number
Managing Director	1
Additional Managing Director	3
Deputy Managing Director	5
Senior Executive Vice President	8
Executive Vice President	15
Senior Vice President	32
Vice President	50
Total	**114**

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

i. An overview of the key features and objectives of remuneration policy.	The Bank has a well structured, competitive and rewarding scale of pay for the regular employees of the Bank duly approved by the Board of Directors. The pay package of all employees other than Managing Director and Contractual Employees are determined by the management in accordance with the approved scale of pay. The compensation package of Managing Director is determined by the Board of Directors and subject to the approval of the Central Bank, i.e. Bangladesh Bank. Remuneration Package of Contractual Employees, as and when required, are determined and approved by Board of Directors on case to case basis prior to appointment. The annual increment and incentive bonuses for the eligible employees are paid on the basis of performances under the purview of Board approved policies in this regard. The main objective of the remuneration policy of the Bank is to retain the existing human resources, attract/hire the talented & experienced professionals and to motivate the workforce to put their best efforts for sustainable growth of the Bank. The components of remuneration are mentioned in the diagram: 

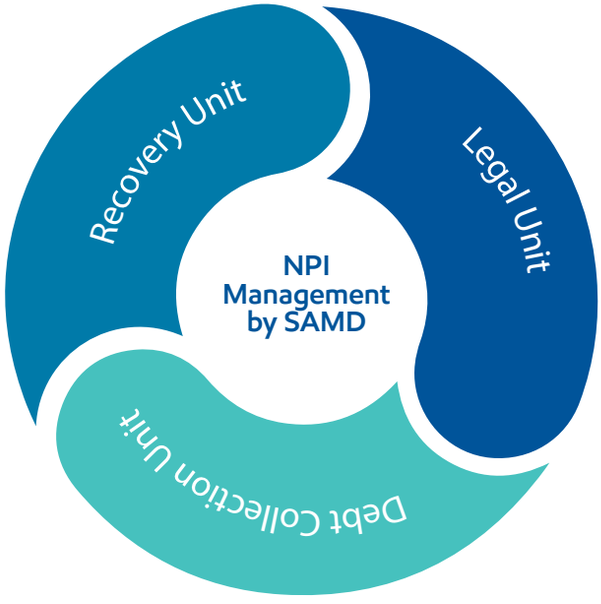
	The basic pay & other allowances like house rent, medical allowance are increased at a fixed rate annually subject to satisfactory performance of past year. The employees are also rewarded by way of special promotion, increment for their outstanding performance. Other than monthly remuneration Bank offers a number of facilities/benefits like Leave Fare Assistance (LFA); Executive Car Facility; Corporate Mobile Phone facility, Maternity benefits for female employees; Employees' House Building Investment Facility; Employees' House Building Safety Scheme; House Furnishing Allowance, Super Annuation & Disability & Death benefits etc. Besides, attractive retirement/separation benefit is paid in the form of Gratuity; Contributory Provident Fund; Leave encashment, Social Security fund etc. The employees are paid two festival bonus and boishaki bonus per year. Incentive bonus is also paid on the basis of performance for annual profit of the Bank.
ii. Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made.	The remuneration policy and pay structure for the employees of the Bank is reviewed and revised/reshuffled from time to time by management and subsequently placed before the Board of Directors for approval.
iii. A discussion of how the Bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.	The officials working in the Risk and Compliance areas have got their specific job descriptions & job allocations like professionals of other functional areas and performing their responsibilities independently as per standing guidelines of the regulators as well as the Bank management. Their service and remuneration are governed under the approved Employees' Service Rules of the Bank and pay structure of the Bank.
c) Description of the ways in which current and future risks are taken into account in the remuneration process.	
i. An overview of the key risks that the Bank takes into account when implementing remuneration measures.	The remuneration is measured taking into consideration of the following two risk factors: • Financial risks and • Compliance risk. If the financial losses is made for non-compliance of any of that rules & regulations by any employee the bonus, increment etc. are held.
ii. An overview of the nature and type of the key measures used to take account of these risks including risks difficult to measure.	SJIBL follows financial capacity of the Bank to measure remuneration packages. Besides, it considers operational impacts, cost of living adjustments, relevant compliances, industry-competitive remuneration in relation to the market reputation and other effective risk-adjusted measures in determine remuneration.
iii. A discussion of the ways in which these measures affect remuneration.	SJIBL approaches the employee's remuneration arrangements, especially periodic fixed remuneration enhancements and variable compensation through an integrated risk, finance, compensation and performance management framework. Annual salary increment and potential variable benefits are rewarded at the end of each year.
iv. A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration.	The realistic grounds has considered by the Bank's management to revise and measure the remuneration arrangement from time to time in order to ensure risk adjusted business operations and employee satisfaction simultaneously.
d) Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration.	

i. An overview of main performance metrics for Bank, top-level business lines and individuals.	• Net Profit (Income) Margin (NIM) • Return on Investment (ROI) • Return on Assets (ROA) • Return on Equity (ROE) • RAROC (Risk adjusted Return on Capital) • Classified Investment Ratio • Earnings Per Share (EPS) • Capital to Risk-weighted Asset Ratio (CRAR) • Operating Efficiency (cost control) • Cost Income Ratio
ii. A discussion of how amounts of individual remuneration are linked to Bank-wide and individual performance.	Annual performance bonus, salary increment and promotion are directly linked with employee's individual performance.
iii. A discussion of the measures the Bank will in general implement to adjust remuneration in the event that performance metrics are weak.	Not Applicable
e) Description of the ways in which the Bank seeks to adjust remuneration to take account of longer-term performance.	
i. A discussion of the Bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance.	Currently SJIBL does not offer any variable remuneration that may be deferred or vested either in the form of cash, shares or share-linked instruments. However, employees are eligible for variable remuneration arrangement in the form of Incentive Bonus (non-deferred cash awards), applicable to their positions.
ii. A discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw-back arrangements.	Not Applicable
f) Description of the different forms variable remuneration that the Bank utilizes and the rationale for using these different forms.	
i. An overview of the forms of variable remuneration offered (i.e. cash, share and share-linked instrument and other forms).	The structure of remuneration arrangements for all employees primarily consists of a fixed remuneration component, which is made up of basic salary, allowances and other benefits. Employees are also eligible for variable remuneration arrangements applicable to their position. Variable remuneration consists of Incentive Bonus (cash awards) for most of SJIBL's employees.
ii. A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees), a description the factors that determine the mix and their relative importance.	The following variable remunerations are provided by the Bank on the basis of employee's individual performance. • Annual performance bonus and • Salary increment.
Quantitative Disclosures	
g) Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.	Not Applicable
h) i. Number of employees having received a variable remuneration award during the financial year.	Not Applicable
h) ii. Number and total amount of guaranteed bonuses awarded during the financial year.	**No. of Guaranteed Bonus** / **Total Amount (Tk. in Million)** 3 festival bonuses / 164.36

<table>
<tr><td>h) iii. Number and total amount of sign-on awards made during the financial year.</td><td>Not Applicable</td></tr>
<tr><td>h) iv. Number and total amount of severance payments made during the financial year.</td><td>Not Applicable</td></tr>
<tr><td>i) i.Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.</td><td>Not Applicable</td></tr>
<tr><td>i) ii. Total amount of deferred remuneration paid out in the financial year.</td><td>Not Applicable</td></tr>
<tr><td>j) Breakdown of amount of remuneration awards for the financial year to show:
i. Fixed and variable;
ii. Deferred and non-deferred;
iii. Different forms used (cash, shares and share linked instruments, other forms).</td><td><table>
<tr><th>Sl.</th><th>Particulars</th><th>Total Amount (Tk. in Million)</th></tr>
<tr><td>i.</td><td>Fixed and variable</td><td>2,839.79</td></tr>
<tr><td>ii.</td><td>Deferred and non-deferred</td><td>Nil</td></tr>
<tr><td>iii.</td><td>Different forms used</td><td>Cash</td></tr>
</table></td></tr>
<tr><td>k) i. Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.</td><td>Not Applicable</td></tr>
<tr><td>k) ii. Total amount of reductions during the financial year due to ex post explicit adjustments.</td><td>Not Applicable</td></tr>
<tr><td>k) iii. Total amount of reductions during the financial year due to ex post implicit adjustments.</td><td>Not Applicable</td></tr>
</table>

MANAGEMENT OF NON **PERFORMING INVESTMENT (NPI)**

2020 was the most unprecedented year in banking history of Bangladesh wherein the economy was drowned into pandemic of COVID-19 through-out the year then economy had recovered gradually. If 2021 was the year of the big rebound, with COVID-19 vaccines fueling a robust economic recovery and steadily improving credit/investment markets, the recent emergence of some major external factor has offered a stark reminder that we have not yet beaten uncertainty. Non Performing Investment (NPI) Management has become more challenging and critical since the economy has become more fragile due to the behavioral change of investment customer which developed in COVID-19 period. Investment income is the main source to the Bank and eventually NPIs become a huge obstacle for a strong bank whereas a sound banking system ensures effective use of resources, facilitating efficient allocation. In this back-drop, NPI Management is one of the core banking activities of SJIBL and it is being carried out by Special Asset Management Department (SAMD) which comprises of i) Recovery Unit including (ii) Debt Collection Unit and c) Legal Unit. Besides the functions of above units, CL Reporting is also being done under direct supervision of this Department.



Major Challenges faced by SJIBL in 2021:

On top of negative impact of COVID-19, persistently high inflation, fueled by supply-chain disruption and soaring energy prices, had been the primary setback derailing a fragile recovery in 2021. Despite these facts, SAMD had been devoted and enthusiastic in recovery drive and it resulted in 64.15 % recovery in respect to budget of Tk.7,714.15million declining the classification rate from 4.57% to 4.42%.

Non-Performing Investment Recovery challenges face by SJIBL:

Lack of Socio-cultural environment for de-motivation of being defaulter.

- No social restriction exists on defaulters.

Lack of Government Policy for recovery from defaulter clients

- No strict and effective Govt. policy exists to pressurize the defaulters i.e. impose restriction on travel, attending seminar etc.

Legal Challenge

- Lengthy and time consuming process
- Stay Order.

Extra Challenges of COVID Period:

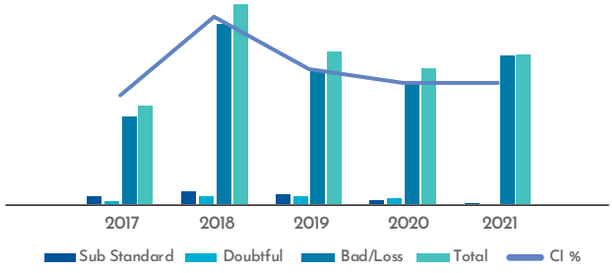
On top of inherited above mentioned challenges the Bank faced the following unexpected difficulties hindering recovery:

- Closure of Trading Concerns of luxury item e.g. products out of daily necessity.
- Declining of Transport Business
- Down-sizing of Truism, hotel, motel business
- Restriction in communication
- Closure of Court, SRO and other Govt. and Semi-Govt. offices
- Non-Repayment attitude grown from Uncertainty derived by pandemic.

Prominent Achievements in recovery drive:

Despite after-shocks of COVID-19 in the economy, SAMD's multifaceted recovery efforts and management's prudent guidelines and foresight glorified the bank with the following accomplishments in 2021:

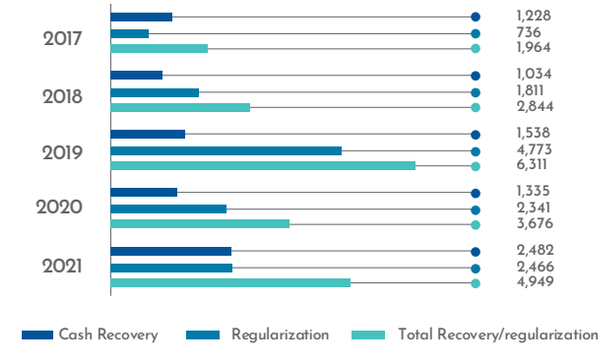
Trend of NPI



- Classification rate has been decreased from 4.57% to 4.42%
- Cash recovery of Tk.2483 million in 2021 from NPI clients which was highest in last 5 (five) years
- Regularization of Tk.2,466 million in 2021 from NPI clients which was higher than that of previous year
- Total Recovery/Regularization amount was Tk.4,949 million against target of Tk.7714 million, which is 64.15% against target.
- Percentage of Recovery against target soared by 2.66% in 2021 from 2020.

The recovery success is portrayed in the following graph which illustrates a growth trend from 2020 to 2021 that is more than Tk.1,273million higher than previous year.

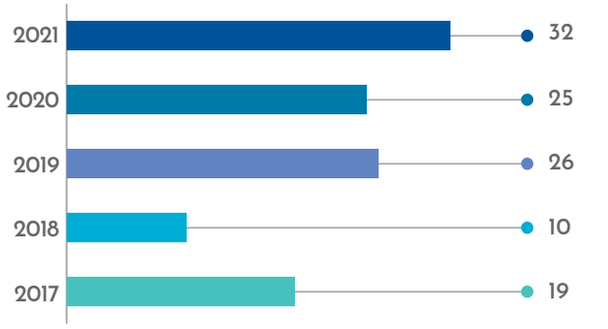
RECOVERY/REGULARIZATION TREND



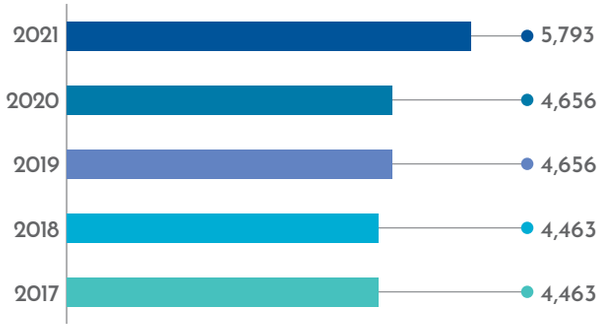
Write-off position and recovery:

As per Bangladesh Bank's rules and regulations, SJIBL has written-off total amount of Tk.5,793 million and the combined exertion of the management, specially SAMD has got the outcome of Tk.48million of recovery from Written-off liability in 2021.

Write-off Investment Recovery Trend (Million BDT)



Write-up Cumilative Outstnading (Million BDT)



NPI Management by Legal Unit:

Vigorous and dynamic functions dedicated for legal issues and managing total 207 Nos. of Arthor Rin Suits in different parts of Bangladesh against which the Bank has got claim of Tk.14,520million as on 31.12.2021. Besides, Legal unit is conducting and supervising 551 Nos. of NI Act suits at courts all over the country and its continuous guidance has have turned out following positive impacts on NPI Management from the aforementioned legal suits in the year 2021.

Trend of Cumulative Write-off

- In 2021, cash recovery was Tk.467million form NPIs against the suits under trial.
- Final settlement/adjustment of entire classified liabilities of 240Nos. of Investment Client against whom, the Bank has been conducting suit file and thus reduced NPI
- 11 Nos of Classified Investment Accounts against which the bank was running trial, were brought under Reschedule/Special Reschedule/One Time Exit arrangement and thus regularized NPI.
- SJIBL got favorable verdict against 2 Nos. of suit-files and achieved ownership of mortgaged properties of total value Tk.442million.

Strategy for 2022 in curbing NPIs:

A non-performing investment (NPI) is a bank's investment that is subject to late repayment or is unlikely to be repaid by the investment client in full. Non-performing Investment represent a major challenge for the banking sector, as it reduces the profitability of banks, and is often presented as preventing banks from investing more to businesses and consumers, which in turn slows down economic growth.

SJIBL Management is always eager to launch an action plan to tackle NPIs. The action plan supports the flexibilities offered in compliance with the rules set by the Central Bank in terms of rescheduling,Alternate Dispute Resolution/ amicable settlement and in rationale cases waiver and write-off. The future strategies are:

Planning ahead

Fixing optimistic target in the beginning of the year in respect to all the functional segments of SAMD and ensure co-ordination amongst the units towards ultimate recovery goal.

Pro-activeness by Recovery Team

NPI Prone Branches will be allocated along-with others to Recovery Team Members and they will conduct their functions pro-actively with guidelines from Head Office to Branches if needed.

Close supervision on-site and off-site

Recovery team will monitor the recovery actions from day-one and will gather feed-back and up-dates in frequent intervels and Debt Collection Unit will remain in close attachment with Non Performing Investment Clients and their associates having prospective role play in recovery

Legal Settlement

Legal issues will be monitored closely for rapid settlement through legal procedure. Appropriate and competent legal official/advisors will be deployed for favorable and efficient recovery by legal suits. Regional legal representatives will be assigned for intimidate follow-up and feedbacks in respect to the legal suits carried out at distant areas from Head Office.

Alternative Dispute Resolutions

Alternative Dispute Resolutions (ADR) will be highly emphasized for early and easy settlement of NPIs. All the members of Recovery Team, Debt Collection Unit, On-site supervisory team will be aware and inclined to the ADR mechanism i.e. out of court settlement.

Reschedule, weiver and write-off approval

All sorts of NPI cubing tools and techniques will be conducted on priority basis through rescheduling, weiver and write-off approvals.

Target oriented incentive declaration

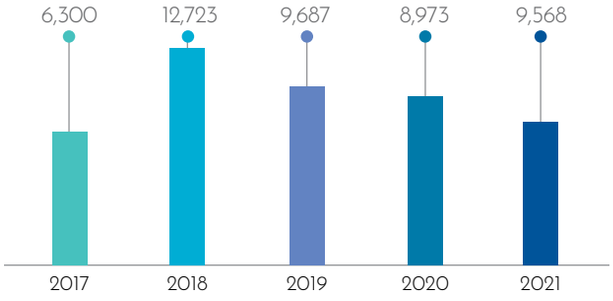
Targeting reduction of NPIs and its achievement will be rewarded in all possible and rational manner

Early Alert mechanism

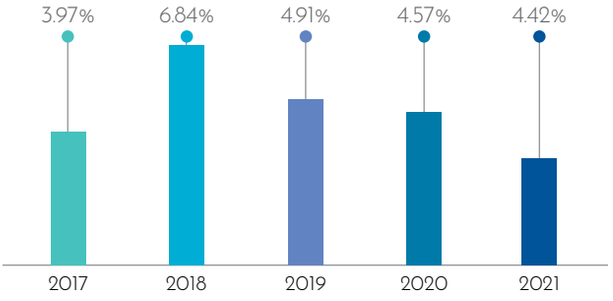
Early Alert Mechanism will be conducted and guidelines to detect and resolve the sign of NPIs in early stage will be provoked.

Movement of NPIs: Historical data for the last 5 (five) years indicates that SJIBL management has been prudent and astute enough to maintain the steady declining trend in classification rate throughout the few years.

Year wise Total Classifie Investment (in million Tala)



Year wise % of Classified Investment



NPI Management Goal set-up for future:

- Classification percentage to be brought down below 3% in coming year 2022.
- Recovery goal will be reached up-to Tk.5,472million against both cash recovery and up-gradation of the liabilities through regularization.
- A major portion of stressed liabilities will be up-held to regular accounts and thus prevent those from turning into Non-Performing ones.
- By accomplishing the above strategies, the provision requirement will be brought down to rational level.

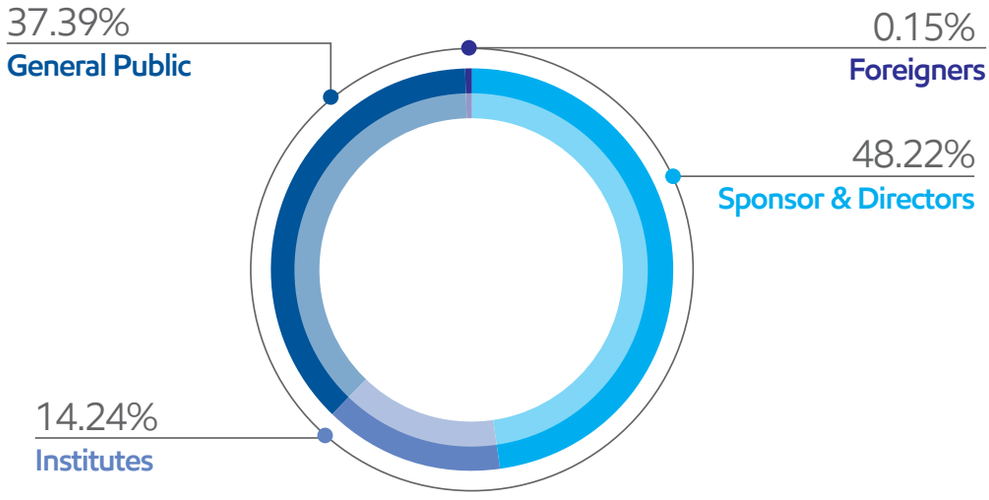


STAKEHOLDERS' INFORMATION

SHAREHOLDING **STRUCTURE**

Shareholding Structure as on 31 December 2021

SL. No.	Type of Owner	No. of shares	Value of shares BDT	% of holding
1	Sponsor & Directors	496,241,326	4,962,413,260	48.22%
2	Institutes	146,588,245	1,465,882,450	14.24%
3	General Public	384,676,589	3,846,765,890	37.39%
4	Foreigners	1,590,791	15,907,910	0.15%
	Total	**1,029,096,951**	**10,290,969,510**	**100.00%**



SHAREHOLDING **BY DIRECTORS**

Name of Directors and their shareholdings as at 31 December 2021

SL	Name of Directors	Position	No of Shares held	Amount Taka	% of Share
1	Mr. Mohammed Younus	Chairman	25,442,232	254,422,320	2.47%
2	Mr. Mohiuddin Ahmed	Vice-Chairman	20,592,775	205,927,750	2.00%
3	Mr. Mohammed Golam Quddus	Vice-Chairman	20,634,938	206,349,380	2.01%
4	Dr. Anwer Hossain Khan	Director	30,763,206	307,632,060	2.99%
5	Mr. Md. Sanaullah Shahid	Director	26,335,633	263,356,330	2.56%
6	Mr. Md. Harun Miah	Director	20,582,006	205,820,060	2.00%
7	Mr. Md. Abdul Barek	Director	20,582,096	205,820,960	2.00%
8	Mr. Abdul Halim	Director	25,033,975	250,339,750	2.43%
9	Mr. Akkas Uddin Mollah	Director	40,690,823	406,908,230	3.95%
10	Mr. Khandaker Sakib Ahmed	Director	20,582,838	205,828,380	2.00%
11	Engr. Md. Towhidur Rahman	Director	23,124,455	231,244,550	2.25%
12	Mr. A.K. Azad	Director	39,233,423	392,334,230	3.81%
13	Mr. Fakir Akhtaruzzaman	Director	20,581,938	205,819,380	2.00%
14	Mr. Md. Moshiur Raman Chamak	Director	20,777,760	207,777,600	2.02%
15	Mrs. Tahera Faruque	Director	31,866,598	318,665,980	3.10%
16	Mrs. Jabun Nahar	Director	21,086,932	210,869,320	2.05%
17	Mr. Fakir Mashrikuzzaman	Director	37,529,420	375,294,200	3.65%
18	Mr. Ekramul Hoque	Independent Director	-	-	0.00%
19	Mr. KAM Majedur Rahman	Independent Director	-	-	0.00%
20	Mr. Nasir Uddin Ahmed FCA, FCS	Independent Director	-	-	0.00%
Total			**445,441,048**	**4,454,410,480**	**43.28%**

REDRESSAL OF **INVESTORS' COMPLAINTS**

Consistent and clear communication relating to financial and strategic information enhances shareholders' expectations and goes a long way in establishing and maintaining trust. By understanding and aligning with shareholders' expectations and positioning our value proposition accordingly, we remain best placed to manage their expectations.

Complaint received throughout the year, related to shares, not receiving of Annual Reports and dividends timely is resolved lawfully in time.

The proxy form is affixed with the annual report in order to nominate proxy to attend and vote on behalf of shareholders who are unable to attend the shareholders' meeting.

The shareholders' meetings proceed in accordance with the order of agenda to give shareholders the opportunity to study the information on the given agenda before the poll.

The bank have maintained regular communication with the shareholders through periodic updates of performance and at any other time when it believes it needs to be done in the best interest of shareholders.

Annual Report of each year, quarterly financial statements and other important information are posted on SJIBL's website *www.sjiblbd.com*

Investors' inquiries related to transfer of shares, changes of name and address and payment of dividend should be sent to the following address:

Share Department

Shahjalal Islami Bank Limited
Shahjalal Islami Bank Tower
Plot – 4, Block – CWN(C)
Gulshan Avenue, Gulshan,
Dhaka - 1212

SJIBL follows the following principles in dealing with the Investors:

- Protection of investors' interest;
- Fair treatment to all investors;
- Equal opportunity for all type of investors;
- Resolution of investors' complaints in time;
- Investors' are informed about the resolution of their complaints;
- Investors' are dealing with Friendliness;

Communication to Shareholders

Throughout the year we communicate with Shareholders in the following ways:

- By Publishing Price Sensitive Information (PSI) in National dailies and in Online News Portal;
- By releasing PSI via website of DSE, CSE and in Bank website: *www.sjiblbd.com;*
- By publishing Press Release about Bank's important events in the newspapers;
- By issuing notices to the Shareholders for holding Annual General Meeting every year and Extra-Ordinary General Meeting (as and when necessary);
- By sending the Annual Reports of the Bank every year;
- By sending the Right Offer Document (ROD) as and when required;
- By publishing Financial Statements in the newspapers;
- By holding General Meetings of Shareholders;
- Electronic and other means of communications with Shareholders:

FINANCIAL **CALENDAR**

2021

1st Quarter Results issued on	2nd Quarter Results issued on	3rd Quarter Results issued on
28th April 2021	14th July 2021	27th October 2021

Annual Results issued on	21th Annual General Meeting
16th March 2022	28th April 2022

2020

1st Quarter Results issued on	2nd Quarter Results issued on	3rd Quarter Results issued on
10th June 2020	29th July 2020	28th October 2020

Annual Results issued on	20th Annual General Meeting
10th March 2021	28th April 2021

Dividend Information

Distribution of Dividend- 2020

Dividend Rate	Declaration Date	Record Date
5% (Stock) and 7% (Cash)	10th March 2021	04th April 2021

AGM Date	Distribution Date
28th April 2021	Stock- 05th May 2021 Cash- 03rd May 2021– 18th May 2021

EVALUATION OF **QUARTERLY PERFORMANCE**

Evaluation of quarterly financials by the Audit Committee and Board

Every listed company is required to prepare and publish quarterly financial statements for the first quarter (Q-1), half-year (Q-2) and third quarter (Q-3) as per requirement of Bangladesh Securities and Exchange Commission (BSEC). SJIBL prepares quarterly financial statements as per requirement of Bangladesh Securities and Exchange Commission (BSEC) and in accordance with International Accounting Standard (IAS)-34: "Interim Financial Reporting".

Key highlights of interim results of the bank is stated below:

(Amount in million)

Balance Sheet	31 Dec 21	31 Dec 20	30 Sep 21	30 Sep 20	30 Jun 21	30 Jun 20	31 Mar 21	31 Mar 20
Placement with other Banks & FI's	18,514.59	23,646.67	18,041.19	22,267.17	20,721.19	17,050.87	24,460.44	12,231.12
Inv in Shares & Securities	36,267.60	27,609.76	30,833.25	22,962.52	29,030.01	15,925.13	30,162.83	17,624.25
Investment	216,586.58	196,512.65	204,800.58	200,071.36	199,865.19	199,903.05	194,339.74	192,813.57
Placement from other Banks & FI's	32,436.45	19,730.96	25,178.42	21,843.14	22,715.24	17,299.27	18,906.46	12,174.46
Deposit & Other accounts	217,288.99	218,442.95	212,212.37	216,381.78	216,013.87	207,799.35	213,924.72	200,388.58
Paid up Capital	10,290.97	9,800.92	10,290.97	9,800.92	10,290.97	9,334.21	9,800.92	9,334.21
Total Shareholder's equity	19,802.99	17,948.76	19,576.61	17,583.32	18,981.17	17,581.26	17,894.81	17,117.86
Total Assets	313,731.10	293,517.85	294,793.46	292,474.88	294,480.71	278,677.02	288,932.47	266,194.86
Off Balance Items	171,223.63	120,035.04	149,821.16	117,964.81	143,648.40	111,406.76	136,780.85	124,483.29

Profit and Loss Account	01 Jan 21 to 31 Dec 21	01 Jan 20 to 31 Dec 20	01 Jan 21 to 30 Sep 21	01 Jan 20 to 30 Sep 20	01 Jan 21 to 30 Jun 21	01 Jan 20 to 30 Jun 20	01 Jan 21 to 31 Mar 21	01 Jan 20 to 31 Mar 20
Net Investment Income	6,423.55	5,615.32	4,956.49	4,859.35	2,965.03	3,347.01	1,443.04	1,956.23
Non Investment Income	4,477.17	3,190.17	3,029.66	2,044.96	2,103.72	1,358.80	902.18	772.17
Operating Expenses	4,897.03	4,710.68	3,481.03	3,557.03	2,253.49	2,248.72	988.84	957.79
Operating Profit	6,003.69	4,094.81	4,505.12	3,347.28	2,815.26	2,457.09	1,356.38	1,770.61
Net Profit After Taxation	2,585.24	1,908.20	2,313.92	1,542.77	1,718.48	1,074.00	632.12	610.60
Earnings per share(EPS)	2.51	1.85	2.25	1.50	1.67	1.04	0.64	0.62

Other Information	31 Dec 21	31 Dec 20	30 Sep 21	30 Sep 20	30 Jun 21	30 Jun 20	31 Mar 21	31 Mar 20
Net Asset Value (NAV) per share	19.24	17.44	19.02	17.09	18.44	17.08	18.26	17.47
NOCFPS	0.61	16.15	-1.46	12.83	0.89	4.67	-3.34	4.35

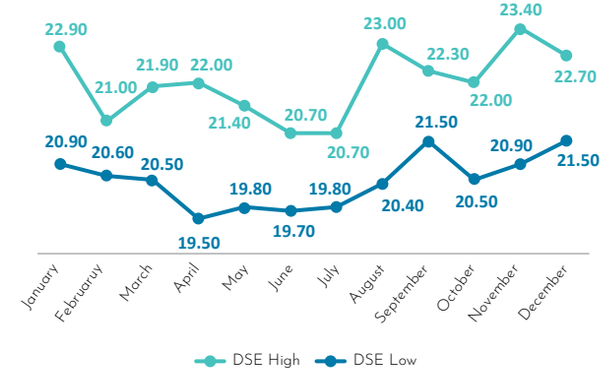
The interim result is reviewed by the Audit Committee of the Board before publishing and then referred it to the Board of Directors for its approval. After being approved by the Board of Directors, the interim financial statements are submitted to the Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) and then published in two daily newspapers (Bangla and English). The report is also available in the Bank's official website at *www.sjiblbd.com.*

STOCK PERFORMANCE - 2021

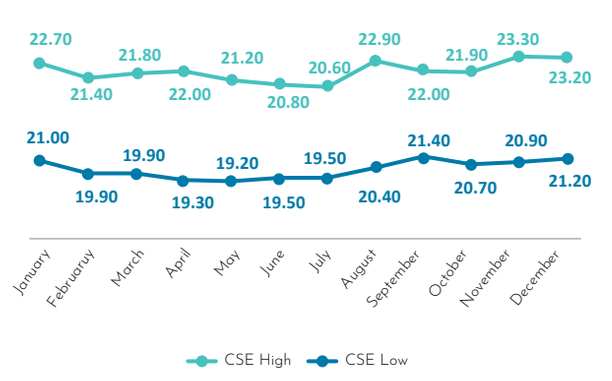
Trade Price of Shares of Shahjalal Islami Bank Limited during the year 2021 on Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited are given below:

Month	DSE			CSE			Total Volume on DSE & CSE
	High Taka	Low Taka	Volume	High Taka	Low Taka	Volume	
January	22.90	20.90	8,285,006	22.70	21.00	200,007	8,485,013
February	21.00	20.60	971,871	21.40	19.90	89,472	1,061,343
March	21.90	20.50	2,518,973	21.80	19.90	150,723	2,669,696
April	22.00	19.50	1,901,180	22.00	19.30	159,292	2,060,472
May	21.40	19.80	5,636,244	21.20	19.20	139,379	5,775,623
June	20.70	19.70	6,336,666	20.80	19.50	175,720	6,512,386
July	20.70	19.80	5,889,891	20.60	19.50	90,342	5,980,233
August	23.00	20.40	6,954,099	22.90	20.40	363,313	7,317,412
September	22.30	21.50	6,532,048	22.00	21.40	608,637	7,140,685
October	22.00	20.50	5,492,911	21.90	20.70	239,357	5,732,268
November	23.40	20.90	11,034,980	23.30	20.90	379,645	11,414,625
December	22.70	21.50	4,197,084	23.20	21.20	312,696	4,509,780

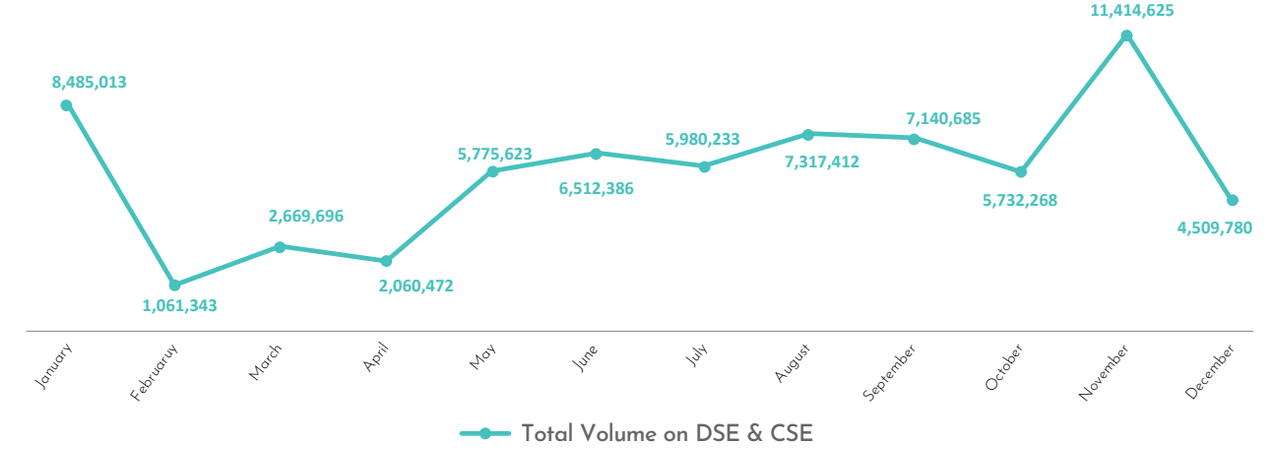
DSE Market Price-2021



CSE Market Price-2021



Total Volume on DSE & CSE -2021



PROFITABILITY AND **BUSINESS RATIO**

Profitability/Dividends/Performance and Liquidity Ratios

SL	Items	2021	2020	2019	2018	2017
1	**A) Net Investment Income Ratio**					
2	Net Income Ratio (%)	14.14	9.44	7.28	7.38	7.82
3	Net Profit (Interest) Income Ratio (%)	2.52	2.42	3.40	3.08	2.93
4	Net Profit (Interest) Income as a percentage of Working Funds (%)	2.12	2.01	2.82	2.58	2.44
	B) Profit Before Provisions and Tax					
1	Profit Before Provisions and Tax (in million)	6,004	4,095	5,865	4,576	3,328
2	Cost/Income ratio (%)	44.92	53.50	44.17	47.11	51.56
	C) Price Earnings Ratio					
1	Price Earning Ratio	8.69	12.38	13.37	17.47	23.40
	D) Capital Adequacy Ratio					
1	Tier I Capital Ratio (%)	10.92	9.15	9.03	7.45	8.38
2	Tier II Capital Ratio (%)	4.12	5.28	6.55	7.05	3.81
3	Total Capital Adequacy Ratio (Basel-III/II) (%)	15.04	14.43	15.58	14.50	12.19
	E) Return on Capital Employed					
1	Return on Capital Employed (ROCE) (%)	8.74	7.11	6.70	6.99	7.93
2	Return on Equity (%)	13.70	11.08	10.98	10.47	9.14
3	Return on Assets (ROA) (%)	0.85	0.68	0.67	0.65	0.64
	F) Debt Equity Ratio					
1	Debt Equity Ratio (Times)	14.84	15.35	15.11	15.48	14.61
2	Investment to Total Deposit Ratio (%)	84.48	79.62	87.47	90.32	90.17
3	Net Asset Value per Share (Taka)	19.24	17.44	16.84	15.84	15.69

Business Ratio/Information

SL	Items	2021	2020	2019	2018	2017
1	Statutory Liquidity Ratio (SLR)	14.73	11.50	7.43	7.21	8.23
2	Net profit income as a percentage of working funds/ Operating cost-efficiency ratio	2.12	2.01	2.82	2.58	2.44
3	Return on Average Asset	0.85	0.68	0.67	0.65	0.64
4	Cost/Income ratio	44.92	53.50	44.17	47.11	51.56
5	Net Asset Value per Share	19.24	17.44	16.84	15.84	15.69
6	Profit per Employee (in million)	2.19	1.54	2.21	1.91	1.39
7	Capital to Risk Weighted Assets/Capital Adequacy Ratio	15.04	14.43	15.58	14.50	12.19
8	Cost of Fund	5.28	7.39	8.42	8.31	7.83
9	Operating profit as a percentage of working funds	1.98	1.46	2.30	2.03	1.77
10	Cash Reserve Ratio/Liquid Asset Ratio	4.58	4.74	5.94	6.92	8.09
11	Dividend Coverage Ratio	1.67	1.63	1.84	1.73	1.55
12	Gross Non-Performing Assets to Gross Investment (Advances)/Non-Performing Investment (Advances) (Assets) to Total Investment (Advances) (Assets)	4.42	4.57	4.91	6.84	3.97

FIVE YEARS
FINANCIAL SUMMARY

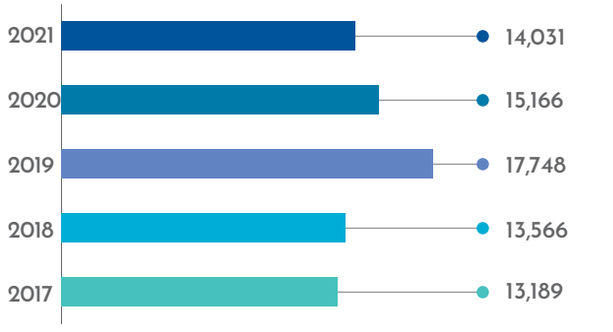
Figures in million Taka unless otherwise specified

SL	Items	2021	2020	2019	2018	2017
A.Financial Position						
1	Authorized Capital	15,000	15,000	10,000	10,000	10,000
2	Paid up Capital	10,291	9,801	9,334	8,486	7,714
3	Reserve and Surplus	9,512	8,148	7,173	6,303	5,604
4	Total Shareholders' Equity	19,803	17,949	16,507	14,789	13,318
5	Total Deposits	217,289	218,443	203,273	176,862	146,348
6	Total Investment	216,587	196,513	197,286	186,090	158,668
7	Investment in Share and Securities	36,268	27,610	15,639	12,321	10,526
8	Fixed Assets	5,077	4,741	4,504	3,995	3,957
9	Total Assets (excluding off-balance sheet items)	313,731	293,518	265,993	243,660	207,886
10	Total Contingent Liabilities and Commitment	171,224	120,035	113,090	100,787	89,226
11	Profit Earning Assets	266,235	244,232	219,818	202,397	173,187
12	Non-profit Earning Assets	47,496	49,286	46,175	41,263	34,699
B. Operating Result						
1	Investment Income	13,805	17,034	20,291	17,122	12,996
2	Profit Paid on Deposit	7,382	11,418	13,112	11,295	8,419
3	Net Investment Income	6,424	5,615	7,178	5,827	4,577
4	Total Income	18,282	20,224	23,618	19,948	15,289
5	Total Expenditure	12,279	16,129	17,753	15,372	11,961
6	Operating Profit	6,004	4,095	5,865	4,576	3,328
7	Profit before Tax	4,837	3,643	3,894	3,165	2,079
8	Profit after Tax	2,585	1,908	1,718	1,471	1,196
C. Capital Adequacy						
1	Risk Weighted Assets	224,654	196,155	182,776	173,161	158,937
2	Capital Requirement	22,465	19,615	18,278	17,316	15,894
3	Tier I Capital	24,532	17,949	16,507	12,893	13,318
4	Tier II Capital	9,246	10,360	11,970	12,213	6,058
5	Total Equity (Tier I & Tier II)	33,778	28,308	28,477	25,106	19,376
6	Capital Surplus	11,313	8,693	10,200	7,790	3,482
7	Tier I Capital Ratio (%)	10.92	9.15	9.03	7.45	8.38
8	Tier II Capital Ratio (%)	4.12	5.28	6.55	7.05	3.81
9	Total Capital Adequacy Ratio (Basel-III) (%)	15.04	14.43	15.58	14.50	12.19
D. Investment Quality						
1	Volume of Non-performing Investment	9,569	8,973	9,687	12,723	6,301
2	Amount of Provision against classified Investment	3,075	3,440	3,258	2,445	1,415
3	Amount of Provision against unclassified Investment	2,419	2,224	1,901	1,375	1,166
4	Amount of Provision against Off Balance Sheets Exposures	1,356	935	869	837	892
5	Classified Investment as % of Total Investment	4.42	4.57	4.91	6.84	3.97
E. Foreign Exchange Business						
1	Import Business	248,934	148,469	157,060	140,382	129,244
2	Export Business	191,899	133,580	147,052	125,402	97,437
3	Inward Foreign Remittance	11,888	7,755	7,849	6,129	3,576

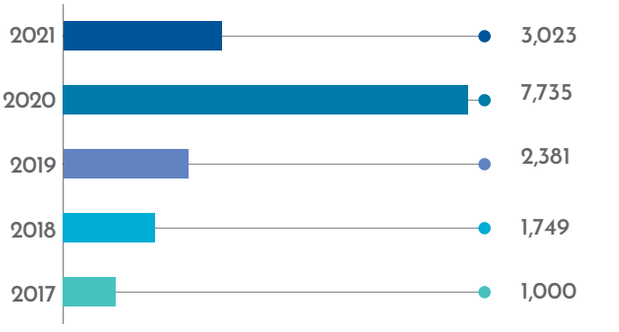
SL	Items	2021	2020	2019	2018	2017
F. Profitability, Performance and Liquidity Ratio						
1	Net Asset Value per Share (Taka)	19.24	17.44	16.84	15.84	15.69
2	Investment to Total Deposit Ratio (%)	84.48	79.62	87.47	90.32	90.17
3	Return on Assets (ROA) (%)	0.85	0.68	0.67	0.65	0.64
4	Return on Equity (ROE) (%)	13.70	11.08	10.98	10.47	9.14
5	Gross Income Ratio (%)	59.62	43.54	44.48	43.38	44.93
6	Net Income Ratio (%)	14.14	9.44	7.28	7.38	7.82
7	EBIT Ratio	36.06	24.45	31.66	31.69	24.37
8	Return on Capital Employed (ROCE) (%)	8.74	7.11	6.70	6.99	7.93
9	Cost/Income ratio (%)	44.92	53.50	44.17	47.11	51.56
10	Net Profit (Interest) Income Ratio (%)	2.52	2.42	3.40	3.08	2.93
11	Operating Income Ratio (%)	32.84	20.25	24.83	22.94	21.77
12	Net Profit (Interest) Income as a percentage of Working Funds (%)	2.12	2.01	2.82	2.58	2.44
13	Cost of Deposit (%)	3.19	4.98	6.05	6.05	5.60
14	Cost of Fund (%)	5.28	7.39	8.42	8.31	7.83
15	Return on General Investment (%)	6.76	8.34	10.07	9.81	9.12
16	Net operating Cash flow per Share (Taka)	0.61	16.15	9.09	(3.07)	2.50
17	Profit Per Employee	2.19	1.54	2.21	1.91	1.39
G. Leverage Ratio						
1	Debt Equity Ratio (Times)	14.84	15.35	15.11	15.48	14.61
2	Debt Ratio (%)	93.69	93.88	93.80	93.93	93.59
3	Interest Coverage Ratio (Times)	11.18	5.82	4.64	3.62	9.37
H. Dividend and Market Ratio						
1	Cash Dividend	10%*	7%	5%	-	-
2	Bonus Dividend	5%*	5%	5%	10%	10%
3	Dividend Cover Ratio (Times)	1.67	1.63	1.84	1.73	1.55
4	Dividend Yield (%)	6.88	5.24	4.27	3.62	3.03
5	Price Earning Ratio	8.68	12.35	13.35	17.51	21.29
6	Earnings Per Share (Taka)	2.51	1.85	1.75	1.58	1.41
7	Dividend Payout Ratio (%)	59.76	61.54	54.35	57.80	64.52
8	Market Capitalization	22,434	22,444	21,842	23,420	25,457
						*Proposed by the Board of Directors
I. Shareholders Information						
1	No. of Share Outstanding (million share)	1,029.10	980.09	933.42	848.56	771.42
2	Number of Shareholders	26,060	28,924	31,022	34,229	38,782
3	Market Value Per Share (Taka)	21.80	22.90	23.40	27.60	33.00
J. Other Information						
1	Number of Branches	132	132	132	122	113
2	Number of Brokerage House	8	8	8	8	8
3	Number of Employees	2,741	2,657	2,652	2,395	2,402
4	Number of foreign Correspondents	436	412	416	428	410

GRAPHICAL **PRESENTATION**

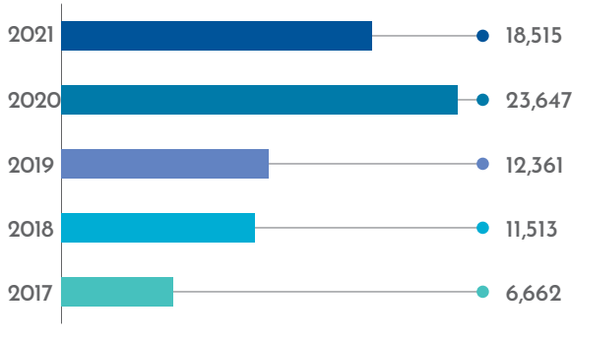
Cash in hand & Balance with BB (BDT million)



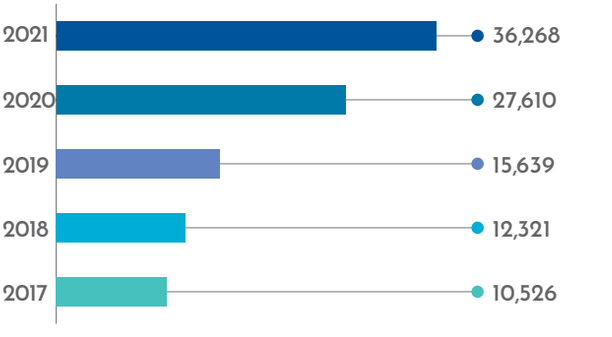
Balance with other Banks and Financial Institutions (BDT million)



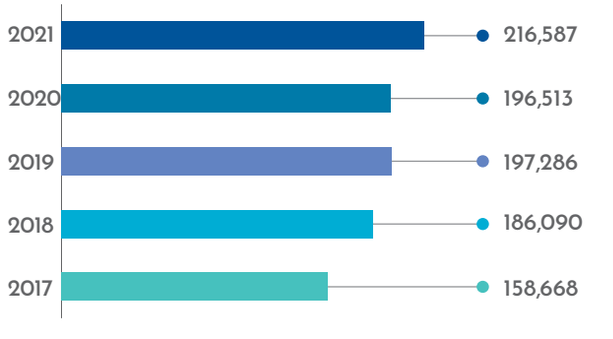
Placement with other Banks & Financial Institutions (BDT million)



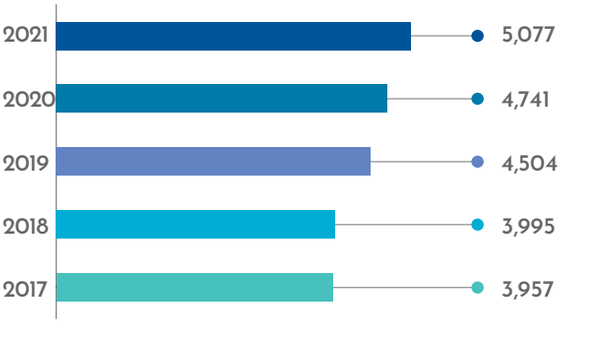
Investments in Shares & Securities (BDT million)



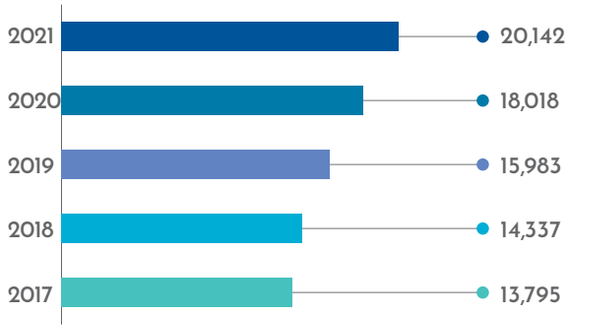
Investments (BDT million)



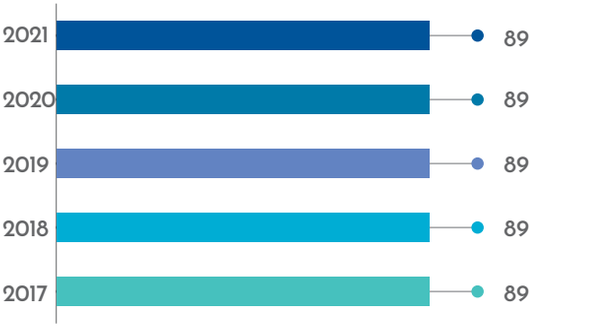
Fixed Assets Including Premises (BDT million)



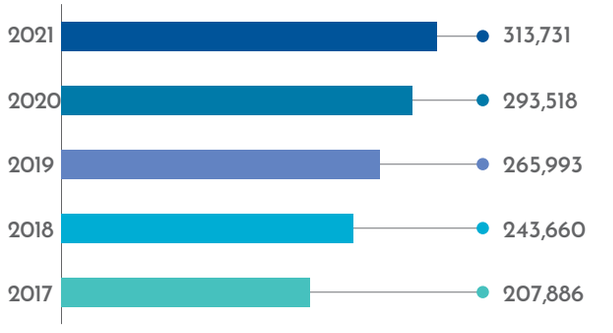
Other Assets (BDT million)



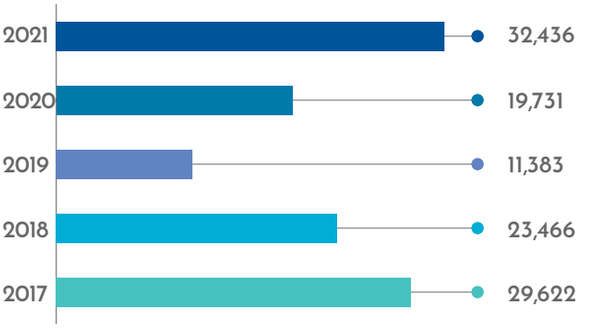
Non Banking Assets (BDT million)



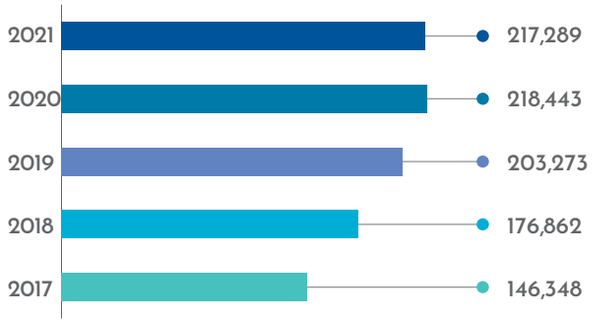
Total Assets (BDT million)



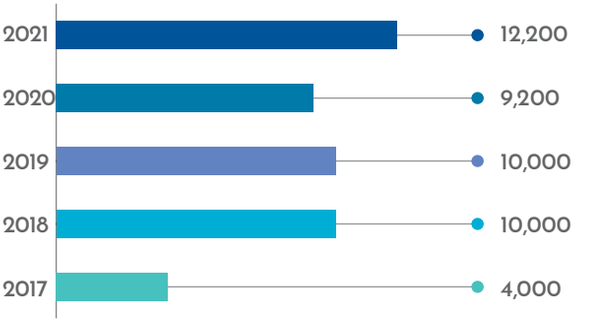
Placement from other Banks & Financial Institutions (BDT million)



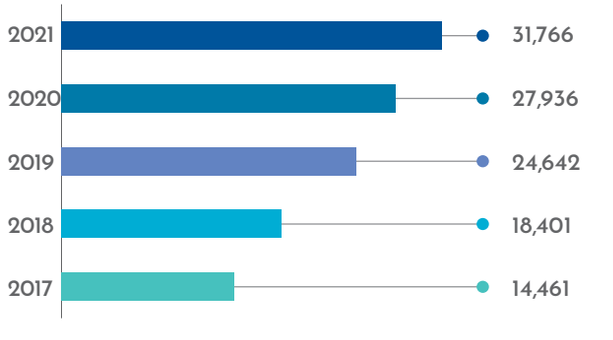
Deposits and Other Accounts (BDT million)



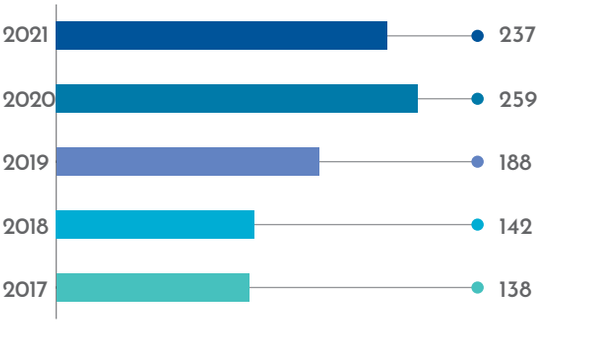
Mudaraba Subordinated Bond (BDT million)



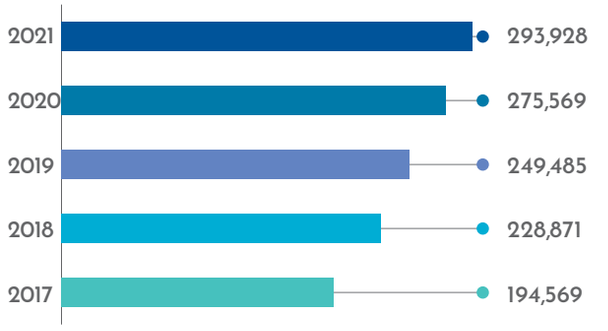
Other Liabilities (BDT million)



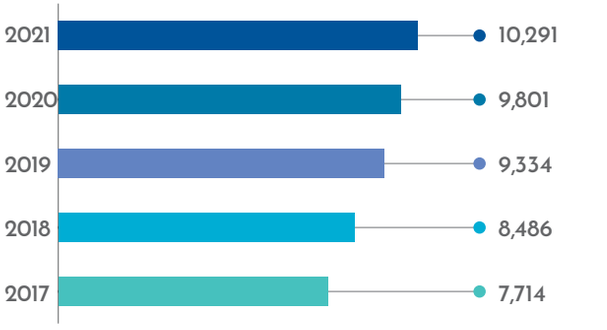
Deferred Tax Liabilities (BDT million)



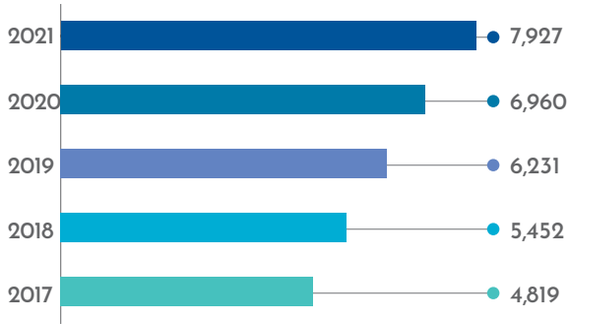
Total Liabilities (BDT million)



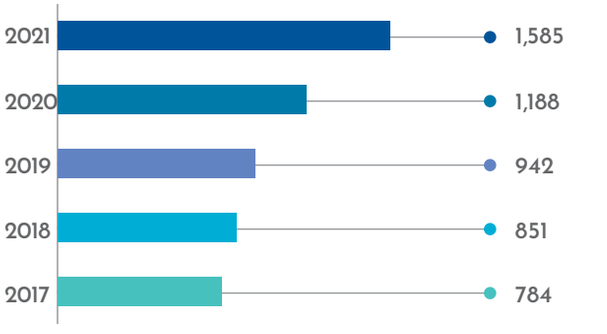
Paid-up Capital (BDT million)



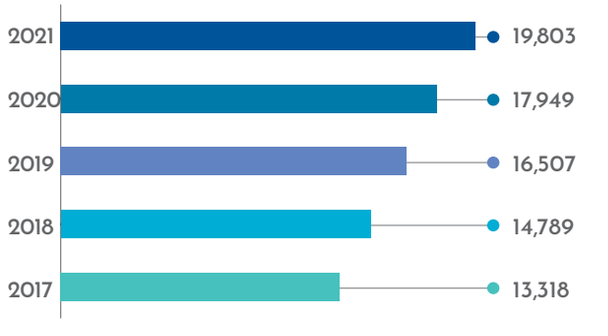
Statutory Reserve (BDT million)



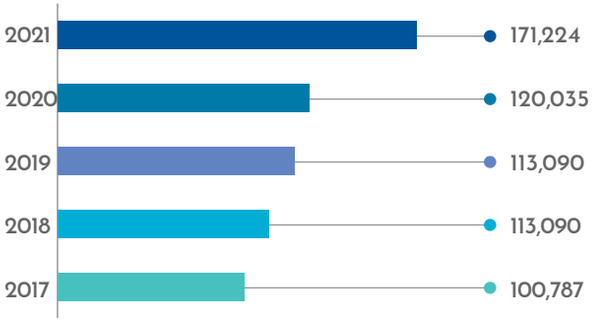
Retained Earnings (BDT million)



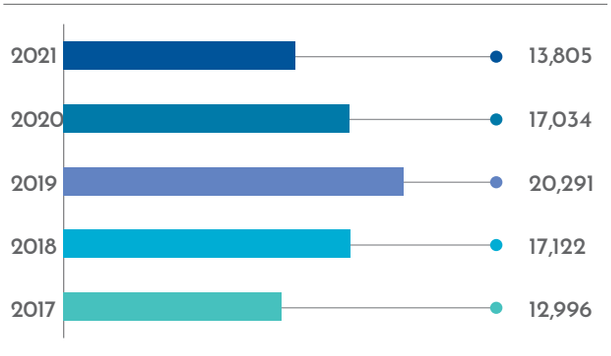
Total Shareholders' Equity (BDT million)



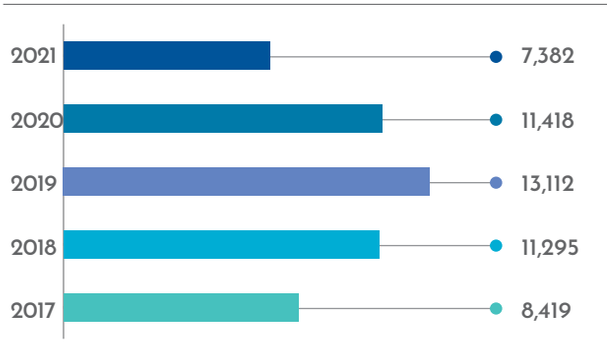
Contingent Liabilities (BDT million)



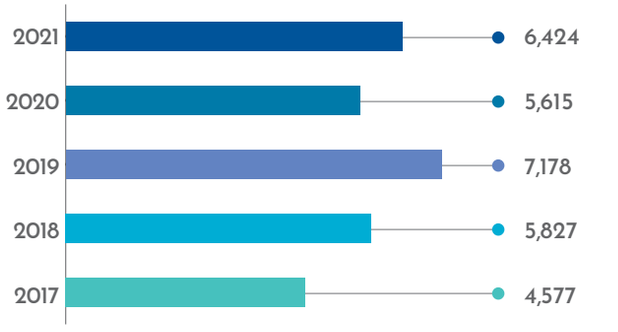
Investment Income (BDT million)



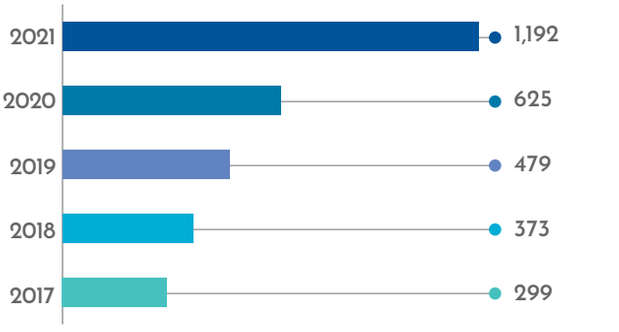
Profit paid on Deposits (BDT million)



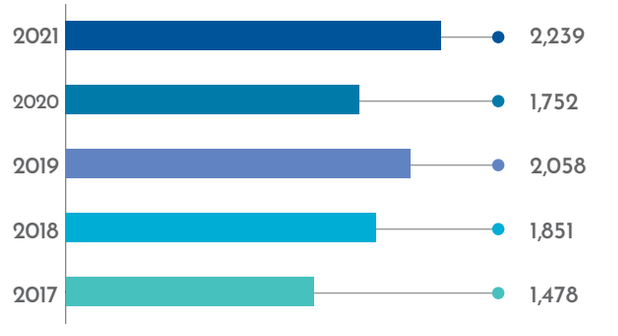
Net Investment Income (BDT million)



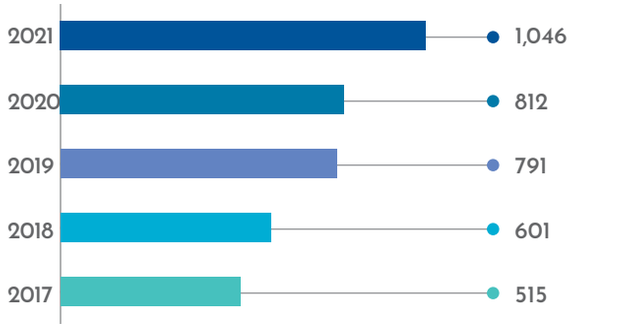
Income from Investment in Shares/securities (BDT million)



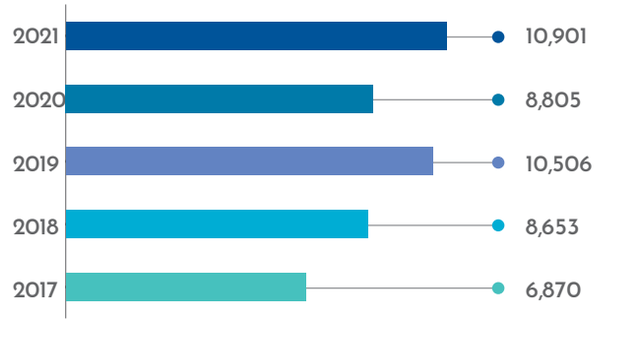
Commission, Exchange and Brokerage (BDT million)



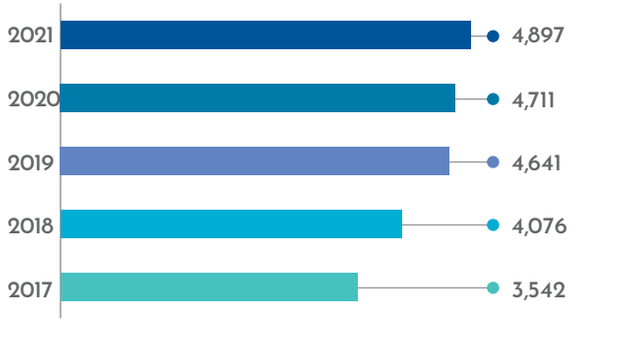
Other Operating Income (BDT million)



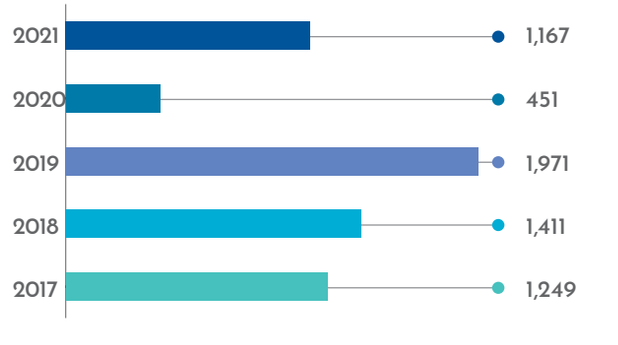
Total Operating Income (BDT million)



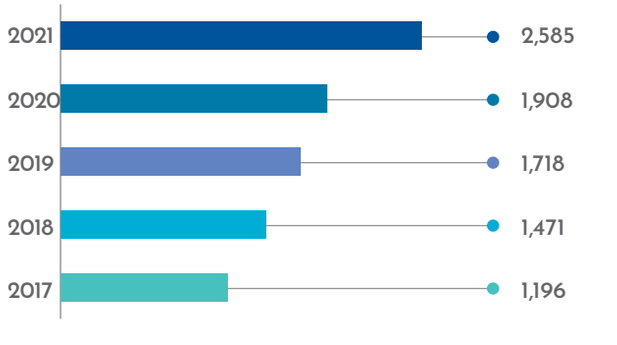
Total Operating Expenses (BDT million)



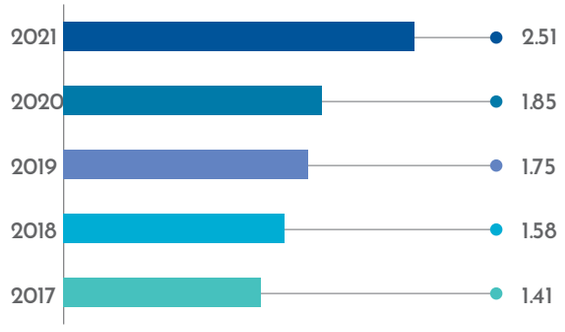
Total Provision (BDT million)



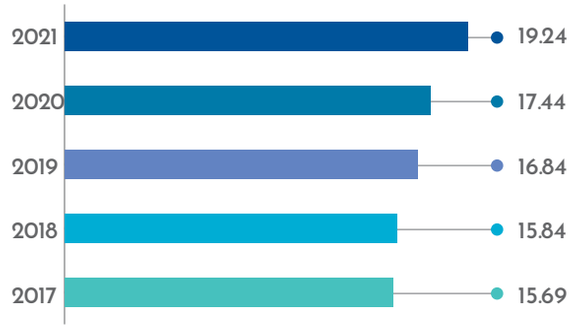
Net Profit after Taxation (BDT million)



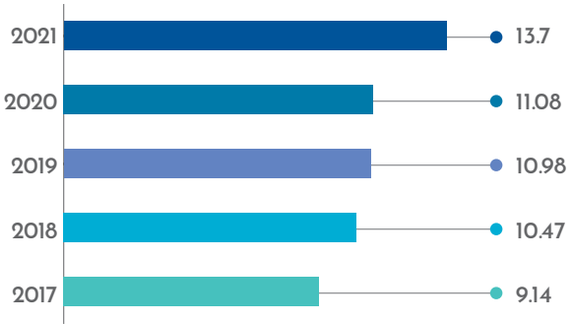
Earnings Per Share (EPS) (Taka)



Net Asset value per share (Taka)



Return on Shareholder Fund



HORIZONTAL & VERTICAL ANALYSIS

HORIZONTAL ANALYSIS FOR THE LAST FIVE YEARS

	2021	2020	2019	2018	2017
PROPERTY AND ASSETS					
Cash	**106%**	**115%**	**135%**	**103%**	**100%**
Cash in hand (Including Foreign Currencies)	127%	119%	144%	128%	100%
Balance with Bangladesh Bank & Sonali Bank Ltd (Including Foreign Currencies)	104%	115%	133%	100%	100%
Balance with other Banks and Financial Institutions	**302%**	**774%**	**238%**	**175%**	**100%**
Inside Bangladesh	348%	520%	310%	240%	100%
Outside Bangladesh	241%	1114%	142%	87%	100%
Placement with other Banks & Financial Institutions	**278%**	**355%**	**186%**	**173%**	**100%**
Investments in Shares & Securities	**345%**	**262%**	**149%**	**117%**	**100%**
Government	390%	301%	163%	125%	100%
Others	247%	178%	117%	100%	100%
Investments	**137%**	**124%**	**124%**	**117%**	**100%**
General Investment etc.	134%	122%	123%	118%	100%
Bills Purchased and Discounted	174%	146%	142%	112%	100%
Fixed Assets Including Premises	**128%**	**120%**	**114%**	**101%**	**100%**
Other Assets	**146%**	**131%**	**116%**	**104%**	**100%**
Non Banking Assets	**100%**	**100%**	**100%**	**100%**	**100%**
Total Assets	**151%**	**141%**	**128%**	**117%**	**100%**
LIABILITIES AND CAPITAL					
Liabilities					
Placement from other Banks & Financial Institutions	**110%**	**67%**	**38%**	**79%**	**100%**
Deposits and Other Accounts	**148%**	**149%**	**139%**	**121%**	**100%**
Mudaraba Savings Deposits	199%	166%	136%	114%	100%
Mudaraba Term Deposits	116%	127%	129%	124%	100%
Other Mudaraba Deposits	150%	162%	150%	122%	100%
Al-Wadeeah Current & Other Deposit Accounts	204%	179%	148%	116%	100%
Bills Payable	161%	156%	174%	114%	100%
Mudaraba Subordinated Bond	**305%**	**230%**	**250%**	**250%**	**100%**
Other Liabilities	**220%**	**193%**	**170%**	**127%**	**100%**
Deferred Tax Liabilities	**172%**	**188%**	**136%**	**103%**	**100%**
Total Liabilities	**151%**	**142%**	**128%**	**118%**	**100%**
Capital/Shareholders' Equity					
Paid-up Capital	133%	127%	121%	110%	100%
Statutory Reserve	164%	144%	129%	113%	100%
Retained Earnings	202%	151%	120%	109%	100%
Total Shareholders' Equity	**149%**	**135%**	**124%**	**111%**	**100%**
Total Liabilities & Shareholders' Equity	**151%**	**141%**	**128%**	**117%**	**100%**

Growth of each component of Balance Sheet of every year calculated based on the amount of 2017 which is representing the value 100%. The value above 100% means positive growth and below 100% means negative growth compared to base year 2017. Consistent growth Assets, Liabilities and Shareholders' Equity represents sustainable balance sheet growth of the bank as a whole. As a prudence of banks fund management the bank has decreased the placement with other Banks and increased the placement from other Banks. Mudaraba Bond increased due to issuance of BDT 500 Crore Mudaraba Perpetual Bond during the year.

HORIZONTAL ANALYSIS FOR THE LAST FIVE YEARS

	2021	2020	2019	2018	2017
Investment Income	106%	131%	156%	132%	100%
Less: Profit paid on Deposits	88%	136%	156%	134%	100%
Net Investment Income	**140%**	**123%**	**157%**	**127%**	**100%**
Income from Investment in Shares/securities	398%	209%	160%	125%	100%
Commission, Exchange and Brokerage	151%	119%	139%	125%	100%
Other Operating Income	203%	158%	154%	117%	100%
	195%	**139%**	**145%**	**123%**	**100%**
Total Operating Income	**159%**	**128%**	**153%**	**126%**	**100%**
Salaries and Allowances	135%	135%	132%	119%	100%
Rent, Taxes, Insurances, Electricity etc.	74%	95%	101%	101%	100%
Legal Expenses	70%	86%	80%	103%	100%
Postage, Stamps, Telecommunication etc.	104%	115%	103%	110%	100%
Stationery, Printings, Advertisements etc.	116%	98%	140%	122%	100%
Chief Executive's Salary & Fees	161%	152%	140%	112%	100%
Directors' Fees & Expenses	88%	92%	101%	85%	100%
Shariah Supervisory Committee's Fees & Expenses	90%	36%	159%	62%	100%
Auditors' Fees	122%	111%	111%	111%	100%
Depreciation & Repairs of Bank's Assets	355%	259%	198%	130%	100%
Zakat Expenses	158%	142%	124%	110%	100%
Other Expenses	150%	128%	139%	105%	100%
Total Operating Expenses	**138%**	**133%**	**131%**	**115%**	**100%**
Profit before Provision	**180%**	**123%**	**176%**	**138%**	**100%**
Specific provision for Classified Investment	81%	24%	175%	168%	100%
General Provision for Unclassified Investment	72%	85%	195%	78%	100%
General Provision for Off-Balance Sheet Items	163%	25%	12%	0%	100%
Provision for diminution in value of Investments in Shares	0%	0%	675%	232%	100%
Provision for Other Assets	54%	0%	0%	0%	100%
Total Provision	**93%**	**36%**	**158%**	**113%**	**100%**
Profit before Provisions for Taxation	**233%**	**175%**	**187%**	**152%**	**100%**
Deferred Tax Expenses	-52%	167%	107%	10%	100%
Current Tax Expenses	271%	198%	254%	201%	100%
Net Profit after Taxation	**216%**	**160%**	**144%**	**123%**	**100%**

Growth of each component of Profit and Loss Account of every year calculated based on the amount of 2017 which is representing the value 100%. The value above 100% means positive growth and below 100% means negative growth compared to base year 2017. The Net Investment Income of the Bank has deteriorated in 2020 and 2021 from 2019 due to re-pricing of Investments as high as 9% to comply the central bank caps as well as the economic sloth down as a result of pandemic COVID 19.

VERTICAL ANALYSIS FOR THE LAST FIVE YEARS

	2021	2020	2019	2018	2017
PROPERTY AND ASSETS					
Cash	**4.47%**	**5.17%**	**6.67%**	**5.57%**	**6.34%**
Cash in hand (Including Foreign Currencies)	13.85%	11.97%	12.45%	14.42%	11.60%
Balance with Bangladesh Bank & Sonali Bank Ltd (Including Foreign Currencies)	86.15%	88.03%	87.55%	85.58%	88.40%
Balance with other Banks and Financial Institutions	**0.96%**	**2.64%**	**0.90%**	**0.72%**	**0.48%**
Inside Bangladesh	65.95%	38.47%	74.46%	78.74%	57.28%
Outside Bangladesh	34.05%	61.53%	25.54%	21.26%	42.72%
Placement with other Banks & Financial Institutions	**5.90%**	**8.06%**	**4.65%**	**4.73%**	**3.20%**
Investments in Shares & Securities	**11.56%**	**9.41%**	**5.88%**	**5.06%**	**5.06%**
Government	77.34%	78.58%	75.13%	73.05%	68.40%
Others	22.66%	21.42%	24.87%	26.95%	31.60%
Investments	**69.04%**	**66.95%**	**74.17%**	**76.37%**	**76.32%**
General Investment etc.	91.70%	92.35%	92.59%	93.79%	93.51%
Bills Purchased and Discounted	8.30%	7.65%	7.41%	6.21%	6.49%
Fixed Assets Including Premises	**1.62%**	**1.62%**	**1.69%**	**1.64%**	**1.90%**
Other Assets	**6.42%**	**6.14%**	**6.01%**	**5.88%**	**6.64%**
Non Banking Assets	**0.03%**	**0.03%**	**0.03%**	**0.04%**	**0.04%**
Total Assets	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
LIABILITIES AND CAPITAL					
Liabilities					
Placement from other Banks & Financial Institutions	**10.34%**	**6.72%**	**4.28%**	**9.63%**	**14.25%**
Deposits and Other Accounts	**69.26%**	**74.42%**	**76.42%**	**72.59%**	**70.40%**
Mudaraba Savings Deposits	16.72%	13.88%	12.19%	11.76%	12.49%
Mudaraba Term Deposits	34.27%	37.31%	40.74%	44.90%	43.90%
Other Mudaraba Deposits	29.13%	31.26%	30.96%	29.08%	28.75%
Al-Wadeeah Current & Other Deposit Accounts	18.03%	15.76%	13.98%	12.65%	13.15%
Bills Payable	1.85%	1.78%	2.13%	1.61%	1.70%
Mudaraba Subordinated Bond	**3.89%**	**3.13%**	**3.76%**	**4.10%**	**1.92%**
Other Liabilities	**10.13%**	**9.52%**	**9.26%**	**7.55%**	**6.96%**
Deferred Tax Liabilities	**0.08%**	**0.09%**	**0.07%**	**0.06%**	**0.07%**
Total Liabilities	**93.69%**	**93.88%**	**93.79%**	**93.93%**	**93.59%**
Capital/Shareholders' Equity					
Paid-up Capital	51.97%	54.61%	56.55%	57.38%	57.92%
Statutory Reserve	40.03%	38.78%	37.75%	36.87%	36.19%
Retained Earnings	8.00%	6.62%	5.71%	5.75%	5.89%
Total Shareholders' Equity	**6.31%**	**6.12%**	**6.21%**	**6.07%**	**6.41%**
Total Liabilities & Shareholders' Equity	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

The percentage (%) of each components of Balance Sheet items refer to the weightage based on total Assets over the periods. Investment to client comprises the maximum weight of Total Assets. In 2021 Investment comprise 69.04% of Total Assets. Customer Deposit comprise the maximum weight of Total Liabilities. In 2021 Customer Deposit comprise 69.26% of Total Liabilities.

VERTICAL ANALYSIS FOR THE LAST FIVE YEARS

	2021	2020	2019	2018	2017
Investment Income	75.51%	84.23%	85.91%	85.83%	85.00%
Less: Profit paid on Deposits	40.38%	56.46%	55.52%	56.62%	55.07%
Net Investment Income	**35.14%**	**27.77%**	**30.39%**	**29.21%**	**29.94%**
Income from Investment in Shares/securities	6.52%	3.09%	2.03%	1.87%	1.96%
Commission, Exchange and Brokerage	12.25%	8.67%	8.71%	9.28%	9.67%
Other Operating Income	5.72%	4.02%	3.35%	3.01%	3.37%
	24.49%	**15.77%**	**14.09%**	**14.17%**	**15.00%**
Total Operating Income	**59.62%**	**43.54%**	**44.48%**	**43.38%**	**44.93%**
Salaries and Allowances	16.31%	14.74%	12.33%	13.24%	14.47%
Rent, Taxes, Insurances, Electricity etc.	1.83%	2.12%	1.94%	2.29%	2.97%
Legal Expenses	0.01%	0.01%	0.00%	0.01%	0.01%
Postage, Stamps, Telecommunication etc.	0.22%	0.22%	0.17%	0.21%	0.25%
Stationery, Printings, Advertisements etc.	0.54%	0.41%	0.50%	0.52%	0.55%
Chief Executive's Salary & Fees	0.13%	0.11%	0.08%	0.08%	0.09%
Directors' Fees & Expenses	0.03%	0.03%	0.03%	0.03%	0.05%
Shariah Supervisory Committee's Fees & Expenses	0.00%	0.00%	0.01%	0.00%	0.01%
Auditors' Fees	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation & Repairs of Bank's Assets	2.93%	1.93%	1.27%	0.98%	0.99%
Zakat Expenses	0.98%	0.80%	0.60%	0.62%	0.74%
Other Expenses	3.80%	2.93%	2.72%	2.45%	3.03%
Total Operating Expenses	**26.79%**	**23.29%**	**19.65%**	**20.44%**	**23.17%**
Profit before Provision	**32.84%**	**20.25%**	**24.83%**	**22.94%**	**21.77%**
Specific provision for Classified Investment	46.40%	34.78%	58.89%	79.00%	53.21%
General Provision for Unclassified Investment	16.67%	50.62%	26.66%	14.85%	21.59%
General Provision for Off-Balance Sheet Items	36.07%	14.60%	1.63%	0.00%	20.73%
Provision for deminution in value of Investments in Shares	0.00%	0.00%	12.82%	6.15%	2.99%
Provision for Other Assets	0.86%	0.00%	0.00%	0.00%	1.48%
Total Provision	**6.38%**	**2.23%**	**8.35%**	**7.07%**	**8.17%**
Profit before Provisions for Taxation	**26.46%**	**18.02%**	**16.49%**	**15.87%**	**13.60%**
Less: Income Tax Expenses	**12.31%**	**8.58%**	**9.21%**	**8.49%**	**5.77%**
Deferred Tax Expenses	-0.98%	4.10%	2.10%	0.26%	4.82%
Current Tax Expenses	100.98%	95.90%	97.90%	99.74%	95.18%
Net Profit after Taxation	**14.14%**	**9.44%**	**7.28%**	**7.38%**	**7.82%**

The percentage (%) of each component of Profit and Loss Account refer to the weightage based on total income over the periods. Investment Income comprises the maximum weight of total income. In 2021 Investment Income comprise 75.51% of total income. Profit paid on Deposits comprises the maximum weight of Total Expense. In 2021 Profit paid on Deposits comprise 40.38% of total income.

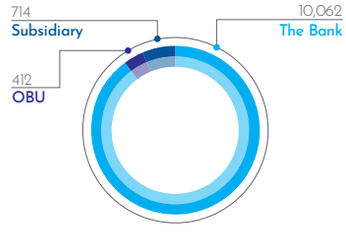
SEGMENT ANALYSIS

A Segment is a distinguishable component of the Bank that is engaged in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Bank's primary format of reporting is based on business segments.

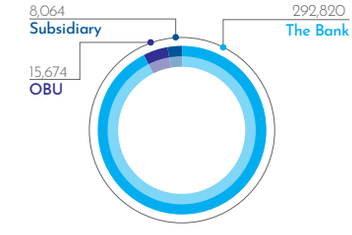
Corporate Banking	This comprises of investments, deposits, project financing, trade financing, investment banking and other banking activities/ with Bank's corporate and public sector customers.
SME Banking	This segment primarily constitutes Small and Medium Enterprise financing activities with individual customers of the Bank.
Retail Banking	This includes retail investments and deposits, banking services and card business.
Treasury	This includes fixed income, equity, foreign exchange, funding, own position securities and placement with/from others.

Consolidated

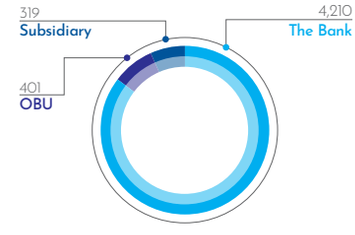
Operating Income (Taka in million)



Total Asset (Taka in million)

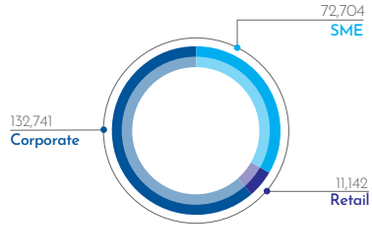


Profit Before Tax (Taka in million)

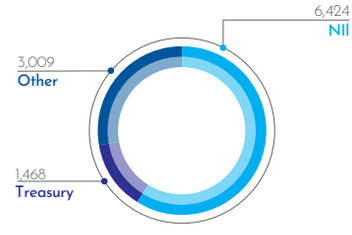


Stand Alone

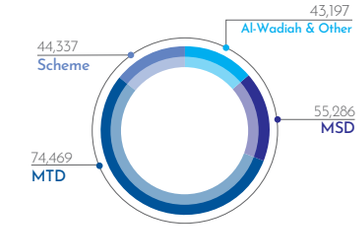
Investment (Taka in million)



Revenue (Taka in million)

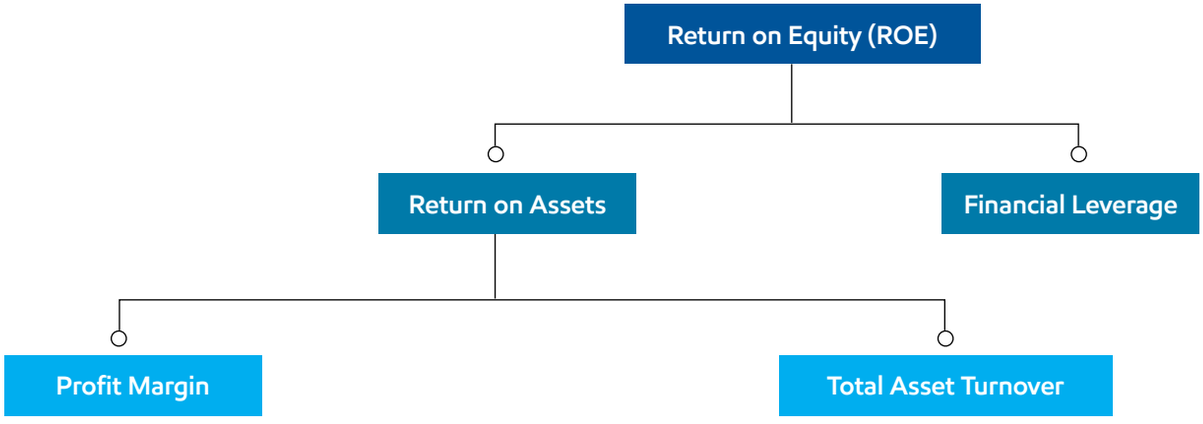


Deposit (Taka in million)



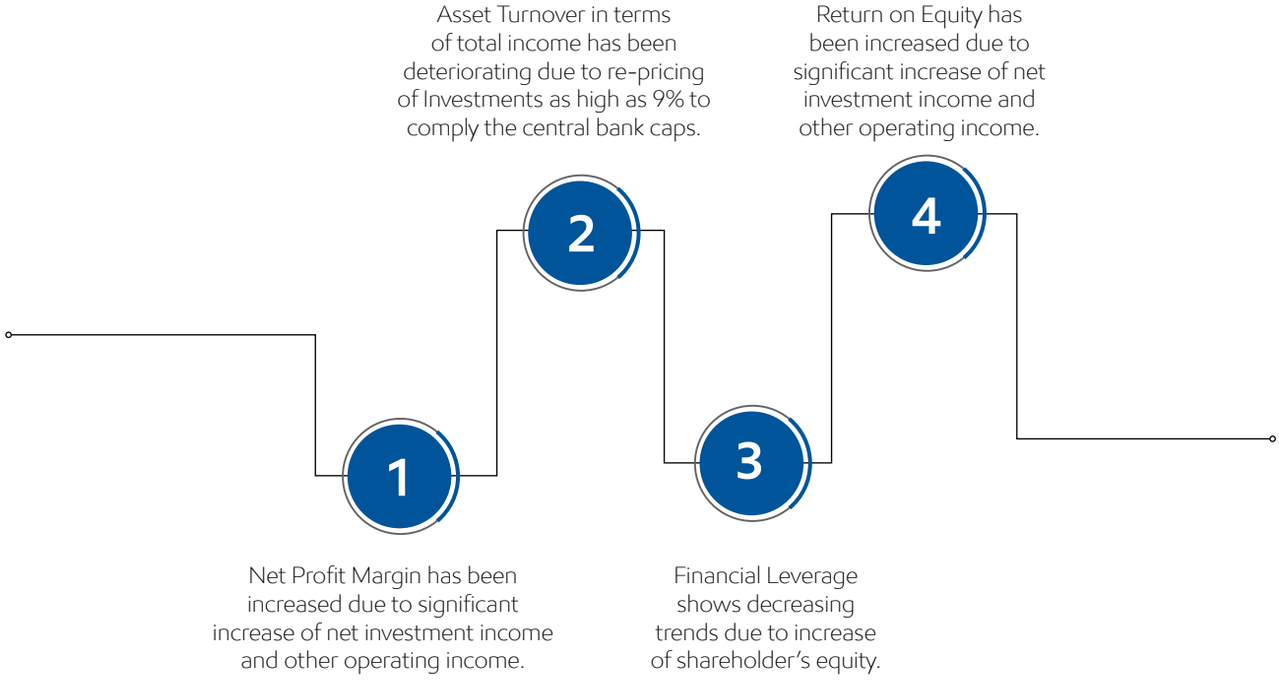
DuPont ANALYSIS

DuPont analysis is an approach that consists of a detailed examination of Return on Equity (ROE) of a company which analyses Net Profit Margin, Asset Turnover, and Financial Leverage. DuPont Analysis gives a broader view of the Return the company in earnings on its Equity. This analysis, in turn, helps management to take various strategic and operational decisions.



Particulars	2021	2020
Net Profit Margin (PAT/Total Income)	14.14%	9.44%
Total Asset Turnover (Total Income/Average Assets)	6.02%	7.23%
Return on Asset (PAT/ Average Assets)	0.85%	0.68%
Financial Leverage (Average Assets/Average Equity)(Times)	16.09	16.24
Return on Equity (PAT/Average Equity)	13.70%	11.08%

The higher the value of all components of DuPont analysis indicates the higher positive impact on Return on Equity. Main Highlights of DuPont analysis:



CREDIT RATING REPORT

	Long Term	Short Term
Surveillance Rating-2021	AA	ST- 2
Outlook	Stable	
Date of Rating	4 April 2022	

Emerging Credit Rating Limited (ECRL) has assigned "AA" (pronounced Double A) rating in the long term and "ST-2" rating in the short term to Shahjalal Islami Bank Limited. ECRL performed the rating surveillance based on audited financial statements up to 31 December 2021 and other relevant information.

An institution rated in Long Term "AA" has very strong capacity to meet its financial commitments. These institutions typically posses a good track record and have no readily apparent weaknesses. An institution rated in Short Term "ST-2" has capacity to meet its financial commitments in a timely manner.

Year – wise Credit Rating Report

Year	Rating Agency	Long Term	Short Term
2021	ECRL	AA	ST- 2
2020	ECRL	AA	ST- 2
2019	CRAB	AA2	ST- 2
2018	CRAB	AA2	ST- 2
2017	CRAB	AA2	ST- 2

DIVIDEND DISTRIBUTION POLICY

This Policy is formulated in compliance with the Directive No. BSEC/CMRRCD/2021-386/3- dated, 14 January 2021 of Bangladesh Securities and Exchange Commission. This policy is effective from 31 March 2021 being the date of its approval by the Board of Directors of the Bank.

The Policy is aimed to lay down the criteria and parameters that are to be considered by the Bank while declaration and distribution of the dividend.

The Board of Directors may declare interim dividend/ recommend final dividend complying the Companies Act, 1994 and provisions of all Rules, Regulations, Notifications, Orders, Guidelines, etc. in force or to be enforced and issued or to be issued from time to time by Regulatory Authorities.

Parameters to be considered for declaration of dividend

In determining dividend payment, Shahjalal Islami Bank Limited takes into consideration of its operating results as well as long-term returns to shareholders. Dividend is paid out of the profit of the Bank. If there is a profit after its annual closing, the Bank first sets aside funds required for provision for investments & others as well as taxes before appropriating 20% of the profit before tax toward its statutory reserve. Dividend payable to the shareholders is recognized as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive the dividend is established.

The Board of Directors of the Bank will consider the following internal or external parameters while recommending/declaring dividend:

1. Current & prospective financial performance including Bank's NPI (NPL) ratio
2. Past dividend payouts
3. Current & prospective capital adequacy of the Bank (CRAR ratio) including future regulatory requirements for minimum CRAR
4. Growth & investment opportunities
5. Tax implication
6. Macro & micro economic factors including regulatory requirements

Circumstances under which shareholders may or may not expect dividend:

The Board of Directors of the Bank may not recommend any dividend if the eligibility criteria for recommendation of dividend has not been met by the Bank, including any restriction imposed by the Regulatory Authorities.

Procedure of declaration/recommendation of dividend

Dividend is approved by the shareholders at an Annual General Meeting (AGM) on the basis of recommendation of the Board.

Dividend is recommended by the Board after consideration and approval of the financial statements which were considered by the Board Audit Committee before approval of the Board. All requisite approvals and clearances, where necessary as applicable, are obtained before the declaration of dividend.

Entitlement to dividend

Only the shareholders of the Bank whose names are appeared in the Register of Members and/or Depository Register of the Bank on the record date fixed by the Bank are entitled to the dividend.

Payment of dividend

Shahjalal Islami Bank Limited pays off the dividend to its shareholders within thirty days of approval.

The Bank maintain detailed information of Beneficiary Owners (BO) account, bank account, mobile phone number, email and address of the shareholder as maintained with the Depository Participants (DP) for the purpose of proper distribution of dividend and also keep confidentiality of information.

1. Cash dividend

In order to pay off the cash dividend in due time to the shareholders of the Bank, an amount equivalent to the declared cash dividend payable for the concerned year is kept in a separate bank account within 10 days of declaration. The Bank pays off cash dividend directly to the bank account of the entitled shareholder as available in the BO account maintained with the DP or the bank

account as provided by the shareholder through Electronic Transfer within thirty days of approval after deducting applicable tax at source. After disbursement of cash dividend intimation is sent through a short message service (SMS) to mobile number or email of the shareholders.

In case of margin client having debit balance or margin loan of stock broker or merchant banker or portfolio manager, the Bank pays off cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or to the separate bank account of merchant banker or portfolio manager through Electronic Transfer in order to account for such dividend immediately in the individual client's portfolio account.

In case of non-availability of bank account information or not possible to distribute cash dividend through Electronic Transfer or any electronic payment system, the Bank issues cash dividend warrant and send it to the shareholder by post.

The Bank pays off cash dividend to non-resident sponsor, director, shareholder through security custodian in compliance the rules or regulations in this regard.

2. Stock dividend

In case of stock dividend, Shahjalal Islami Bank Limited credits stock dividend (Bonus Share) directly to the BO account within 30 days of approval subject to the clearance of the exchange(s) and CDBL complying rules and regulations in this regard.

Unpaid/Unclaimed dividend

Shahjalal Islami Bank Limited maintains detailed information of unpaid or unclaimed dividend and rationale thereof. Unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, if remain, are transfer to a separate bank account named 'Unclaimed Dividend Account' within one year from the date of approval. In case of non credited stock dividend through Corporate Action due to closure of BO ID or any other reasons, the bonus shares are kept in 'Dividend Suspense Account'. The Bank does not forfeit any unclaimed cash or stock dividend till the claim becomes barred by the law of land in force. Unclaimed dividend is paid off as per procedure set by the Bangladesh Securities and Exchange Commission and the Stock Exchanges.

Review

The policy would be reviewed on an annual basis or as and when the need arises. Amendments (if any) would be approved by the Board.

Disclosure

The policy will be available on the Bank's website and will also be disclosed in the Bank's Annual Report.

SUMMARY OF UNCLAIMED STOCK & CASH DIVIDEND ON 31.12.2021

In Compliance with the Bangladesh Securities and Exchange Commission's Directive No. BSEC/CMRRCD/2021-386-03 Dated 14 January 2021, summary of the unpaid or unclaimed stock Dividend and Cash Dividend are as follows:

SL No	Dividend Year	Declaration	Stock Dividend	Cash Dividend and/or Fractional Dividend			Transferred to CMSF Fund on 29.08.2021 (Tk.)	Balance Unpaid on 31.12.2021 including Profit (Tk.)
			Unpaid including corporate benefit as on 31.12.2021	Net Cash Dividend including Fractional Dividend (Tk.)	Paid/Distributed (Tk.)	Unpaid/ Undistributed (Tk.)		
1	2002	12.5% Stock	-	-	-	-	-	-
2	2007	20% Stock	4,465	8,906.70	8,690.78	215.92	215.92	-
3	2008	22% Stock	10,170	1,589,831.30	730,390.63	859,440.67	859,440.67	-
4	2009	25% Stock	1,272	4,825,254.32	2,352,551.43	2,472,702.89	2,472,702.89	-
5	2010	30% Stock	2,410	1,010.00	902.27	107.73	107.73	-
6	2011	25% Stock	15,214	567,554.17	517,285.94	50,268.23	50,268.23	-
7	2012	20% Stock	981	370,602.11	228,031.33	142,570.78	142,570.78	-
8	2013	10% Stock	4,030	210,031.57	166,170.86	43,860.71	43,860.71	-
9	2014	10% Cash	-	632,080,756.10	623,476,050.19	8,604,705.91	8,603,830.21	875.70
10	2015	13% Cash	-	821,005,688.96	811,764,956.70	9,240,732.26	9,239,637.20	1,095.06
11	2016	10% Cash & 5% Stock	2,340	632,652,616.38	626,625,160.41	6,027,455.97	6,026,522.79	933.18
12	2017	10% Stock	1,357	343,582.15	262,198.82	81,383.33	81,383.33	-
13	2018	10% Stock	4,319	296,967.56	229,431.17	67,536.39	-	67,536.39
14	2019	5% Cash & 5% Stock	434	405,045,732.96	399,292,565.58	5,753,167.38	-	5,753,167.38
15	2020	7% Cash & 5% Stock	63	597,886,992.90	590,547,104.45	7,339,888.45	-	8,680,495.37
Total			**47,055**	**3,096,885,527.18**	**3,056,201,490.56**	**40,684,036.62**	**27,520,540.46**	**14,504,103.08**

* An amount of Tk. 29,398.13 was also transferred to Capital Market Stabilization Fund (CMSF) on 29.08.2021 which remained unclaimed/undistributed as Non Refunded IPO Subscription.



CORPORATE GOVERNANCE

REPORT ON THE ACTIVITIES **OF THE AUDIT COMMITTEE**



EKRAMUL HOQUE
CHAIRMAN

Audit Committee of the Board

The Audit Committee (AC) was formed as a sub-committee of the Board of Directors to protect the interests of stakeholders. The AC possesses the principal responsibilities of engaging in systematic and continuous review, monitoring, and assessment of organizational performance against evolving regulatory requirements. Its roles and responsibilities were defined in line with the Corporate Governance related Circulars of Bangladesh Bank, the Notifications of the Bangladesh Securities and Exchange Commission and the Bank Company Act 1991.

Main objectives of Audit Committee

- To assist the Board in fulfilling its oversight responsibilities, including implementation of the objectives, strategies, and overall business plans set by the Board.
- To review the financial reporting process and the effectiveness of the internal control process.
- To assess the effectiveness of overall processes and procedures for monitoring compliance with laws and regulations, the code of business conduct and to check the compliance status of the inspection report of Bangladesh Bank.

Constitution and qualifications of the Audit Committee

In compliance with BRPD Circular No. 11 dated October 27, 2013, and Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018, on Corporate Governance, the Board of Directors of the Bank has reconstituted the Board Audit Committee in its Meeting No. 333 held on January 5, 2022, consisting of the following five members:

SL	Name of Directors	Status with the Bank	Status with the Committee	Educational Qualification
1	Mr. Ekramul Hoque	Independent Director	Chairman	Masters
2	Mr. Abdul Halim	Director	Member	BA
3	Mr. Mohammed Golam Quddus	Director	Member	Masters
4	Mr. K.A.M. Majedur Rahman	Independent Director	Member	Masters
5	Mr. Nasir Uddin Ahmed	Independent Director	Member	FCA, FCS

Roles and responsibilities of the Audit Committee

The roles and responsibilities of the Audit Committee have been defined in line with the relevant provisions of the Corporate Governance related Guidelines issued by Bangladesh Bank, BSEC and other best practices in governance. Some important roles and responsibilities are highlighted below:

Internal control

- Evaluate whether management is adhering to appropriate risk management, compliance, and governance practices and has a clear understanding of their respective roles and responsibilities.
- Review whether the arrangements made by the management for developing and maintaining a suitable Management Information System (MIS) are adequate.
- Monitor whether suitable suggestions made by internal and external auditors to improve internal control practices have been duly implemented by the management.
- Review the existing risk management policy and procedures to improve the health and efficiency of the investment portfolio.
- Review the corrective measures taken by the management relating to fraud, forgery, deficiencies in internal control, or other similar issues detected by internal and external auditors and Bangladesh Bank and inform the Board regularly.

Financial reporting

- Review the annual, half-yearly, and quarterly financial statements before submission to the Board for approval, and determine whether they are complete and consistent with applicable accounting and other reporting standards set by regulatory authorities.
- Consult with management and external auditors to review annual financial statements or any other ad-hoc financial reports before their finalization.

Internal audit

- Evaluate whether internal audit functions are truly independent.
- Review the activities, structure, and style of internal audit functions to ensure that no unjustified restrictions or limitations are imposed.
- Review and assess the annual internal audit plan.
- Review the efficiency and effectiveness of the internal audit function.
- Review and ensure those appropriate recommendations made by internal auditors to remove irregularities, if any, are duly acted upon by concerned personnel in running the affairs of the Bank.
- Meet the Head of Internal Control & Compliance and the Head of Internal Audit at least once a year, without management being present, to discuss their remit and any issues arising from internal audits carried out.

External audit

- Make recommendations to the Board, to be put to shareholders for approval in the AGM, concerning the appointment, re-appointment, and removal of the bank's external auditors. The Committee shall oversee the selection process of new auditors and shall investigate any issues that might have led auditors to resign.
- Oversee the relationship with the external auditors, including:
  - i. Recommendation of their remuneration, i.e., fees for audit or non-audit services.
  - ii. Annual assessment of their independence and objectivity, taking into account relevant professional and regulatory requirements.
  - iii. Ensure that there are no relationships such as family, employment, investment, financial or business between the auditor and the bank, except for circumstances arising in the ordinary course of business.

- Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption.
- Examine the findings and recommendations of the external auditors regarding irregularities, if any irregularity is detected, it is duly addressed by management.

Compliance with existing laws and regulations

Review whether the laws and regulations framed by the regulatory authorities (Central Bank, BSEC, and other bodies) and internal circulars, instructions, policies, and regulations approved by the Board and management have been duly complied with.

Miscellaneous

- The Audit Committee submits a "Compliance Report" on a quarterly basis to the Board, mentioning any errors and irregularities, fraud and forgery, and other anomalies pointed out by the Internal and External Auditor and Inspection Team from Bangladesh Bank.
- The Audit Committee submits an evaluation report to the Board assessing the internal and external auditors of the bank.

Meeting of the Audit Committee

The Bangladesh Bank has mandated that the Audit Committee meet at least four times per year. In 2021, the Committee met ten times and conducted in-depth discussions and reviews with the Head of Audit, the Head of Internal Control & Compliance, and external auditors. The Committee advised management to take the required actions in response to the auditors' findings and recommendations on different issues. The following are the details of the meetings:

SL No.	Meetings	Date of Meeting
1	230th Audit Committee Meeting	17 February 2021
2	231st Audit Committee Meeting	8 March 2021
3	232nd Audit Committee Meeting	27 April 2021
4	233rd Audit Committee Meeting	23 June 2021
5	234th Audit Committee Meeting	13 July 2021
6	235th Audit Committee Meeting	25 August 2021
7	236th Audit Committee Meeting	29 September 2021
8	237th Audit Committee Meeting	26 October 2021
9	238th Audit Committee Meeting	24 November 2021
10	239th Audit Committee Meeting	29 December 2021

Major Activities of Audit Committee in 2021

- Reviewed annual financial statements of the bank for the year ended December 31, 2020 as certified by the external auditors before submission to the Board for consideration.
- Reviewed unaudited quarterly (Q1, Q2 and Q3) financial statements of the bank for the year 2021 before submission to the Board for consideration.
- Reviewed Management Report of the Bank for the year ended December 31, 2020, submitted by the External Auditors, ACNABIN, Chartered Accountants, and its subsequent compliance thereof.
- Reviewed the Comprehensive Inspection Report based on December 31, 2020, the Special Inspection Report and the Inspection Report on AML/CFT issued by Bangladesh Bank, and subsequent compliance by management thereof.
- Reviewed and approved 'Annual Audit Plan 2022" and "Risk-Based Audit Plan 2022'
- Reviewed the steps taken by the management in reaction to fraudulent incidents to strengthen supervisory and internal controls for more effective fraud risk management.
- Reviewed the compliance status of core risks of Shahjalal Islami Bank Limited and related risk levels of branches, various departments, and subsidiary.
- Reviewed money laundering and terrorist financing risk management policy, asset-liability management (ALM) policy, and other core risk management policy of Shahjalal Islami Bank Ltd.

- Reviewed the actions of the Information Technology (IT) Department on IT security issues and reviewed the Bank's ICT Security Policy.
- Reviewed banks' Non-Performing Investments (NPI) and allied issues.
- Reviewed the overall effectiveness of the control system of Shahjalal Islami Bank Ltd.
- Reviewed health report of the bank.

The Minutes of the Audit Committee meetings containing various suggestions and recommendations to the management are duly placed before the Board for ratification.

Acknowledgment

The Audit Committee thanks the Board of Directors, management, and auditors for their cooperation in carrying out their duties and obligations.

On behalf of the Audit Committee



Ekramul Hoque
Chairman, Audit Committee

STATEMENT OF BOARD OF DIRECTORS ON THE RESPONSIBILITY **TO ESTABLISH APPROPRIATE SYSTEM OF INTERNAL CONTROL**

A fundamental aspect of the board's responsibilities is to establish an effective internal control system in the bank and to review the effectiveness of the existing system. At the same time, the management of the bank is also obligated to the board to operate, monitor, and develop the system of internal control to ensure adherence to the control system of the board.

The Board of Directors acknowledges its overall responsibility for the Bank's systems of internal control for establishing efficiency, effectiveness, reliability, timeliness, completeness, and compliance with applicable laws and regulations.

Banking transactions are diversified, complex, and fraught with inherent risks, and these are no longer limited to the geographical boundaries of a country. The Board of Directors of Shahjalal Islami Bank is committed to maintaining a solid system of internal controls that allows business to be conducted within an acceptable risk appetite while avoiding unanticipated potential loss or reputational damage. At the same time, the board is also aware that achieving the bank's main objectives requires a successful risk management strategy.

The Board recognizes that no system or structure can be completely infallible, and thus the bank's internal control system can manage or minimize risks to an acceptable level rather than completely eliminate them. So, the internal control system of the bank can only provide reasonable, not absolute, assurance in achieving the bank's goals and objectives for generating potential returns to shareholders.

The Board has also established a continuous process of monitoring and follow-up for possible deviations arising from internal controls during the daily activities of the bank. It's an integral part of the internal control work to ensure that the errors are corrected and, thereby, the control mechanism is further strengthened. All the processes and guidelines of the bank are reviewed and updated from time to time to meet the needs of changing business environments and/or regulatory guidelines.

On behalf of the Board of Directors



Mohammed Younus
Chairman

STATEMENT OF BOARD OF DIRECTORS ON ADEQUACY OF **INTERNAL CONTROL SYSTEM**

The COVID-19 pandemic has exposed all companies, including banks, to new risks. These include, but are not limited to, reductions in revenue; government intervention and legislation; financial market volatility, the erosion of market value; deteriorating credit and investment quality, etc. In addition, the shift to virtual interactions brings with IT risks related to bank processes, such as the increased use of remote access to information technology, which may lead to increased cyber risks. Amidst the challenges of the COVID-19 pandemic, the Board of Directors has maintained a robust governance structure by leveraging best practices in corporate governance to risk management.

The Board of Directors of Shahjalal Islami Bank Limited seriously considers the soundness of internal controls and risk management practices for good corporate governance. To maintain a strong internal control environment in the bank, the board has established an organizational structure with clearly defined lines of responsibility, authority, limits, and accountability aligned with business and operational requirements.

According to the instructions and guidelines of Bangladesh Bank, the Board has delegated specific responsibilities to three committees of Board (Executive Committee, Audit Committee, and Risk Management Committee). These committees also assist the board in performing its oversight functions by ensuring the adequacy and completeness of accounting records, the appropriate representation of financial information, and efficient management of risks, strengthening the bank's assets and overall internal control process. These committees enjoy the authority to examine particular issues and report back to the board with their recommendations.

The Board of Shahjalal Islami Bank Limited has adopted the required written policies and guidelines, including Internal Control and Compliance Policy, for various segments of business in order to establish an effective and adequate internal control system for achieving sustainable growth through the orderly and efficient conduct of business. These policies and guidelines are updated as and when required to ensure compliance with applicable laws and regulations and are made available to all employees. The Internal Control and Compliance Policy creates awareness among all the employees regarding internal control components and the basic control policy of the bank.

The Board of the Bank, in accordance with the guidance notes of Bangladesh Bank, has established an effective and integrated risk management framework that consists of six core factors, i.e., credit risks; asset liability management risks; foreign exchange risks; internal control and compliance risks; money laundering risks; and information and communication technology risks. To this end, it has established three lines of defense concepts: risk taking units, risk control units, and internal audit. The risk taking unit is responsible for the identification and management of risks inherent in banks' regular business activities, exercising existing control measures, while the risk control unit is responsible for setting the risk management framework and developing tools and methodologies. The internal audit, complementing these, provides independent assurance of the effectiveness of the risk management approach. An effective management information system is in place to support the organizational and procedural controls in risk mitigation. Management assists the Board in the implementation of the policies and procedures adopted by the Board and works actively to manage and operate the bank in a sound and prudent manner.

An independent audit mechanism has been established for the purpose of undertaking regular reviews of the bank's operational activities. Through these reviews, the adequacy and efficiency of financial and operating controls are examined and evaluated, and at the same time, the significance of risks and impacts of non-compliance on the bank are highlighted.

At the beginning of each calendar year, the Audit Committee approves risk-based audit and inspection plans and, accordingly, Internal Control and Compliance Division (IC&CD) carries out internal audits and inspections on different branches, divisions, and units of the bank. The Audit Committee ensures that IC&CD

conducts audits and inspections independently without any fear of or favor to, and reports directly to the Audit Committee without intervention from the management of the bank. All the major findings, observations, and suggestions by the internal and external auditors and regulatory authorities are discussed in the meetings of the Audit Committee. The decisions and recommendations of the Audit Committee are complied by the management accordingly.

The Board of Directors, through its Audit Committee, reviews the effectiveness of the system of Internal Control and Compliance annually. The Audit Committee, where applicable, provides recommendations to improve on the effectiveness of risk management, control and governance process of the Bank. The Audit Committee of the Board has active oversight on internal audit's independence, scope of work and resources. It also reviews the functions of Internal Control and Compliance, particularly the scope of the annual audit plan and frequency of the internal audit activities.

The Board is satisfied that the system of internal control of the bank is effective and adequate and provides a reasonable, not absolute, assurance of achieving the objectives or goals of the bank with the following standards:

- Reliability of financial information
- Effectiveness and efficiency of operations
- Compliance with applicable laws and regulations
- Adherence to management policies
- Safeguarding the bank's assets
- Prevention and detection of fraud and errors
- Accuracy and completeness of the accounting records, etc.

There is always room for improvements in the prevailing system, and hence, it cannot eliminate the associated risk entirely, but can minimize the risk level to an accepted level only. The Directors confirmed that the Board, through its different committees, has reviewed the soundness of internal control of the bank for the year ended December 31, 2021.

On behalf of the Board of Directors



Mohammed Younus
Chairman

CORPORATE **GOVERNANCE**

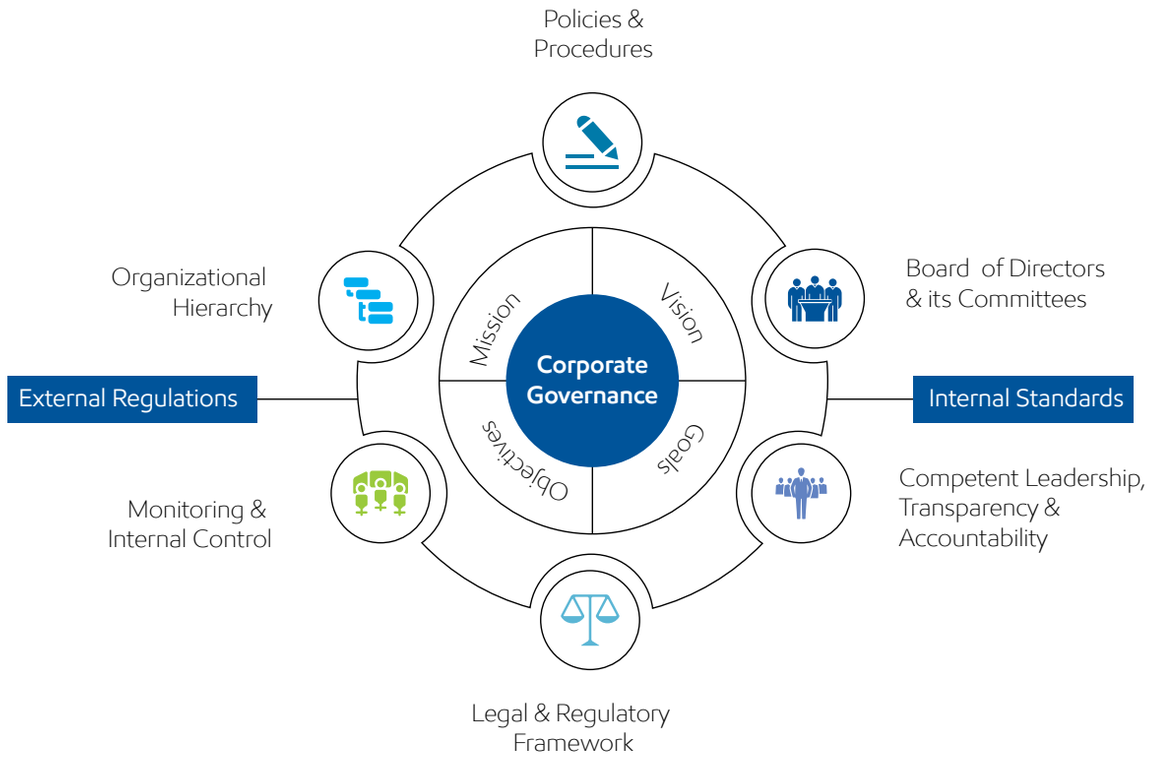
The basic principles of corporate governance are accountability, transparency, fairness, and responsibility. Good corporate governance is an essential foundation for long term sustainable corporate success and enhances the stakeholders' confidence. We have designed our corporate governance structure to ensure compliance with legal and regulatory framework and meeting the information needs of our stakeholders. Banks play an important role in the economy by intermediating funds from depositors to activities that help drive economic growth. Banks' safety and soundness are crucial to financial stability, and the way they conduct their businesses. The primary objective of corporate governance, therefore, is to safeguard stakeholders' interests on a sustainable basis. Good governance is manifested through adherence to ethical business norms, a firm commitment to values, and compliance with applicable laws and regulations, while enhancing shareholders' value.

Corporate Governance Practices in SJIBL

Since its inception, SJIBL has been pursuing responsible and ethical banking. We have initiated the best international corporate governance practices and adopted a corporate culture to promote sustainable performance, client-centricity, innovation, and partnership. Our corporate governance report is a reflection of our strong adherence and commitment to best practices in corporate governance and our full compliance with the applicable rules and regulations of various regulatory bodies, including the Central Bank and the Bangladesh Securities and Exchange Commission.

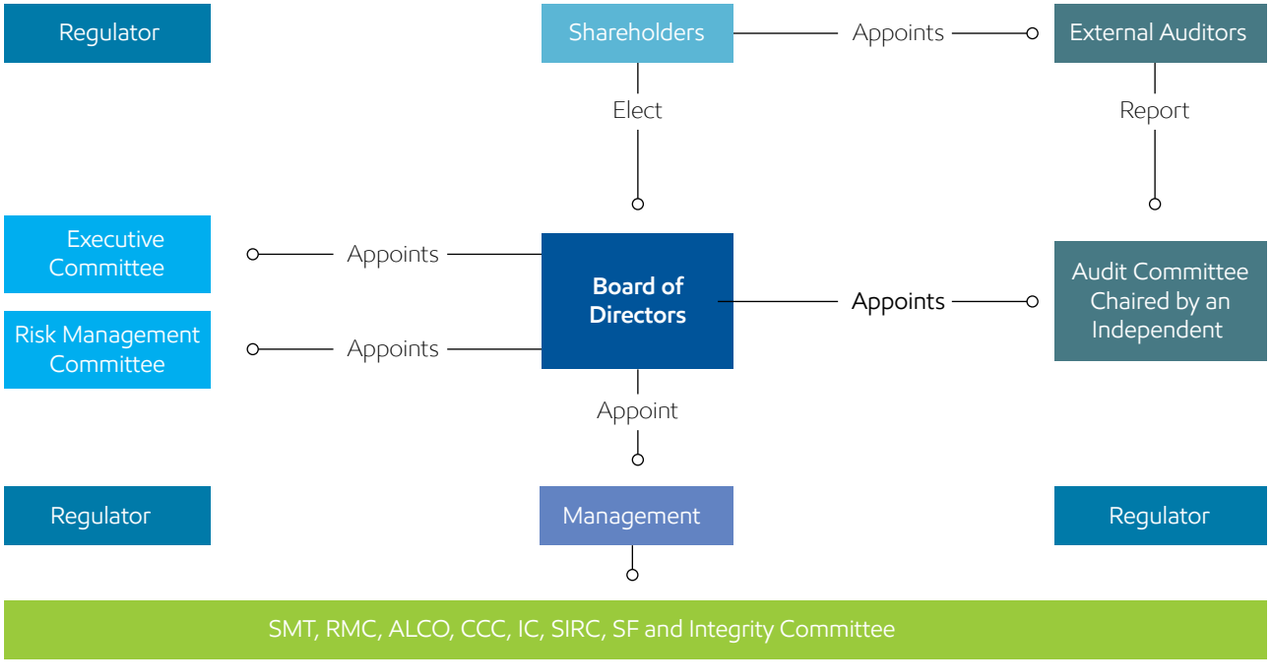


SJIBL meetings always concentrate on ensuring sound governance practice



Governance structure of the Bank

The Board of Directors plays a pivotal role in shaping governance structures and practices through their choice of strategy and leadership to drive the bank towards growth. The board is responsible for the design and implementation of governance mechanisms, including the selection and appointment of members of subcommittees. The risk management and overall support functions of the bank have been designed and kept fully independent of the ordinary course of business to safeguard against any unforeseen events that may weaken the bank's brand value. The governance structure of the bank is as follows:



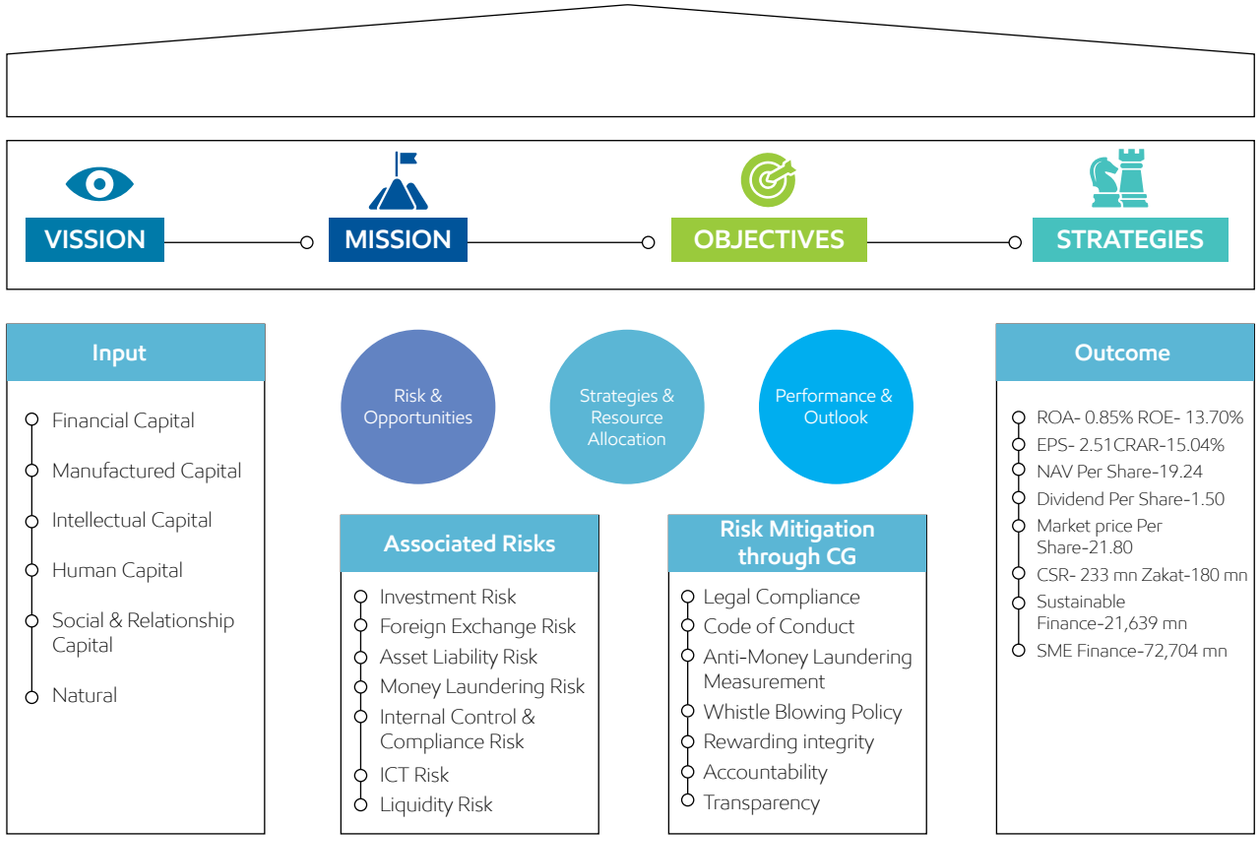
Guiding philosophy of governance practices

Principles of good governance are embedded in the core values of SJIBL, a bank that strongly believes in inclusive and sustainable growth. As a locally incorporated bank, the following acts, regulations, notifications, and circulars played a major role in shaping the governance structure and practices of the bank.

External	Internal
• The Companies Act, 1994 • The Bank Company Act, 1991 • Bangladesh Securities and Exchange Commission (BSEC) Ordinance 1969, Rules 1987, Act 1993 and Public Issue Rules 2015 • Circulars, Rules and regulations issued by Bangladesh Bank time to time • Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited rules and regulations • Financial Reporting Act 2015	• Articles of Association of SJIBL • Organizational Structure • Resolutions of meetings of Management Committees • Board approved policies on all major operational aspects • Code of Conduct of SJIBL • Internal Circulars

Value Creation through Corporate Governance Framework

Corporate governance practices and the value creation of a bank such as SJIBL are inextricably linked. In the face of economic, social, and environmental upheaval, all banking institutions are reconsidering their position in society. There is now widespread agreement that governance has a considerable impact on value creation. A good corporate governance system reduces risks, improves capital flow, boosts reputation, and facilitates improved decision-making, all of which contribute to the bank's value. SJIBL's value creation through corporate governance is as follows:



1. BOARD OF DIRECTORS, CHAIRMAN AND CEO

The Board of Directors of SJIBL currently consists of twenty directors, and all are non-executive directors, including the Chairman. The existing Board of Directors of the Bank includes three independent directors as prescribed in Section 15 of the Bank Company Act 1991.

Senior Management supervises and monitors the bank's corporate governance, which is further reviewed by the Board of Directors. Any violation of corporate governance is treated seriously by the Board of Directors of the bank.

Composition of Board and its Committees

SL	Name of Directors	Board	Executive Committee	Audit Committee	Risk Management Committee
1	Mr. Mohammed Younus	Chairman	-	-	-
2	Mr. Mohiuddin Ahmed	Vice-Chairman	Member	-	Member
3	Mr. Mohammed Golam Quddus	Vice-Chairman	-	Member	-
4	Dr. Anwer Hossain Khan	Director	Member	-	Member
5	Mr. Md. Sanaullah Shahid	Director	Member	-	-
6	Mr. Md. Harun Miah	Director	-	-	-
7	Mr. Md. Abdul Barek	Director	-	-	-
8	Mr. Abdul Halim	Director	-	Member	-
9	Mr. Akkas Uddin Mollah	Director	Chairman	-	-
10	Mr. Khandaker Sakib Ahmed	Director	Member	-	-
11	Engr. Md. Towhidur Rahman	Director	Member	-	Chairman
12	Mr. A.K. Azad	Director	-	-	-
13	Mr. Fakir Akhtaruzzaman	Director	Vice-Chairman	-	-
14	Mr. Md. Moshiur Raman Chamak	Director	-	-	-
15	Mrs. Tahera Faruque	Director	-	-	-
16	Mrs. Jabun Nahar	Director	-	-	-
17	Mr. Fakir Mashrikuzzaman	Director	-	-	Member
18	Mr. Ekramul Hoque	Independent Director	-	Chairman	-
19	Mr. KAM Majedur Rahman	Independent Director	-	Member	Member
20	Mr. Nasir Uddin Ahmed FCA, FCS	Independent Director	-	Member	-
21	Mr. M Shahidul Islam	Managing Director	-	-	-

1.1 Bank's Policy on appointment of Directors

The Directors shall be appointed in accordance with the relevant provisions of the Companies Act 1994, the Bank Company Act 1991, the Corporate Governance Guidelines of the BSEC and the Bangladesh Bank and the Articles of Association of the Bank. The Board of Directors consists of renowned entrepreneurs and business professionals with experience and wisdom in a diverse range of businesses and operations. Together, they have enriched the board with their knowledge and expertise in banking and insurance, IT, accounting, marketing, administration, and engineering.

The Directors are elected by the shareholders at the Annual General Meeting, and all appointments of the Board members are subject to the approval of Bangladesh Bank. In the event of any nomination, removal, or causal vacancy, the bank adheres to all relevant rules and regulations.

1.1.1 Roles and Responsibilities of the Board

The operational affairs of the bank are governed and managed under the overall strategic and prudent policies approved by the Board. The Board also sets the core value of the bank and adopts appropriate standards to ensure that the bank conducts its operations in compliance with relevant laws, rules, and regulations. The main roles and responsibilities of the Board of Directors of the Bank as envisaged in the BRPD Circular No.11 dated October 27, 2013, are the following:

- Approving suitable business strategies,
- Fixing operational budgets,
- Approving financial statements,
- Reviewing of the bank's operational performance towards achievement of objectives,

- Approving policies and operational manuals to establish effective risk management in core banking areas and internal control,
- Reviewing the company's corporate governance standards for further improvement,
- Determining the bank's corporate social responsibility status and taking steps for its improvement,
- Developing a compliance culture in the bank,
- Approving proposals that go beyond the management's delegated business/financial/ administrative powers,
- Appointing of the Managing Director (CEO) and fixation of his benefits,
- Purchasing or acquiring property for the bank,
- Providing welfare to the employees,
- Making a donation to a charitable cause,
- Devising an annual work plan for goals and monitoring its pace of achievement,
- Analyzing reasons for the success or failure of the bank's annual budget achievement,
- Reviewing, periodically, the bank's operational budget achievements,
- Implementing risk management initiatives,
- Review of sufficiency and requirements for internal control efforts of the bank,
- Reviewing the bank's human resources policy,
- Bank's financial management and its periodical review,
- Approving policies and taking decisions for the improvement of operation and compliance culture in the Bank.

1.1.2 Induction Policy of the Directors

Every new director is given an appropriate induction when first appointed to the Board about the affairs of the bank and the laws and regulations applicable to the bank. The induction program includes meetings with the Chairman, the Managing Director and CEO, the Board Committee Chairs, and the bank's executives.

1.1.3 Rotation, Retirement and Removal of Directors

In accordance with the provisions of Section 91 of the Companies Act 1994, Section 79-87 of Schedule I of the Act, and Clauses 20.12 & 20.13 of the Articles of Association of the Bank, one-third of the directors shall retire from office in every subsequent year and shall be eligible for re-election upon retirement immediately. The Bank's Articles of Association dictate that the election of board members follow the resolution determined at shareholders' meetings. Accordingly, the respective directors of SJIBL will retire and be reappointed at the 21st Annual General Meeting.

List of the Directors who were re-appointed during 01-01-2021 to 31-12-2021

SL	Name of the Director	Designation	Remarks
1	Engr. Md. Towhidur Rahman	Director	Re-appointed
2	Mr. A. K. Azad	Director	Re-appointed
3	Mr. Mohammed Younus	Director	Re-appointed
4	Mr. Fakir Akhtaruzzaman	Director	Re-appointed
5	Mr. Mohammed Golam Quddus	Director	Re-appointed
6	Mr. Md. Moshiur Rahman Chamak	Director	Re-appointed

1.1.4 Directors' Shareholding Status

All sponsors/promoters and directors of the bank shall perpetually hold minimum 30% (thirty percent) shares of the bank. Each director other than the independent director(s) of the Bank shall hold minimum 2% (two percent) shares of the paid-up capital of the Bank. In compliance with BSEC Notification No. BSEC/ CMRRCD/2009-193/119/Admin on Corporate Governance dated November 22 2011; all directors other than independent directors of SJIBL have complied accordingly.

Shares held by the Directors:

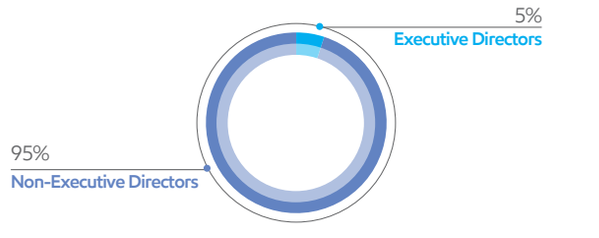
SL	Name of Directors	Position	No of Shares	% of Share
1	Mr. Mohammed Younus	Chairman	25,442,232	2.47%
2	Mr. Mohiuddin Ahmed	Vice-Chairman	20,592,775	2.00%
3	Mr. Mohammed Golam Quddus (Rep. of Anwer Khan Modern Hospital Ltd.)	Vice-Chairman	20,634,938	2.01%
4	Dr. Anwer Hossain Khan	Director	30,763,206	2.99%
5	Mr. Md. Sanaullah Shahid (Rep. of Electra International Ltd.)	Director	26,335,633	2.56%

SL	Name of Directors	Position	No of Shares	% of Share
6	Mr. Md. Harun Miah (Rep. of Shamsuddin Khan & Harun Miah Ltd.)	Director	20,582,006	2.00%
7	Mr. Md. Abdul Barek	Director	20,582,096	2.00%
8	Mr. Abdul Halim	Director	25,033,975	2.43%
9	Mr. Akkas Uddin Mollah	Director	40,690,823	3.95%
10	Mr. Khandaker Sakib Ahmed	Director	20,582,838	2.00%
11	Engr. Md. Towhidur Rahman	Director	23,124,455	2.25%
12	Mr. A.K. Azad	Director	39,233,423	3.81%
13	Mr. Fakir Akhtaruzzaman	Director	20,581,938	2.00%
14	Mr. Md. Moshiur Raman Chamak (Rep. of Fresh Export Import Ltd.)	Director	20,777,760	2.02%
15	Mrs. Tahera Faruque	Director	31,866,598	3.10%
16	Mrs. Jabun Nahar (Rep. of Daffodils Trading International)	Director	21,086,932	2.05%
17	Mr. Fakir Mashrikuzzaman (Rep. of Fakir Knitwears Limited)	Director	37,529,420	3.65%
18	Mr. Ekramul Hoque	Independent Director	Nil	-
19	Mr. KAM Majedur Rahman	Independent Director	Nil	-
20	Mr. Nasir Uddin Ahmed FCA, FCS	Independent Director	Nil	-
21	Mr. M Shahidul Islam	Managing Director	Nil	-

1.2 Adequate representation of Non-Executive Directors

A Non-Executive Director refers to a director who does not hold any position in the bank except being a member of the board and its committees. All the directors of SJIBL, including the Chairman, are non-executive directors, except the Managing Director. The bank's non-executive directors are independent of management and do not participate in day-to-day operations. Adequate representation of non-executive directors ensures separation of management from the owners, which is an integral part of corporate governance.

Adequate representation of Non-Executive Directors



1.2.1 Independence of Non-Executive Directors

Non-Executive Directors enjoy full freedom to carry out their coveted responsibilities. They attend board meetings and are actively involved in the formulation of general strategies of the bank; they also ensure confidentiality regarding the bank's affairs.

1.3 Appointment & qualification of Independent Directors

Independent Directors are critically evaluated before being appointed by the Board and approved by the shareholders in the AGM, followed by the approval of Bangladesh Bank and the Bangladesh Securities Exchange Commission (BSEC). While appointing independent directors, SJIBL emphasizes the mix of knowledge, skills, experience and perception. Independent directors are expected to be knowledgeable and experienced individuals who can guide the organization on the right path. One of our independent directors is a renowned chartered accountant, and the other two are former Managing Directors and CEOs of renowned private commercial banks.

1.3.1 Independence of Independent Directors

In compliance with relevant corporate governance guidelines, the Board has appointed three independent directors. The independent directors are proficient in the fields of financial, regulatory and corporate law and enjoy full freedom to carry out their assigned responsibilities.

Independent Directors exert an autonomic view on the policies and decisions of the Board in the best interests of the Bank. In order to comply with regulatory requirements, SJIBL's Independent Directors do not hold any shares of the Bank.

1.3.2 Role of Independent Directors

Under present rules and regulations, independent directors are not required to have any significant relationship with the bank, its top management, or the board apart from receiving directors' remuneration for attending board and board committee meetings. The bank meets the criterion by appointing independent directors who are not shareholders in the bank and have no family or other ties to the board of directors,

executives, or management. Apart from performing the roles of directors, independent directors also perform other roles as follows:

- Oversee issues where there is a potential conflict of interest.
- Consider, review, evaluate, and provide oversight over related-party transactions to ensure transactions are fair and in the best interests of SJIBL.
- Validate that the organization maintains an effective and independent compliance function.
- Bring valuable independent judgment to the Board.

1.4 Chairman to be independent of CEO

In compliance with Bangladesh Bank BRPD Circular No. 11 and Circular Letter No. 18 dated October 27, 2013, and Clause 1(4) of BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 on Corporate Governance Code dated June 3, 2018, the functional responsibilities of the Chairman of the Board and the Managing Director and CEO are kept separate and independent of each other. The Board has appointed Mr. Mohammed Younus as the Chairman and Mr. M Shahidul Islam as the Managing Director and CEO of the Bank.

The Chairman of the Board approves the agendas of the board meetings. This consists of approving investment proposals beyond the CEO's authority and aspects of the bank's corporate strategy, financial performance, core risks and credit policy, corporate governance, CSR and organizational structure, human resources policy, customer service strategies, procurement policy, etc.

The CEO acts as the head of the management team and is therefore accountable to the board and its committees. The role comprises running and managing the bank following the prescribed policies, principles, and strategies established by the Board and the rules, regulations, and guidelines of the Central Bank, BSEC and other regulatory authorities.

1.5 Responsibilities of the Chairman of the Board

As per BRPD Circular No. 11 dated October 27, 2013, issued by Bangladesh Bank and the Corporate Governance Code issued by BSEC on June 3, 2018, the Chairman of the Board of Directors broadly possesses the following major responsibilities:

- Ensure that the board sets and implements the bank's direction and strategy effectively;
- Organize the business of the board, ensure its effectiveness and establish its agenda;
- Ensure effective operations of the Board and its committees in conformance with the highest standards of corporate governance;
- Ensure that all key issues are discussed in a timely and constructive manner by the Board of Directors;
- Ensure the non-intervention of any director in the routine affairs of the bank;
- Sign the minutes of the board meeting for formal confirmation.

1.6 Annual Appraisal of the Board's Performance

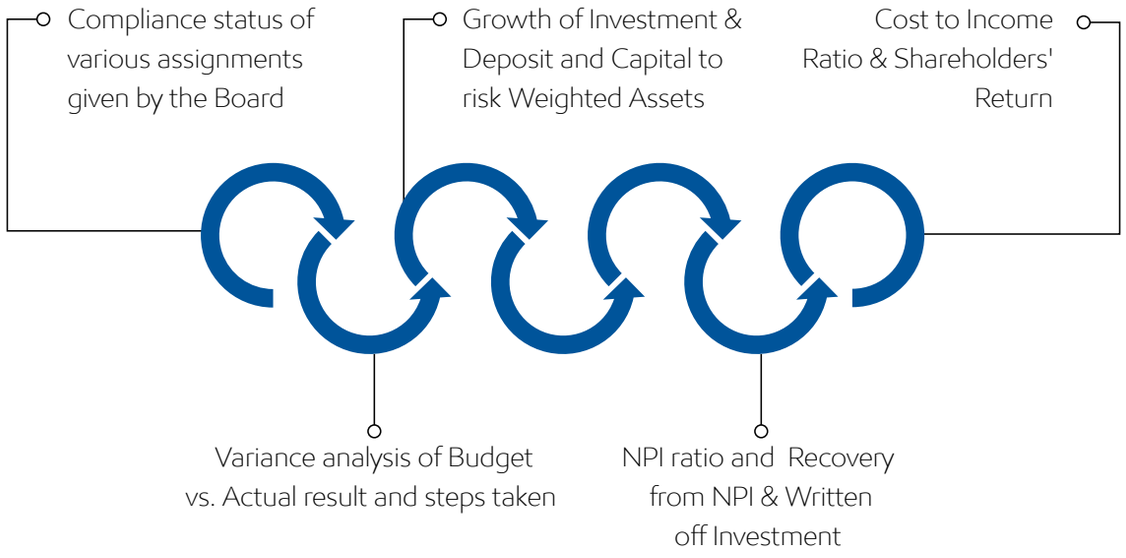
Shareholders critically appraise the performance of the board, evaluate the financial position and performance of the bank, the adequacy and effectiveness of the internal control system, and the overall governance mechanism at the AGM. The shareholders also ask questions and make queries to the board during the AGM, and the chairman of the board gives a patient hearing and responds to all their queries. The performance of the board is appraised based on certain parameters such as shareholder return, share price, return on capital employed, earnings per share, etc. of the bank. The attendance of directors and their active participation in the meeting on various agendas is ensured at every board meeting. The Board approves the annual budget and monitors the monetary variance quarterly to ensure the achievement of the target. The board's performance is greatly dependent on the achievement of the budgeted target. Furthermore, performance reports are presented by supporting committees at regular intervals during board meetings for assessment. Besides, the performance reports of supporting committees of the board are also placed at the board meeting, through which the performance of the board members is regularly assessed.

The agendas that the board discussed on corporate governance can broadly be classified as under:

Agendas on Corporate Governance	In Priority
Policy Formulation	High Priority
Performance Monitoring	Medium Priority
Reporting & Disclosure	Medium Priority

1.7 Annual Performance Evaluation of the Chief Executive Officer

The Board of Directors of SJIBL has clearly defined and approved the roles, responsibilities, and duties of the Managing Director/CEO. The Board annually evaluates the CEO's performance through various reports, such as the financial position and performance of the bank. The parameters typically consist of:



In addition to the above, the competitive nature of the banking industry makes it relevant to assess the marketing and customer management skills of the MD/CEO.

1.7.1 Rules and Regulations for Appointing CEO

The Board is responsible for appointing a Chief Executive Officer/Managing Director in compliance with the relevant circulars and rules of Bangladesh Bank and BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018. The appointment of the Chief Executive Officer (CEO) is made final only after obtaining a No Objection Certificate (NOC) from Bangladesh Bank. The following issues are considered before appointing a CEO:

Moral Integrity: It is required to ensure that the concerned person has not been convicted by any criminal court of law or been punished for violating a rule.

Experience and Suitability: It is required to ensure that the concerned person has banking experience of at least 15 (fifteen) years as an active officer and at least 02 (two) years of experience in a post immediately below the Chief Executive Officer. A master's degree from any recognized university is also required.

Transparency and Financial Integrity: It is required to ensure that the concerned person was not involved in any illegal activity while performing his duties and is also not a bank defaulter or adjudicated as insolvent.

1.7.2 Appointment of Chief Financial Officer (CFO), Company Secretary (CS), and Head of Internal Control and Compliance (IC&CD)

According to the bank's policy and other applicable rules and regulations, the bank has appointed a Chief Financial Officer (CFO), a Head of Internal Control & Compliance (IC&CD), and a Company Secretary (CS). To carry out their given obligations, they are well-versed in their particular disciplines of financial, regulatory, and corporate legislation. The positions, responsibilities, and duties of the Chief Financial Officer (CFO), Company Secretary (CS), and Head of Internal Control & Compliance were all clearly defined and authorized by the Board.

1.8 Policy on Training of Directors

The Policy on Director Training includes, among other things, offering training and information on the most recent developments in the banking industry, such as relevant legislation, policy guidelines, circulars, rules and regulations issued by regulatory agencies. This is done in order for them to properly carry out their duties. Special discussion sessions with experts on highly technical and complex problems are sometimes scheduled. They also take part in business, economic, technical, professional, and corporate governance programs and seminars conducted by various professional organizations both at home and abroad.

1.9 Directors' Knowledge and Expertise in Finance and Accounting

One of our Directors, Mr. Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK), ACA (England & Wales), has extensive experience in finance and accounting. Two of our board members have previously served as managing directors of various banks. They are extremely knowledgeable in the fields of banking, finance, and accounting. One of our directors holds a Ph.D. Another board member is a former president of FBCCI, the country's highest business forum. Other board members are either successful entrepreneurs or seasoned professionals with extensive knowledge of business, economics, and administration. They provide

guidance on matters applicable to accounting and audit-related issues to ensure compliance and reliable financial reporting.

1.10 Number of meetings of the Board and Participation of each Director

Meetings are usually held once a month, although if necessary, more than one meeting may be convened. Management provides detailed information, references, and discussion papers on each agenda item to all directors before the board meeting. The Company Secretary, as per instruction of the Chairman of the Board, takes the necessary steps to arrange regular board meetings throughout the year. The following is the total number of meetings held in 2021:

Sl. No.	Particulars	No. of Meeting
1	Number of Board meeting	20
2	Number of Executive Committee (EC) meeting	20
3	Number of Audit Committee meeting	10
4	Number of Risk Management Committee (RMC) meeting	6

1.10.1 Board Meeting attendance and remuneration

The following is a statement of board meetings held in 2021, as well as the attendance of directors from January 1, 2021 to December 31, 2021:

SL	Name of Directors	Position	Meeting Held	Attended	Remuneration (Per meeting)
1	Mr. Md. Sanaullah Shahid	Chairman	20	20	8,000
2	Mr. Md. Harun Miah	Vice-Chairman		19	8,000
3	Mr. Md. Abdul Barek	Vice-Chairman		15	8,000
4	Dr. Anwer Hossain Khan	Director		14	8,000
5	Mr. Abdul Halim	Director		17	8,000
6	Mr. Mohiuddin Ahmed	Director		18	8,000
7	Mr. Akkas Uddin Mollah	Director		18	8,000
8	Mr. Khandaker Sakib Ahmed	Director		20	8,000
9	Engr. Md. Towhidur Rahman	Director		18	8,000
10	Mr. A.K. Azad	Director		13	8,000
11	Mr. Mohammed Younus	Director		13	8,000
12	Mr. Fakir Akhtaruzzaman	Director		14	8,000
13	Mr. Mohammed Golam Quddus	Director		20	8,000
14	Mr. Md. Moshiur Raman Chamak	Director		16	8,000
15	Mrs. Tahera Faruque	Director		06	8,000
	Mr. Mohammad Masud as Alternative Director	Alternative Director			
16	Mrs. Jabun Nahar	Director		19	8,000
17	Mr. Fakir Mashrikuzzaman	Director		20	8,000
18	Mr. Ekramul Hoque	Independent Director		20	8,000
19	Mr. KAM Majedur Rahman	Independent Director		16	8,000
20	Mr. Nasir Uddin Ahmed FCA, FCS	Independent Director		20	8,000

1.10.2 Board Committees and their responsibilities

The Bangladesh Bank issued a circular vide BRPD Circular No. 11 dated October 27, 2013 permitting banks to organize a maximum of three committees or subcommittees of the Board to ensure good governance in the operation of banks. SJIBL has an Executive Committee, an Audit Committee, and a Risk Management Committee to supervise and control the bank's operations, performance, and strategic direction.

Executive Committee (EC)

The Board of Directors of SJIBL has formed the Executive Committee (EC) with 7 (seven) members in accordance with Section 15B (2) of the Bank Company Act 1991 and BRPD Circular No. 11 dated October 27, 2013. The company secretary also serves as secretary of the committee.

The EC normally acts as a proxy for the Board of Directors, holds emergency meetings, and performs various tasks to ensure that banking operations run

smoothly. Any decision reached by the committee, however, must be validated by the board. During the year 2021, the EC held a total of 20 (twenty) meetings. The following table shows the meeting and attendance.

Executive Committee Meeting, attendance and remuneration

The following is a statement of executive committee meetings, attendance, and member remuneration from January 1, 2021, to December 31, 2021:

SL	Name of Directors	Position	Meeting Held	Attended	Remuneration (Per meeting)
1	Dr. Anwer Hossain Khan	Chairman	20	17	8,000
2	Mr. Fakir Akhtaruzzaman	Vice Chairman		17	8,000
3	Mr. Mohiuddin Ahmed	Member		20	8,000
4	Mr. Akkas Uddin Mollah	Member		19	8,000
5	Mr. Khandaker Sakib Ahmed	Member		20	8,000
6	Engr. Md. Towhidur Rahman	Member		20	8,000
7	Mr. Mohammed Younus	Member		14	8,000

Audit Committee (AC)

The Audit Committee carries out its functions based on the Terms of Reference (ToR) approved by the Board. At least one independent director has to be present to fulfill the quorum of the AC meeting. The company secretary acts as the secretary of the committee. In compliance with Bangladesh Bank's BRPD Circular No.11 dated October 27, 2013, and BSEC's Corporate Governance Code dated June 3, 2018, the Audit Committee (AC) has been reconstituted, consisting of five members. Under the ToR, the Committee is required to review and oversee the company's financial reporting, non-financial corporate disclosures, internal control systems, and compliance from time to time.

Risk Management Committee (RMC)

The Board of Directors of SJIBL has constituted a five (5) member Risk Management Committee (RMC) in accordance with BRPD Circular No. 11 dated October 27, 2013. The RMC was established to reduce the likelihood of risks arising during the implementation of board-approved policies, processes, and strategies. The RMC is entrusted to examine and review whether management is properly working on the identification, management, and mitigation of risks that arise in the ordinary course of business. The criteria consist of credit risk, foreign exchange risk, internal control and compliance risk, money laundering risk, information and communication technology risk, operational risk, interest rate risk, liquidity risk, and inadequate provision and capital risk. All five members of the RMC are Non–Executive Directors of the Board.

Responsibilities of RMC

RMC is responsible for identifying and assessing the bank's risk and guiding management in developing risk-mitigation programs. The committee analyzes the risk management policy and makes any necessary changes. The committee is required to convene at least four times per year. The CEO, Chief Risk Officer (CRO), or any other executive may be invited to attend the committee meeting. During 2021, the RMC held 6(six) meetings and had thorough conversations and review sessions with the CRO about their findings, observations, and recommendations on issues of bank affairs.

Risk Management Committee meeting, attendance and remuneration

The statement of the risk management committee meetings, attendance, and remuneration from January 1, 2021 to December 31, 2021, are appended below:

SL	Name of Directors	Position	Meeting Held	Attended	Remuneration (Per meeting)
1	Mr. Mohammed Younus	Chairman	06	06	8,000
2	Dr. Anwer Hossain Khan	Member		01	8,000
3	Mr. Md. Abdul Barek	Member		05	8,000
4	Mr. Mohiuddin Ahmed	Member		06	8,000
5	Mr. KAM Majedur Rahman	Member		06	8,000

1.10.1 Key activities performed by the Board in 2021

The operational affairs of the bank are governed and managed under the overall strategic and prudent policies approved by the Board. The Board also sets the core value of the bank and adopts appropriate standards to ensure that the bank conducts its operation in compliance with relevant laws, rules, and regulations.

- Authorization of Quarterly Financial Statements of 2021 as well as Annual Financial Statements, 2020;
- Approval of the Annual Business Plan-2021;
- Adoption of the Director's Report 2020;
- Appointment of statutory and corporate governance auditors and fixing their remuneration;
- Holding Annual General Meeting;
- Declaration of Dividend for the year 2020;
- Approve the amendments to the different policies of the bank;
- Approval of the Sustainability and Corporate Governance Strategy;
- Approval of the Audit Plan for the year 2022;
- Discussion and decision-making on anti-money laundering issues;
- Discussion and decision-making on ethical issues;
- Discussion and decision on COVID-19 risk management and mitigation;
- Review of the bank's operational performance towards achievement of objectives;
- Review the policies and operational manuals to establish effective risk management in core banking areas and internal controls;
- Review the bank's corporate governance standards for further improvement;
- Review the bank's corporate social responsibility status and take steps to mitigate COVID-19 risk;
- Approving proposals which are beyond the business/administrative delegation power of management;

1.11 Directors Report on Financial Statement and Corporate Governance

The Companies Act 1994 requires preparing financial statements for each accounting year. The Board maintains adequate records to safeguard the assets of the company, prevents and detects fraud and irregularities, selects and applies suitable accounting policies, and makes reasonable judgments and estimates where necessary. A separate statement of the directors' responsibility for financial reporting and corporate governance is given in this Annual Report.

1.12 Boards Accountability on Audit and Financial Reporting

The Board diligently fulfills its responsibilities by preparing and presenting a balanced and comprehensive assessment of the bank's operations at the end of each financial year. The Annual Financial Statements and Annual Report are duly audited by the external auditor. All the financial statements and annual reports are available on the bank's website for stakeholders.

1.13 Competent Leadership

SJIBL prefers a process that provides a framework for leaders to listen, learn, and then lead. Management is willing to understand the problems employees and clients are facing before attempting to come up with ideas and solutions. For the development of products and services and approval by the board, all steps go in the direction of listening to learn and then approving, which also justifies sustainable leadership both by the board and the management of the bank.

1.14 Succession Plan

Succession planning is an essential component of corporate governance procedures in order to satisfy the company's long-term goals and objectives, as well as to guarantee that its members' knowledge, experience, and abilities are well-equipped to meet the needs of the ever-changing financial industry. The bank has a clear succession strategy in place for senior management and the board. Employees are promoted to higher management positions based on the bank's standards and needs. The appointment of a new director at SJIBL takes into account their knowledge, experience, and abilities to carry out their responsibilities.

1.15 Related Party Transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or significant influence. A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per IAS 24 'Related Party Disclosures', Bangladesh Bank and BSEC guidelines. Details of the related party transactions have been disclosed on page no. 499 of this Annual Report.

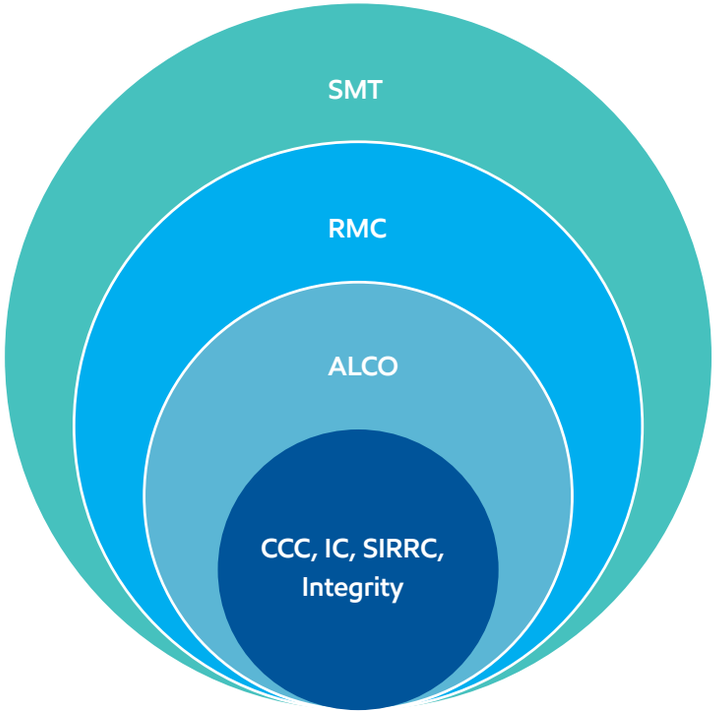
The Bank carries out business with related parties in the ordinary course of business on an arm's length basis at commercial rates, except for those transactions that the key management personnel have availed themselves at concessionary rates, which are applicable to all the eligible staff. The following process is followed by the bank for related party transactions:

- Report such Related Party Transactions to Bangladesh Bank in the prescribed format on a quarterly basis.
- Review of related party transactions by the Audit Committee to ensure compliance and keep the Board informed from time to time.
- Approval by the Board of Directors' for re-scheduling of investment given to any Director or his sister concern.
- The Board approves all related party transactions and ensures that these transactions with the Company are undertaken on an arm's length basis.
- No extra preference is given to the directors, as well as vendors and suppliers owned by them.
- All related party transactions are disclosed as per IAS 24 'Related Party Disclosures'.

1.16 Management Committees

Bank management, led by the Managing Director, has a collective mandate to carry out daily operations in the best interests of its shareholders in an effective corporate governance structure. Aside from the general division of functional units, SJIBL established a number of committees to assist management in successfully conducting banking operations. In the diagram below, the committees are shown:

The graph beside represents overlapping relation since members of SMT and RMC also attend other committee meetings as regular members.



Apart from regulatory manual management committees check and ensure compliance in line with internal manuals like SJIBL Operational manual, SJIBL IRM Guidelines and SJIBL ICT Policy etc.

The Committees are:

i) Senior Management Team (SMT)

The Senior Management Team consists of MD, all AMDs, DMDs, the CFO, the Head of RMD, and the Head of BOD who guide the bank for sound and prudent day-to-day management. The SMT is chaired by the Managing Director. SMT's decision-making process is open and transparent, with the goal of fostering a proactive management culture.

ii) Supervisory Review Process (SRP) Team

The SRP Team consists of the divisional heads of ID, IRMD, IC&CD, Treasury, SAMD, FAD, RMD, and AMLD, and is led by the Bank's Managing Director. The team's major responsibility is to estimate additional capital requirements in order to manage risks in compliance with BASEL-III's pillar II.

iii) Risk Management Committee (RMC)

The RMC consists of the divisional heads of IRMD, ICCD, AMLD, IT, Treasury, and FAD, and is led by the Chief Risk Officer. RMC's role is to identify, measure, and manage the bank's existing and potential risks through rigorous risk analysis.

iv) Investment Committee (IC)

The IC, headed by the Chief Business Officer (CBO), discusses all critical investment proposals that require formal review and approval. The IC discusses investment proposals that require particular consideration from senior management prior to approval.

v) Asset-Liability Management Committee (ALCO)

The ALCO consists of the Managing Director, Additional Managing Directors, Deputy Managing Directors, and Divisional Heads of strategic importance. The Treasury Division manages market risk, covering liquidity, interest rate, and foreign exchange risks based on ALCO's recommendations.

vi) Anti-Money Laundering (AML) Committee

The AML Committee manages and monitors all issues relating to AML and CFT. The AML Committee ensures that all employees get training on anti-money laundering at least once a year.

vii) Sustainable Finance Committee (SFC)

The bank's Sustainable Finance Committee ensures that all green banking activities are carried out in accordance with the bank's policies. The bank's Sustainable Finance Unit (SFU) keeps the SFC up-to-date on advancements in green banking on a regular basis.

viii) Procurement Committee (PC)

The Procurement Committee (PC) ensures that the purchase of all goods and services is done efficiently, economically and objectively. The main objective of this Committee is to ensure transparency in all tenders. SJIBL has already implemented an E-Tender system that assists in neutral judgment.

ix) Shariah Inspections and Report Review Committee (SIRRC)

The Managing Director chairs the committee, which also includes AMDs, DMDs, and all Muraquibs of Shariah Divisions.The Shariah Inspections and Report Review Committee ensures shariah compliance in each operation of the Bank. It traces and reports suspicious income of the bank that needs to be segregated from profit as per Islamic shariah. The beauty of Islamic banking lies in using overdue investment income and suspicious income for public welfare instead of crediting the same to profit.

x) Central Compliance Committee (CCC)

The Central Compliance Committee (CCC) directly reports to the Managing Director. As instructed by the regulatory authority, the Central Compliance Committee (CCC) is responsible for ensuring compliance with the policies and guidelines of the central bank and other regulatory bodies, as well as all internal policy manuals of SJIBL.

xi) Integrity Committee

The Integrity Committee is responsible for nominating five officers and executives who excel above all others in terms of professional commitment and integrity. The reward for integrity is given each year as per the regulatory instructions of the Bangladesh Bank.

1.17 CEO & Roles and Responsibilities of CEO

Mr. M Shahidul Islam is the CEO and Managing Director of the bank. He is responsible for running the business efficiently and formulating and implementing appropriate business strategies. He is also responsible for the day-to-day business operations and is accountable to the Board for the financial and operational performance of the bank. His major responsibilities as CEO are as follows:

a) To remain accountable for the achievement of financial, operational and other business targets.

b) To ensure compliance with the Bank Company Act, 1991 and other applicable laws and regulations.

c) To facilitate the smooth operation of the Bank.

d) To recruit and promote all the staff of the bank, except those in the two tiers below him (CEO).

e) To give all types of approval within business delegation with full responsibility.

Besides, the authority relating to the transfer and disciplinary measures against the staff, except those at two tiers below the CEO, shall rest with him.

1.18 Role of Company Secretary

The Company Secretary of the Bank provides advice and support to the Board and is accountable to the Board for all matters relating to the proper functionality of the Board and its Committees. The Company Secretary is responsible for advising the Board on governance matters and ensuring compliance with applicable laws and regulations.

1.19 Role of Chief Financial Officer (CFO)

The Chief Financial Officer directs a company's financial goals, objectives and budgets. He also advises the Board of Directors on the kind of actions to be adopted in upholding high standards of financial control and

reporting. The CFO oversees all the financial operations of the organization including accounting, financial reporting, tax and regulatory reporting.

1.20 Role of Head of Internal Control & Compliance

The Head of Internal Control & Compliance (IC&CD) is responsible for the Bank's strategic risk-based internal audit plan and managing the internal audit function under the Bank's internal audit charter. Responsibilities include providing reasonable assurance of the effectiveness of the organization's risk management and internal controls.

1.21 Attendance of CEO, CFO, CS & Head of IC&CD in the Board Meeting

The bank's Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Control & Compliance (IC&CD), and Company Secretary (CS) attend Board of Directors meetings. They do not, however, attend meetings in which an agenda item pertaining to their personal affairs is discussed.

1.22 Governance of Board of Directors of Subsidiary Company

Shahjalal Islami Bank Limited is the parent company, while Shahjalal Islami Bank Securities Limited is a subsidiary company of the bank. The board of the parent company is aware of the material risks and issues that might affect both the bank as a whole and its subsidiaries. It exercises adequate control over its subsidiary while respecting the independent legal and governance responsibilities that may apply to the board of directors of the subsidiary. The composition of the board of directors of the subsidiary company is given below:

Sl. No.	Name	Position in Bank	Position in Subsidiary	Control on Subsidiary
1	Mr. Md. Sanaullah Shahid	Director	Chairman	
2	Engr. Md. Towhidur Rahman	Director	Vice Chairman	
3	Mr. Mohiuddin Ahmed	Director	Vice Chairman	
4	Mr. Mohammed Younus	Chairman	Director	
5	Mr. Akkas Uddin Mollah	Director	Director	
6	Mr. M. Shamsul Huq	-	Director	
7	Mr. Ekramul Hoque	Independent Director	Independent Director	Bank holds
8	Mr. M Shahidul Islam	MD	Director	91.79% Shares
9	Mr. Abdul Aziz	AMD	Director	
10	Mr. Main Quamrul Hasan Chowdhury	AMD	Director	
11	Mr. Shahjahan Shiraj	DMD	Director	
12	Mr. M Akhter Hossain	DMD	Director	
13	Mr. Md. Abul Bashar	EVP	Director	
14	Mr. Md. Jafar Sadeq FCA	EVP	Director	

2. VISION/MISSION AND STRATEGY

2.1 Vision / Mission Statements of SJIBL

The vision and mission statement of the bank, approved by the Board of Directors, is presented on page number12 of this report. The said statements are also disclosed on the bank's website and other related publications.

2.2 Business Objectives and Areas of Business Focus

The chapter on Integrated Reporting of this Annual Report has been updated to include the identification of business objectives and areas of business focus, as well as strategies to achieve the business objectives.

2.3 General description of Strategies to achieve the company's business objectives

In this annual report, the Board's strategic priorities, as directed from time to time, are provided. The "Management Discussion and Analysis" section of this report goes into great detail about our sector-specific bank's objectives, plans, priorities, and future business outlooks.

At the start of each year, SJIBL develops strategies and action plans that are in line with the bank's mission, vision, and business objectives.

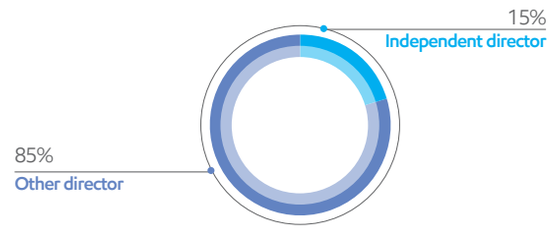
3. AUDIT COMMITTEE

The Audit Committee is one of the major operating committees of a bank's board of directors. The Audit Committee carries out its functions based on the Terms of Reference (ToR) approved by the Board and is accountable to the Board of Directors. At least one independent director has to be present to make up the quorum of the AC meeting. The company secretary acts as the secretary of the committee.

3.1 Appointment and Composition

The Board Audit Committee is reconstituted by the Board from time to time in accordance with Bangladesh Bank's BRPD Circular No.11 dated October 27, 2013, and the BSEC's Corporate Governance Code dated June 3, 2018, to review and oversee the bank's financial reporting, non-financial corporate disclosures, internal control systems, and compliance with applicable laws and regulations, among other things.

Independent & Other Directors in Audit Committee

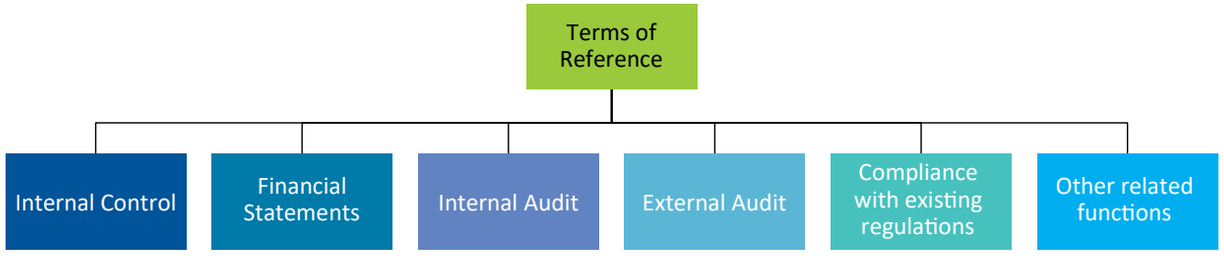


3.1.1 Chairman of the Audit Committee as an Independent & Non-Executive Director

The bank's Audit Committee is chaired by Mr. Ekramul Hoque, an independent director. He is not involved in the bank's day-to-day operations. He is a well-known former banker and former managing director. In addition, he is competent to serve as the Chairman of the Audit Committee. He graduated from the University of Dhaka with a master's degree in economics. Mr. Ekramul Hoque has made a significant contribution to Bangladesh's banking sector and economy.

3.1.2 Terms of Reference of Audit Committee

The Audit Committee is responsible for overseeing and controlling various risks associated with banking operations. To maintain disciplined banking operations, the committee reinforces the system of internal control and serves as a focal point for internal and external auditors.



3.1.2.1 Major responsibilities of Audit Committee as per Terms of Reference

The Audit Committee assists the board of directors in fulfilling its corporate governance and overseeing responsibilities in relation to the bank's financial reporting, internal control, risk management, and internal and external audit functions. Its role is to provide advice and recommendations to the board within the scope of its terms of reference. The Terms of Reference for the Audit Committee are given below:

- Oversee the financial reporting process;
- Keep an eye on the accounting policies and principles that are being used;
- Monitor Internal Audit & Compliance process;
- Oversee hiring and performance of external auditors;
- Holding meetings with external auditors, whenever required;
- Review of quarterly, half-yearly and annual Financial Statements;
- Review the adequacy of the internal audit function;
- Review the Management's Discussion and Analysis before disclosing in the Annual Report;
- Review statement of all related party transactions;
- Review Management Letters issued by statutory auditors;
- Oversee the determination of audit fees and evaluate the performance of external auditors;
- Be accountable to the Board of Directors for all responsibilities as mentioned above;

The Chairman of the Board's Audit Committee is an independent director who has complete discretion in carrying out his duties, while the company secretary serves as the committee's secretary.

3.1.3 Composition of Audit Committee consisting of an Independent Director and Non-Executive Directors

The Audit Committee of SJIBL consists of 5 (five) members, including 3 (three) independent directors. All the members of the Audit Committee of SJIBL are Non-Executive Directors. No executive of the bank is eligible to become a member of the Audit Committee, and the company secretary acts as the secretary of the Audit Committee.

3.1.4 All members of the Audit Committee are suitably qualified and expertise in Finance & Accounting

The Audit Committee consists of people that are qualified, professional and have worked in the banking and financial industries. The Chairman of the Audit Committee Mr. Ekramul Hoque , having brilliant academic and banking background got his MA degree in Economics from the University of Dhaka. Mr. Ekram has contributed a lot for the banking sector and economy of our beloved country. He was the Managing Director of Al-Arafah Islami Bank Limited. In his 43 years of professional career, he also had golden touch in Uttara Bank Limited, National Bank Limited and Export Import Bank of Bangladesh Limited. As an independent director of the bank, Mr. KAM Majedur Rahman serves on the Audit Committee. He graduated from the University of Dhaka with a Master's degree. He was the Managing Director of the Dhaka Stock Exchange as well as Premier Bank Limited. Similarly, he was the country head of Bank Alfalah, a multinational bank from abroad. Mr. Nasir Uddin Ahmed, FCA, FCS, is a seasoned financial, consulting, and secretarial affairs professional with over 34 years of effective leadership experience. MABS & J Partners, Chartered Accountants, has him as a senior partner. He is a member of the ICAB and the ICSB. He was also a member of SAFA's board of directors. Mr. Abdul Halim and Mr. Mohammed Golam Quddus, a former secretary of the Bangladesh government, are the other members of the Audit Committee.

3.1.5 Accessibility of Head of Internal Control and Compliance Division to Audit Committee

The Head of the Internal Control and Compliance Division is well empowered to have direct access to the Audit Committee as and when required. Besides, the AC meets with the Head of ICC at least once a year, without management being present, to discuss any issue arising from internal audits. He has the authority to raise concerns whenever he feels it is necessary.

3.1.6 Meeting & Attendance Requirement:

The Audit Committee met ten (10) times during the year 2021. The committee held extensive discussions and review sessions with the ICC's head and external auditors about their findings, views, and suggestions. Corrective actions on associated bank business issues that need to be addressed were also discussed. The Audit Committee Meeting Minutes, which include numerous proposals and recommendations, are brought before the Board for ratification on a regular basis. Key areas of focus for the AC in 2021 were presented in the "Audit Committee Report" section of this Annual Report.

Audit Committee meeting, attendance and remuneration

The following is the Statement of Audit Committee Meetings, Attendance, and Remuneration for the period January 1, 2021 to December 31, 2021:

SL	Name of Directors	Position	Meeting Held	Attended	Remuneration (Per meeting)
1	Mr. Ekramul Hoque	Chairman	10	10	8,000
2	Mr. Abdul Halim	Member		07	8,000
3	Mr. Mohammed Golam Quddus	Member		10	8,000
4	Mr. KAM Majedur Rahman	Independent Director		09	8,000
5	Mr. Nasir Uddin Ahmed FCA, FCS	Independent Director		08	8,000

3.1.7 Quorum of the Audit Committee Meetings

The quorum of the meeting of the Audit Committee shall be comprised of either two members or two-thirds of the members of the Audit Committee, whichever is higher, where the presence of an independent director is a must. The company secretary shall act as the secretary of the Committee.

3.1.8 Presence of the Chairman of the Audit Committee in the AGM

The Chairman of the Audit Committee attends every SJIBL AGM to maintain openness. In the absence of the Chairman, the committee will choose any other member of the Audit Committee to attend the Annual General Meeting (AGM).

3.1.9 Reporting to the Board of Directors

The Audit Committee shall make a report on its activities to the Board. The Audit Committee shall immediately report to the Board on the following findings, if any:

- Report on conflicts of interests;
- Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;
- Suspected infringement of laws, regulatory compliance including securities related laws, rules and regulations; and
- Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;

However, no such incidents occurred at SJIBL in 2021.

3.1.10 Reporting to the Authorities

If the Audit Committee has reported to the Board about something that has a material impact on the financial condition and results of the operation and has discussed with the Board and management that rectification is required, and the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report the finding to the BSEC.

In the year 2021, no such incidents occurred in SJIBL.

3.1.11 Reporting to the Shareholders and General Investors

The Audit Committee's report on activities during the year, including any report made to the Board under condition No. 5(6)(a)(ii) of the BSEC Corporate Governance Code dated June 3, 2018, shall be signed by the Chairperson of the Audit Committee and disclosed in the Bank's annual report.

No such events have occurred in SJIBL during the year 2021.

3.2 Objective and Activities of Audit Committee

The Audit Committee regularly reviews the internal control systems of the bank. They also review, with management, the bank's quarterly, semi-annual, and annual financial statements before submission to the Board for consideration. The objectives and activities of the Audit Committee are described in the "Audit Committee Report" on page 352 of this Annual Report.

3.2.1 Internal controls are well-conceived, properly administered and satisfactorily monitored

The Audit Committee is of the view that the internal control and compliance procedures are well-conceived, properly administered and satisfactorily monitored. This view is based on the review of activities of IC & CD in 2021. This was mentioned in detail in the Audit Committee Report on page no 352 of this Annual Report.

3.2.2 Statement to indicate audit committees role in ensuring compliance with Laws and Regulations

The effectiveness of internal controls is reviewed on an ongoing basis by the Audit Committee to ensure that they are operating adequately and effectively. The Committee reviews the actions taken on lapses identified in the reports of IC&CD.

3.2.3 Compliance on Central Bank inspections

The Central Bank inspects commercial banks on a regular basis. The main objective of the Central Bank is to ensure that banks are complying with applicable laws and regulations. Accordingly, Bangladesh Bank conducted a comprehensive inspection of SJIBL during the year 2021, covering the head office, selected branches, core risks, and different divisions as carried out each year, and issued inspection reports. The bank has responded to the issues raised by Bangladesh Bank in a timely manner. The Audit Committee of the Board has reviewed the compliance status of the Bangladesh Bank inspection report and instructed management to comply with Bangladesh Bank's recommendations meticulously.

3.2.4 Audit Committee involvement in the review of the external audit function

Based on the proposal of the Audit Committee, the board recommended appointing ACNABIN, a chartered

accountancy firm, as statutory auditors of the bank for 2021 to the shareholders at the 20th AGM. Accordingly, the shareholders have approved their appointment. In compliance with the BSEC corporate governance code, the statutory auditors did not perform any activities other than the statutory audit. During their tenure, the IC&CD department has coordinated and reviewed their functions and reported to the Audit Committee. Before presenting the financial statement to the board, the committee reviewed their activities and discussed with the external auditors in this regard, and the committee and the auditors both expressed their satisfaction.

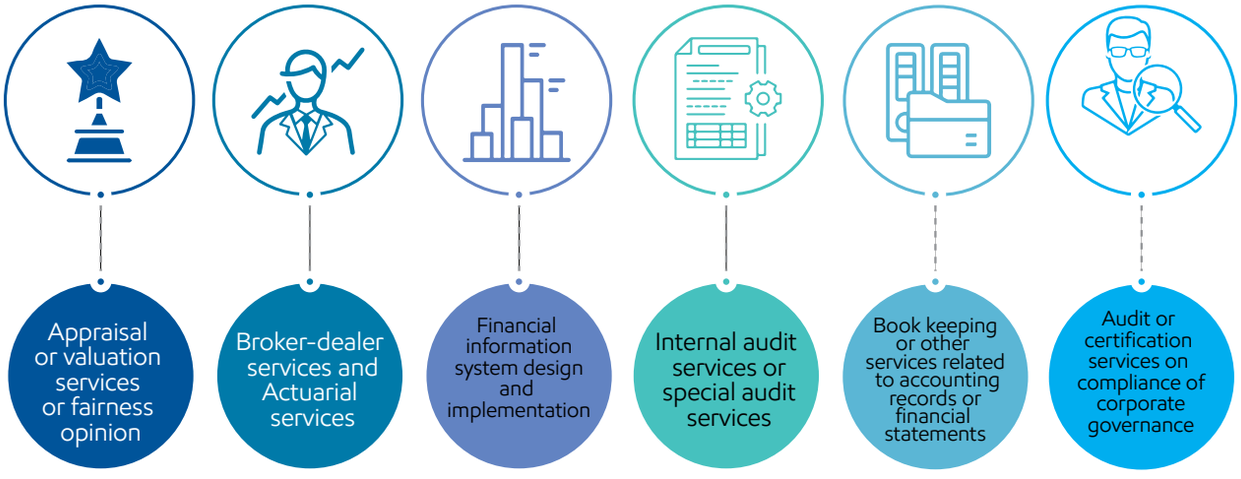
Key Functions of Audit Committee relating to the review of the external audit function

The key functions of the Audit Committee relating to the review of the external audit function are to

- make certain that the external audit function is well-coordinated;
- ensure the independence of external auditors;
- review the external auditor's findings to ensure actions are taken;
- review the appointment/reappointment of the external auditor;
- ensure that the external auditor has not been assigned any non-audit work;
- ensure that the independence of the external auditor is not compromised.

Services not provided by External Auditors

In compliance with provision 7 of BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018, M/S. ACNABIN, Chartered Accountants, was involved in the statutory audit of the Bank. M/S. ACNABIN, Chartered Accountants, was not engaged in any of the following services during 2021:



3.2.5 Selection of appropriate accounting policies

The Audit Committee reviewed the financial statements of 2021. The Committee noted that the financial statements were prepared according to the appropriate accounting policies and applicable accounting standards adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). The accounting methods were also verified by the statutory auditors, and they expressed their satisfaction with the adequacy of the accounting methods as reflected in their report on page no. 424.

3.2.6 Review of annual and interim financial statements before presenting to the board for authentication

In compliance with BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018, the Audit Committee, along with management, reviews the quarterly, half-yearly, and annual financial statements before submission to the Board for approval.

3.2.7 Review of reliability of the management information used for such computation

An effective internal control process prevents possible fraud and forgery. Based on internal audits conducted throughout the year 2021, the Audit Committee expressed its satisfaction to the Board on the reliability of management information used for the preparation of financial statements. Based on the Internal Audit Function and the Statutory Auditor's observation, the Audit Committee reviews the reliability of information used for preparing such a computation.

4. INTERNAL CONTROL & RISK MANAGEMENT

Internal control is the process designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, the reliability of financial reporting, and compliance with applicable laws, regulations, and internal policies. The internal control system of SJIBL is an effective oversight of the whole process of the policies, processes, laws, regulations, tasks, behaviors, and other aspects of our bank. Internal Control & Risk Management facilitates the bank's effective and efficient operation by enabling it to respond appropriately to significant business, operational, financial, compliance, and other risks to achieve its objectives.

4.1 Statement of director's responsibility to establish an appropriate system of internal control

The board is vigilant about the internal control system of the bank to attain and maintain a satisfactory qualitative standard in its investment portfolio. The board established an internal control system such that the internal audit process could be conducted independent of management. The Board reviewed the reports submitted by its audit committee at its quarterly meeting regarding the compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.

4.2 Key features of Internal Control system and monitoring technique

The Board of the Bank ensures the maintenance of a sound system of internal control to safeguard the bank's assets. The Board through its Audit Committee conducts an annual review and evaluates the effectiveness of the system of Internal Control of the Bank. The Key features of the Internal Control system are as follows:

Control environment

The Board of the Bank ensures integrity, ethical values, management philosophy, operating style, and assignment of authority and responsibility for establishing an appropriate control environment.

Risk assessment

The Board of the Bank established a process of risk assessment and management of the risks. The internal control system will identify and analyze these risks to prevent an adverse event.

Control activities

Control activities are the policies and procedures of the bank, which include top-level reviews, and segregation of duties. The internal control system is designed in such a way that the flow of responsibilities and transactions is diversified among staff as much as possible.

Information and communication

This is the exchange of information within our bank. Clear lines of communication flow from management to employees and from employees to management so that each member of the team can successfully carry out their responsibilities.

Monitoring

Monitoring is the process of assessing internal control performance. The board regularly evaluates management and supervisory activities, the budget, and all other financial documents.

4.3 Statement that the directors have reviewed the adequacy of the system of internal Controls

Shahjalal Islami Bank Limited has a sound system of internal control to safeguard the stakeholders' interests. To ensure an appropriate level of the internal control system, an Internal Control and Compliance Manual has been introduced in line with global practices and regulatory guidelines. The Board of Directors reviews the internal control system of the bank from time to time and necessary guidelines are provided to improve the system.

As mentioned in the below chart, based on the relevant guidelines framed by Bangladesh Bank, SJIBL has also strengthened and segregated its Internal Control and Compliance Division (IC&CD) into three separate units. The division is independent and carries out its assignments independently with objectivity and impartiality.



Based on the internal controls established and maintained by the bank, work performed by internal and external auditors, reviews performed by management and various board committees, as well as with CEO and CFO assurance, the Board believes that the bank's internal controls are adequate and effective as at December 31, 2021, to address financial, operational, compliance, and information technology risks that the bank considers relevant and material to its operations.

4.4 Disclosure of the identification of risk the company is exposed to both internally and externally

SJIBL is fully aware of the paramount importance of being proactive and systematic in the management of risks that the bank faces in daily operations. The Risk Management Division (RMD) of SJIBL is responsible for the management, integration, and monitoring of all risks within the risk appetite set by the Risk Management Committee (RMC). The Risk Management Committee (RMC) of the Board reviews and monitors the overall risk management system of the bank and updates the Board of Directors from time to time. The roles and responsibilities and major areas of focus of RMC in 2021 have been presented in the Risk Management Report of this annual report.

a) Investment Risk Management

The investment-related risks of SJIBL are primarily governed by the Investment Risk Management Guidelines approved by the Board of Directors. The bank measures, monitors, and manages investment risks at an individual borrower level and at the portfolio level. The bank has pursued a strategy of developing a diversified portfolio and investing in better-rated corporate customers.

b) Foreign Exchange Risk Management

The bank has low exposure to the aforementioned risk because major foreign exchange-related transactions are carried out on behalf of the client. It is worth noting that the bank does not engage in any speculative activities. The transactions are conducted independently by the treasury division, and the back office is in charge of validating the deal and passing the necessary accounting entries.

c) Asset Liability Risk Management

ALCO reviews the bank's liquidity requirements, asset and liability maturity, deposit and investment pricing strategy, and liquidity contingency plan. The Asset Liability Committee also monitors and reports on balance sheet risk to the Board of Directors on a regular basis.

d) Money Laundering Risk Management

To mitigate the risks, the bank has designated a Chief Compliance Officer at the corporate office and branch compliance officers at each branch who independently review the accounting transactions to locate and verify suspicious transactions. A "Know Your Customer" (KYC) policy and a "Transaction Profile" (TP) format have been introduced. The regulatory requirements are being complied with and the guidelines in respect of KYC are being followed for the opening of new accounts.

e) Internal Control & Compliance Risk Management

The bank has a well-designed policy on Internal Control & Compliance Risk Management by which Internal Control & compliance risks are identified and managed at all levels of the organization. The Board and Management are accountable for the bank's internal control & compliance. The compliance function has an important role in supporting corporate values, policies, and processes that help ensure that the bank acts responsibly and fulfills all applicable obligations.

f) ICT Risk Management

The bank's Information Technology policy ensures that the information technology-related measures are aligned with the business strategy of the bank. The Head of the ICT Security Unit periodically reviews current IT projects, major IT incidents, technology risk indicators, and the state of regulatory compliance. The IT Security Unit continually assesses, monitors, and manages IT-related risks in accordance with the bank's risk management policy.

g) Liquidity Risk Management

SJIBL not only sets limits on major liquidity risk management indicators, but also has an early warning system to identify potential liquidity risks arising in the financial market. Besides, potential liquidity issues are constantly monitored through the application of various liquidity stress scenarios, statistical analysis, and capital amount simulations. Contingency plans are also in place for various types of liquidity crises.

Risk Management Committee (RMC) of the Board

A Risk Management Committee (RMC) has been formed in addition to the Executive Committee and Audit Committee of the Board, and is responsible for planning and guiding the bank's overall risk management. Detailed The "Report of the Risk Management" contains a detailed description of the Committee's roles and responsibilities.

4.5 Disclosure of the strategies adopted to manage and mitigate the risks



As mentioned above, the SJIBL business unit works as the first line of defense against banking risks. The Risk Management Division works as the second line of defense, while the third and last line of defense is the Board of Directors of the bank. The Board decides and instructs the ultimate risk-taking measures for the management of the bank. All core risk policy guidelines have been approved and are reviewed time-to-time by the Board of the Bank.



4.6 Pandemic and crisis management

Amid a global health crisis that has created so much economic and social disruption due to the COVID-19 pandemic, the bank's efforts to tackle long-standing economic and societal challenges have become even more significant. We take our responsibilities to our stakeholders very seriously, and we have supported our shareholders, employees, customers, communities, and front-line health workers, as well as deployed other resources to individuals in severe need. The major activities that the bank has undertaken to mitigate COVID-19 risks during the year 2021 are given below:

- Free distribution of mask and gloves among all SJIBL employees;
- Roaster based duty for bank employees and ensure social distancing during office time;
- Arranging sufficient hexasol, sanitizer etc. for employees and customers in all branches, head office and ATMs;
- Appointment of full time doctor and medical assistant and purchase of oxygen cylinder for SJIBL employees;
- Circulating the SJIBL COVID Manual in line with the WHO Guidelinesto all employees and customers;
- Reimbursement of the bill of COVID test and treatment to the infected employees;
- We are working alongside and supporting our clients with suitable individual solutions to manage cash flow challenges they may experience. This support includes deferring payments as per Bangladesh Bank circulars, rolling out the stimulus package initiated by the government to assist clients manage short-term cash flow shortfalls;
- Clients are encouraged to use SJIBL digital channels and other self-service options, so they stay safe by doing their banking at home with all the security they require;
- Distribution of food items to the COVID stricken people in rural and urban areas;
- Donation to the Prime Minister's Fund for addressing the COVID stricken disaster.

5. ETHICS AND COMPLIANCE

As a shariah-compliant bank, the foundation and growth of SJIBL rest on ethics and compliance. Ethics are the decisions, choices, and actions (behaviors) we make that reflect and enact our values. Compliance is conforming or adapting one's actions to another's wishes, to a rule, or a necessity. The terms "ethical" and "compliance" are often used interchangeably when dealing with businesses that are doing the right thing.

Ethics and Compliance in SJIBL

Code of Conduct for	Objective
Client	Safeguarding the interests of the customers and treating them fairly in all aspects of their dealings with the Bank.
Shareholders	Providing all shareholders with fair treatment along with protection of their assets.
Employees	Fair treatment of all employees and expects integrity in return.

5.1 Disclosure of statement of Ethics and values

The bank has a separate "Code of Conduct and Ethical Guidelines" for the Board of Directors and employees of the bank. The "Code of Conduct and Ethical Guidelines" is based on the premise that every employee must put the bank's interests ahead of his or her own. The following are the highlights of our "Code of Conduct and Ethical Guidelines":

- **Compliance with laws:** All employees are to follow and comply with the laws of the land and internal rules and regulations of the bank.
- **Integrity of records:** All employees are expected to maintain books and records with integrity and ensure the accuracy and timeliness of all transactions. They need to ensure that the privacy of their clients' affairs is protected. Moreover, employees are not expected to disclose confidential information without proper authorization.
- **Misappropriation of assets:** No employee shall convert funds or property that is not legitimately theirs for their own use and benefit, nor shall he or she assist another person in such exploitation.
- **Conflict of interest:** Employees must not use their position in the Bank for personal emolument or obtain benefits for themselves or members of their families or friends.
- **Honesty and integrity:** Employees are expected to act honestly and with integrity at all times. They must be fair and equitable in their dealings with present and prospective clients, the public in general, and other employees of the bank.
- **Acceptance of gift:** Employees are strongly discouraged from accepting gifts, benefits, or facilities from clients and their family members or persons with business interests with the Bank. If an employee is to receive such a thing to establish a mutually beneficial relationship, he or she must disclose it to his or her line manager, with an estimated value of the gift.

5.2 Dissemination of the statement of ethics and code of conduct

All employees of SJIBL are required to sign a declaration confirming that they have read and understood the Code of Conduct. The Human Resources Department circulates the required declaration and ensures that all employees sign the declaration and submit it to the relevant department. The Internal Control and Compliance Department assesses whether employees have violated the Code of Conduct through regular audits.

5.3 The Board's commitment to establishing ethics and compliance within SJIBL

The Board of Directors is committed to establish a high standard of ethics and compliance amongst all bank employees. The Board is consistently encouraging management to ensure that everyone maintains a high level of ethics at the bank. The Board also guides management on ethics and integrity policies. The bank has also introduced Integrity Awards for employees.

5.3.1 Conflict of Interest

A conflict of interest in business normally refers to a situation in which the board member's personal interests conflict with the professional interests of the bank. Board members are expected to avoid placing their personal interests over the interests of the bank and to perform their duties and responsibilities objectively and effectively.

Board members shall avoid receiving or permitting members of their immediate family to receive improper personal benefits from the bank, including loans from or guarantees of obligations by the bank.

A board member shall make a full disclosure to the entire board of any transaction or relationship that such a member reasonably expects could give rise to an actual conflict of interest with the bank, and seek the board's authorization to pursue such transactions or relationships.

5.3.2 Insider Trading

Insider trading involves trading in the bank's stock by the directors, executives who have non-public material information about that stock. Board members shall not engage in insider trading with respect to the purchase and sale of the bank's securities. Board members shall not buy or sell securities while in possession of material non-public information about the issuer of that security, whether the issuer is SJIBL or any other company. The Board members shall also not pass such information to someone who may buy or sell securities. Insider trading is prohibited because it provides an insider with an unfair competitive advantage in the market, places the insider's interests above those to whom he or she

has a fiduciary obligation, and allows an insider to artificially influence the value of a company's stock.

5.4 Establishing effective anti-fraud programs and controls, including effective protection of whistleblowers

A strong anti-fraud stance and a proactive, comprehensive approach to combating fraud are prerequisites, and any organization that does not adequately safeguard itself will be more vulnerable to fraud. SJIBL has already implemented a thorough fraud risk management program, ensuring that the bank is well-prepared to deal with these threats.

5.4.1 Establishing effective anti-fraud programs and controls

It is the responsibility of every employee of the bank to inform the management about any fraud or suspected fraud that may cause financial loss or non-financial loss, or be otherwise detrimental to the interests of the bank.

5.4.2 Whistle Blower Policy

A whistleblower policy has been adopted by SJIBL. According to the policy, it is the responsibility of every bank employee to report any fraud or suspected fraud to management, including any fraudulent, dishonest, corrupt, illegal, unethical, improper, or unsafe activity that may cause financial or non-financial loss or be otherwise detrimental to the bank's interests. This obligation on the part of the employees shall arise wherever they have credible information about a fraud or an attempted fraud or reasonable grounds to suspect a fraud or an attempted fraud. As a result, the bank employee serves as a whistleblower.

5.4.3 Effective protection of whistleblowers

SJIBL's governance ensures that no employee, as a whistleblower, is at risk of dismissal, loss of promotion, harassment, discrimination, or suffers any form of victimization as a result of raising a genuine or reasonably suspected fraud. In SJIBL, whistleblowers are protected from retaliation, which justifies the solid governance in place.

5.5 Policy to encourage employee's participation in Management

SJIBL holds managers' conferences and employee meetings to encourage employee participation in management. Employees are free to express their thoughts on anything from the bank's policies, operational procedures, product and service innovation, and so on.

5.6 Knowing level of customer satisfaction

A client satisfaction survey is conducted on an annual basis to determine the level of client satisfaction. Furthermore, mystery shopping is done by assigning senior officials to be sure if customers get satisfactory service or not. Given that client satisfaction is an evolving phenomenon, SJIBL's Research Division is continuously working on it.

5.7 Payment to vendors on time

SJIBL has enlisted vendors that are approved by the competent authority of the bank. Vendors' payment is made regularly in accordance with Bank policy.

5.8 Payment of Taxes to the Government Authorities on time

SJIBL pays income tax and VAT on income and expenses in accordance with the applicable rules. Moreover, the bank deducts and collects tax and VAT on behalf of the government. All taxes and VAT due from the bank are paid to the government exchequer on time.

5.9 Policy on Supply Chain management

The Procurement Committee of SJIBL looks after the supply chain management of the bank. No disruption is allowed in the supply chain process. The Common Service Division is responsible for the maintenance of an uninterrupted supply chain. However, the procurement committee of SJIBL oversees the supply chain management and gives necessary approval for the purchase of goods and services.

6. REMUNERATION COMMITTEE

6.1 Charter of Remuneration Committee

In accordance with BRPD circular No. 11 dated October 27, 2013, the Board of Directors of each bank company shall constitute three committees, such as the Executive Committee, Audit Committee, and Risk Management Committee. The Board of Directors of the bank is not allowed to form any other permanent or temporary committees or subcommittees of the Board of Directors. Moreover, as per Bangladesh Bank letter ref: BRPD(R-1)717/2021-5064 dated June 16, 2021, the bank is not allowed to constitute any Nomination and Remuneration Committee. Accordingly, SJIBL has not formed a Nomination and Remuneration Committee of its Board of Directors. However, the Board oversees the recruitment and remuneration processes of the employees by reviewing various policies like the HR Policy, Recruitment and Promotion Policy, Pay Package Policy, etc.

6.2 Composition of Remuneration Committee

At the Management level, the Managing Director, Head of the Human Resources Division, and Chief Financial Officer are charged with the governance of compensation and remuneration. Usually, they make

a proposition to the Board of Directors, which is then reviewed and validated by the Board. After incorporating their recommendations, the compensation and remuneration decisions are approved by the Board. The main work includes presenting recommendations to the Board regarding remuneration, compensation packages of Management, incentive schemes, and retirement benefits. They also assist the Board of Directors to ensure that all employees are remunerated fairly and get performance-based compensation by ensuring an effective remuneration policy.

6.3 Key policies with regard to the remuneration of directors, senior management and employees

According to BRPD Circular Letter No. 11, dated October 4, 2015, directors are only entitled to remuneration for attending board and subcommittee meetings. Each director receives an honorarium of TK 8,000.00 per meeting for attending the board meeting, executive committee meeting, audit committee meeting, and risk management committee meetings. The remuneration of the Managing Director & CEO is recommended by the Board and approved by Bangladesh Bank. Moreover, the remuneration of senior management and employees is determined under the HR Policy of the Bank.

6.4 Number of meetings of the Remuneration Committee

Despite the fact that we do not have a "Remuneration Committee" due to a central bank regulation barrier, our Board meetings take this topic seriously. Employee promotions, increments, performance bonuses, and other related issues were discussed at various board meetings in 2021.

6.5 Remuneration of directors, chairman, chief executive and senior executives

SJIBL has a well-defined remuneration policy, and the management always reviews and updates it from time to time. Remuneration for senior executives is market-based and competitive to attract, motivate, and retain skilled and competent employees. Moreover, the remuneration of directors, the chairman and the chief executive are set in compliance with BSEC notification and Bangladesh Bank circulars.

6.5.1 Remuneration of chairman & directors

The remunerations of directors and the chairman are paid during the year by following BRPD Circular Letter No. 11 dated October 4, 2015. The total directors' fees paid during the year 2021 was Tk. 4,834,400. The details of directors' fees and expenses are shown in note No. 34 of these financial statements.

6.5.2 Remuneration of chief executive officer

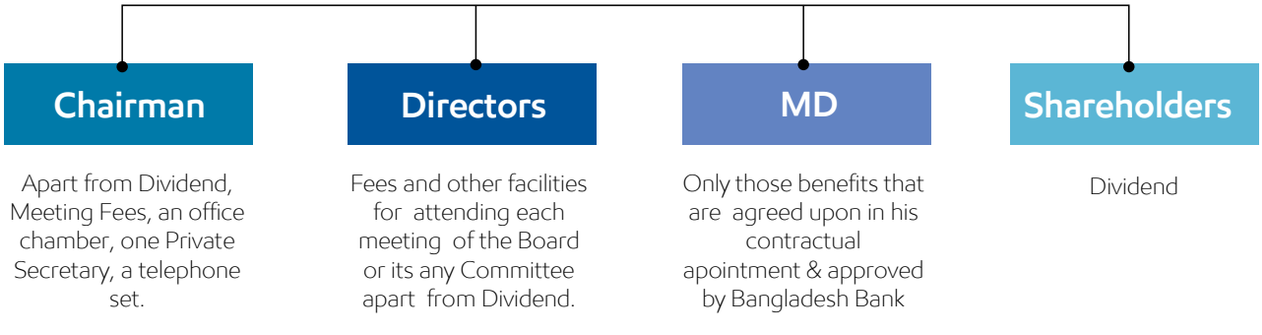
The remuneration of the chief executive officer is proposed by the directors and approved by Bangladesh Bank at the time of his appointment. The total remuneration paid to the Chief Executive Officer during the year 2021 was Tk. 22,929,970. The details of the remuneration of the Chief Executive Officer are shown in Note No. 33 of these financial statements.

6.5.3 Remuneration of senior executives

Remuneration for senior executives is market-based and competitive to attract, motivate, and retain skilled and competent employees. The details of the salary and allowances paid to senior executives, executives, and officers are shown in note No. 28a of these financial statements. The salaries of the top most senior executives are given below:

Benefits provided to the Shareholders, Directors Managing Director/CEO

In accordance with the guidelines of Bangladesh Bank, the following facilities can only be given to the Chairman, Directors, Managing Director and Shareholders:



7. Human Capital:

Human resources have been treated as most valuable asset for Shahjalal Islami Bank Limited. The Bank strongly believes that quality & motivated human resources are the key success factor for its business. The Bank always focuses on the importance to have an efficient human capital who are dedicated, knowledgeable and customer friendly. Since quality of human resources always affects the organizational growth, the Bank continuously invest in developing employees' capabilities, skill and efficiency.

Importance of quality human resources in banking industry has grown manifold due to rapid digitalization of services that makes the operational activities more complicated. Banking has always been a "People Business". Dealing with people further requires right and submissive approach to sell the products and services. In this context Bank focuses on efficient and effective management of its human resource. The Human Resource department of the bank regularly conducts human resource planning and try to ensure placing right people in the right place.

7.1.Bank's HR Policies:

SJIBL is pursuing a standard set of Human Resources policies and guidelines covering all related aspects of Human Resources Management to ensure a unique HR Management practice throughout the organization. Human Resources policies of the Bank in broader lines covers from the talent acquisition, HR Development, performance management, remuneration & allowances, disciplinary and grievance management, sexual harassment eradication, NIS, KYE and Employee Background Screening, Employee House Building & Car Policy, Internship policy etc. The set of HR policies provide a roadmap for day-to-day HR operations and guides for decision making thus streamlines the internal processes.

7.1.1.Digitalization Initiatives in smart HR Management:

Digitalization improves the efficiency of core business processes. The Bank with increasing size of operation invites more people to work and therefore digitalization of related areas of HR operation helps an effective HR management. Bank over the years internally developed a HR Management System (HRMS) incorporating Leave Management, Attendance, Payroll, Employee Business Target Management, Performance Appraisal and E-Learning System. The Bank also internally developed its E-Recruitment system. Besides, Zoom Application is widely used to conduct meetings, training programs, workshops and conferences. Bank's internally developed E-Learning system also gives employees the opportunity to learn staying at their own place of work at any time convenient to them. The initiative also enables to reach each and every employee of the Bank and give them an opportunity to learn reducing expenses and hassle for movement.

7.1.2.Human Resource Analysis:

i. Employee Type & Gender:

Name of Position	Male	Female	Total-2021	Total-2020
Executive	279	19	298	270
Officer	1161	315	1476	1432
Cash Officer	357	122	479	466
Sub-Staff	487	1	488	489
Total	**2284**	**457**	**2741**	**2657**

ii. Employee Distribution:

a. Division wise position:

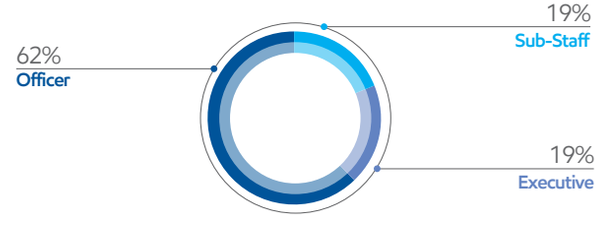
Name of Division	No. Branch	No. Employees	Percentage
Dhaka & Mymensingh*	71	1955	71%
Chattagram**	29	405	15%
Khulna	8	104	4%
Sylhet	7	101	4%
Rajshahi	8	82	3%
Barishal	5	49	2%
Rangpur	4	45	2%
Total	**132**	**2741**	**100%**

*.Also includes CHO, OBU & CPC **. Also includes Zonal office & CPC Chattogram

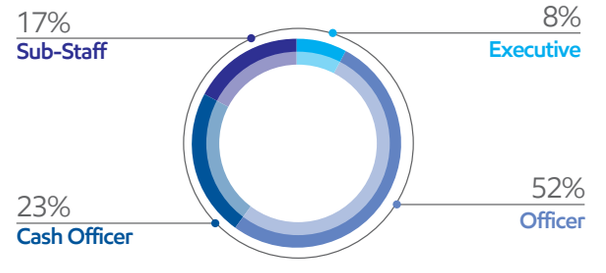
b. Branch Vs Corporate Head Office:

Name of Position	CHO	Branch	Total-2021	% of Total
Executive	127	171	298	11%
Officer	403	1073	1476	54%
Cash Officer	2	477	479	17%
Sub-Staff	125	363	488	18%
Total	**657**	**2084**	**2741**	
% of Total	24%	76%		

Human Resource at CHO:



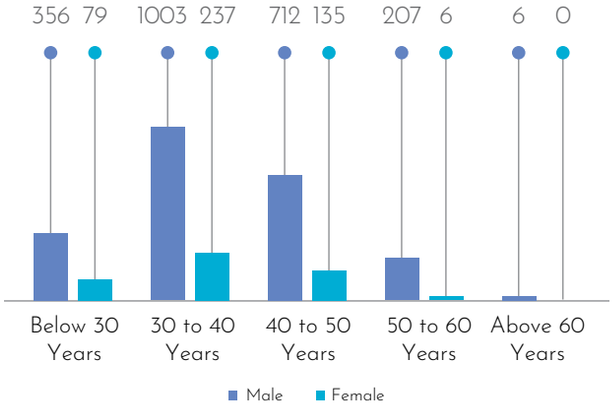
Human Resources at Branch



iii. Age Group Wise Position:

Name of Position	Male	Female	Total-2021	Total-2020
Below 30 Years	356	79	435	384
30 to 40 Years	1003	237	1240	1331
40 to 50 Years	712	135	847	738
50 to 60 Years	207	6	213	201
Above 60 Years	**6**	**0**	**6**	**3**
Total	**2284**	**457**	**2741**	**2657**

Age Group Wise Distribution Male/Female -2021



Human Resource Accounting

Human Resource Accounting is the process of identifying and measuring data about Human Resources and communicating this information to the interested parties. It is an attempt to identify and report the Investments made in Human Resources of an organization that are currently not accounted for in the Conventional Accounting Practices. Thus, Human Resource Accounting is a term applied by the Accountancy Profession to quantify the cost and value of employees of their employing organization

(BDT & Million)

Particulars	2020	2021
Total Asset	293,518	313,731
Human Asset (Individuals' value)	28,883	33,591
Value of investments (Training Expense)	2.25	2.13
Total Asset including Human Asset	322,403	347,325
Total Liabilities	293,518	313,731
Human Capital	**28,885**	**33,594**
Total Capital & Liabilities including Human capital	322,403	347,325

7.2. HR Practice & Compliance:

The Human Resources department of the Bank is not only dealt with human resources management but also to ensure the long term success of the bank by managing the needs of employees and allowing them to be effective in their roles. HR team acquainted with the knowledge related to labor laws, Service Rules, HR Policy or other regulations/policies that define the relationship between employer and employees to ensure that the Bank and the employees are protected. This may include, but is not limited to employees' contracts, payroll legislation, leave calculations and government and regulatory reporting etc.

7.2.1. Managing COVID Pandemic:

Covid-19 pandemic disrupted the normal business activities most of the time during 2021. Employees were given special advice from time to time in order to ensure that they remain safe while delivering the services within the branch premises. Despite many precautions and awareness in the workplace around 200 employees of the Bank were infected with corona virus. To manage the situation, the Bank followed different techniques including employee roaster, work from home etc. Besides special attention was also given on the health and hygiene issues. Bank used electronic thermometer at the entrance to check the temperature. Using sanitizers, wearing masks in the work place have been made a basic requirement at work place to curb the spread of COVID-19. Face to face meetings and training programs were halted or converted to alternate methods such as conference calls or virtual meetings. Medical doctor was available for emergency advice in the event an employee falling sick.

Effective internal communications along with regular follow up with employees helped to keep employees' morale and productivity high. Business trips were kept limited for the safety of the Bank's employee. In addition, quarantine leave was given to the employees suspected COVID-19. Quick Response Team (QRT) of the bank also remain vigilant to effectively manage emergencies as well provide necessary medical support to the employees in need. The wellbeing of employees who infected with the virus remained a high priority during the year with regular follow-ups made by the Bank.

7.2.2. COVID Vaccination for all employees:

Prioritizing the issue to immunize all employees against COVID-19 at the earliest possible time the Bank took effective measures to register the names of all employees in the Shurokkha Application of the government as per direction of Bangladesh Bank. Human Resources Division keeps strong follow up on the issue and maintain a database to ensure that all employees have taken the COVID vaccine immediately it is available. Furthermore, in all recruitments candidates also need to submit the COVID vaccination certificate.

7.2.3. Group Health Insurance Facility for all Employees

With ever-rising medical expenses and quality treatment getting expensive any unforeseen illness can put an

employee into difficulties to manage the fund in time of urgent medical needs. Shahjalal Islami Bank in this regard remain concerned to provide medical support to all employees along with their family members. The Bank in this regard entered into a group health insurance agreement with Delta Life Insurance Company Limited and brought all employees under the net of insurance at the cost of the Bank. During the year the company settled around 320+ insurance claims at different times under the group health insurance facility of the bank.

7.3. Employee Retention & Succession:

Banks HR policy focuses on attracting and retaining the talents to support the growth and to manage the business and operations efficiently. To attract and retain the talented employees' annual performance appraisal grading has been linked with the entitlement of Employees' House building Facility, Executives' Car Finance Scheme as well as for considering eligibility for promotion. Policies have been amended incorporating related provisions. Employees succession planning are set up in such a way that old employees exit is well covered by new employees as successors. New employees are recruited so that they can fill up the gap of their predecessors.

7.4. Merit based recruitment:

The Bank in order to identify current and future needs of the required human resources takes effective measures to initiate the recruitment process well ahead of time. Human Resources Division with its own tools and techniques regularly reviews and analyze the standard size of manpower requirement aligning with the size of business and operations of the Branch and division/ department at Head Office. Besides, the division also collects periodic feedback from the Branches on HR to reduce the gaps and to make efficient manpower planning and recruitment. Bank follows a structured recruitment process for the fresh entrants combining with written test and interview. In year 2021, the Bank recruited 100 officers in the position of Trainee Senior Officers (TSO) conducting competitive examination through BIBM. At the same time Bank also recruited 42 officers and executives as lateral entrants in different positions.

7.5. Performance appraisal, promotion, reward and motivation:

Effective performance management is essential for the success of any business. With an effective performance system, the bank strives to align employees, resources and systems to meet the strategic objectives. It enhances motivation and spirit of teamwork and to practice an efficient reward system relating to performance. Human Resources Division with the support of IT Division has designed the system incorporating all related fundamentals of individual performance appraisal. The system engaged all officials into a common platform where each individual is appraised with set parameters. The entire appraisal further reviewed by a senior management committee to ensure transparency and removes any possible drawbacks of favoritism in this case. Overall utilization of performance appraisal is extensive as it linked with the promotion, compensation, placement and development of employees of the Bank. In 2021, half yearly performance appraisal has also been introduced so that employees could understand their limitations and weakness and would be able to overcome the deficiency. Employee motivation is created by giving promotion and reward (like incentives, appreciation letter) to deserving employees.

7.6. Grievance management and counseling

One of the key tenet of effective employee relations management is the establishment of a systematic mechanism through which employees can bring up grievances and unhappiness to the attention of supervisors and management. If not well-managed with proper grievance channels and counseling, such perceptions can lead to larger and more costly issues of productivity, business efficiency and employee dis-engagement. SJIBL has whistle blowing mechanism and employees as whistle blowers are always protected by competent authority. Besides, Anti Female Harassment Policy help female employees for protection in workplace.

7.7. Training and Development

The Shahjalal Islami Bank Training Academy (SJIBTA) was established early in the year 2015 to pursue the tasks of capacity building and human resources development in order to prepare the knowledgeable, well-equipped and skilled officials of the Bank who will render their services effectively and efficiently for achieving the organizational objectives, goals, mission and vision through attaining the maximum level of customers' satisfaction. The Academy believes that the capacity building needs of the officials is a crucial issue in the sustainable development and growth of the Bank as well as the banking industry of the country. Training is essentially a planned, continuous and splendid learning process and effort to improve the competency level of the officials. For enhancing the competency, capacity and knowledge-base of the officials working in the Bank, the Academy has been organizing different training courses, workshops, executive development programs, e-learning programs, outreach training programs etc. on different topics, namely, Shariah compliance in Islamic banking operations, regulatory issues of central bank, general banking, investment management, international trade services, risk management, etc.



Workshop of banks employees organized in SJIBL Training Academy.

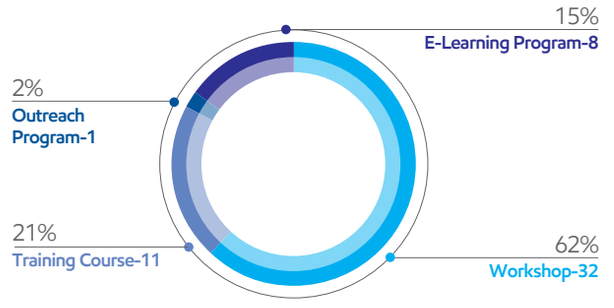
The Key Objectives of the Academy

The following are the key aims and objectives of the Academy:

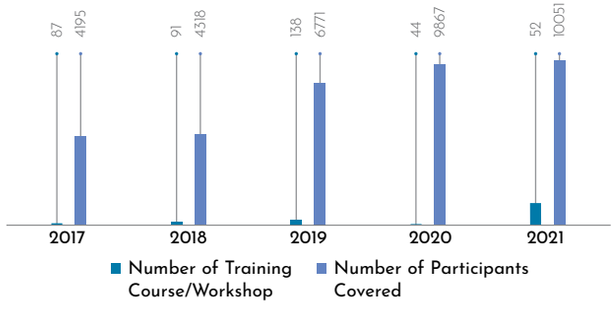
1. To develop knowledge and skill of the employees at all levels on the practical operations of Islamic banking system.
2. To develop the aptitude of the employees in conformity with the vision, mission and strategies of the Bank.
3. To develop knowledge and skill of the employees on laws and regulations related to banking.
4. To maintain liaison with other banking and financial institutions and educational bodies for the purpose of imparting quality training.
5. To procure or collect books and publications of relevant branches of knowledge for the academy library.
6. To conduct executive development program on current issues confronting the banking system.
7. To assist the implementation of different types of regulatory requirements with proper addressing the policies, strategies, rules and procedures, guidelines and circulars of banking through training.
8. To do all such functions as the Academy may deem fit for attainment of all or any of the objectives.

The training programs conducted by Shahjalal Islami Bank Training Academy (SJIBTA) in the year 2021 are depicted below in major head wise percentage:

Number of Program Imperted in 2021



The number of training programs conducted by Shahjalal Islami Bank Training Academy (SJIBTA) during the year 2017-2021 is depicted below with no. of participants covered:



8. COMMUNICATION TO SHAREHOLDERS AND STAKEHOLDERS

8.1 Policy on effective Communication with Shareholders and Other Stakeholders

The Company Secretary of the Bank is the person in-charge of the Share Department, which is responsible for effective communication with shareholders and other stakeholders of the Bank. Shareholders and other stakeholders may contact this department during office

hours for any sort of information or queries. SJIBL provides updated information on its website from time to time for the shareholders and other stakeholders of the bank. The bank communicated to its shareholders in the following ways:

- By Publishing Price Sensitive Information (PSI) in National Dailies and On-Line News Portals;
- By making PSI available on the DSE and CSE websites, as well as the bank's website;
- By publishing a press release about the bank's important events in the newspapers;
- By sending out notices to shareholders to hold an annual general meeting and an extraordinary general meeting (as needed);
- By sending the Annual Reports of the Bank to the shareholders every year;
- By publishing financial statements in the newspapers;
- By holding General Meetings of the Shareholders;

8.2 Policy on Ensuring Participation of Shareholders at AGM

The following steps are taken to ensure the participation of shareholders at the AGM:

Step-1 SJIBL sends out the notice at least 21 days before the AGM, which provides ample time for shareholders to receive and review the notice and reply with their attendance.

Step-2 Annual Reports are circulated as per the provisions of the Companies Act 1994 and related notifications issued by BSEC, so that shareholders will get sufficient time to go through the report and freely provide their valuable comments and suggestions at the AGM.

Step-3 Shareholders are allowed to speak at the AGM freely to give their valuable suggestions. The valuable suggestions of the shareholders are noted for future compliance. Due to the pandemic, BSEC issued a number of directives to conduct the AGM on an online platform in 2020. Shareholders are allowed to attend the AGM freely using a digital platform, and shareholders' questions are received in advance. In most cases, the Chairman of the Board responds to valid shareholder questions at the AGM.



The AGM was held in 2021 through a digital platform, ensuring social distancing for COVID-19.

8.2.1 Redressal of shareholders' complaints

Any complaint, received at AGM or throughout the year, related to transfer and transmission of shares, non-receipt of Annual Reports, non-receipt of dividends timely and other share-related matters, is resolved lawfully in time. The

Company Secretary of SJIBL is the responsible person and plays an active role to handle any such issue related to our shareholders.

8.2.2 Shareholders' satisfaction and confidence toward the Bank

The AGM is considered the day of judgment for the last one-year activities of any organization by the shareholders. Shareholders of SJIBL are free to express their opinions, satisfaction or dissatisfaction on the day of the AGM and the Board secretariat note issues for future compliance. The SJIBL Board of Directors is elected by obtaining shareholders' approval at the AGM. Besides, shareholders are showing their satisfaction and confidence in the bank, which is reflected in our share price.

8.2.3 Reminders to shareholders for encashment of dividend

According to SJIBL's dividend distribution policy, dividends are usually distributed through bank transfers and the BEFTN channel. Those shareholders who cannot be reached through bank transfer mode or BEFTN channel, have their dividend warrants directly sent to them by mail. Cash dividends to non-residents are paid through the security custodian. In the case of stock dividends (bonus shares), these are directly credited to the BO account within 30 days of approval, subject to clearance by stock exchanges and CDBL. Reminders to shareholders are given by SJIBL Share Division for encashment of dividends. The SJIBL Share Division also keeps track of how many dividends are en-cashed following the AGM. SJIBL's Share Division takes the necessary steps to notify shareholders of their right to en-cash unclaimed dividends. Details of SJIBL's dividend distribution policy are mentioned on page no. 348 of this Annual Report.

8.2.4 Compliance of ICSB Secretarial Standard

SJIBL follows the Bangladesh Secretarial Standard of the Institute of Chartered Secretaries of Bangladesh (ICSB) meticulously. The SJIBL Board secretariat follows all procedures to ensure sound corporate governance.

Sl No.	BSS No.	Title of BSS	Compliance Status
1	BSS–1	Meetings of the Board of Directors	Complied
2	BSS–2	General Meetings	Complied
3	BSS–3	Minutes	Complied
4	BSS–4	Dividend	Complied
5	BSS-5	Meeting Through Electronic Modes (Virtual or Hybrid Meetings)	Complied
6	BSS-6	Resolutions By Circulation	Complied

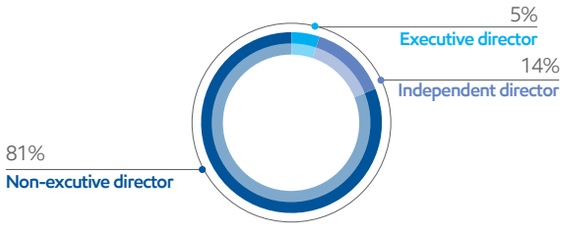
8.3 Diversity of the Board

The SJIBL Board consists of experts from various fields that provide a well-rounded view of the company that helps in effective strategic management and implementation. SJIBL has a diversified Board of Directors in terms of the following categories:

1) Board Composition

The Board of Directors of SJIBL is well organized by independent directors as well as non-executive directors. While three independent directors exercise full freedom, seventeen non-executive directors work as a healthy balance of power.

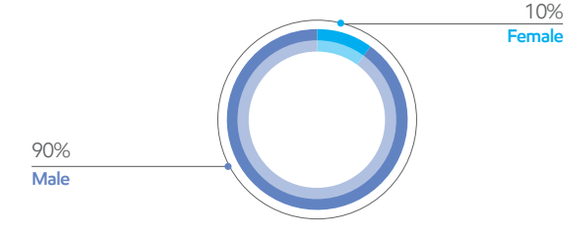
Diversity of the Board



2) Gender

The SJIBL Board of Directors has ensured that female directors are included alongside male directors to eliminate gender bias in decision-making. At the moment, SJIBL has two female directors and eighteen male directors.

Gender diversity in Board

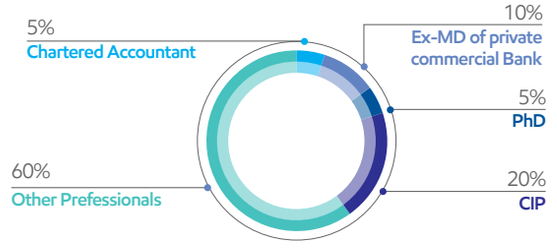


3) Professional Background

Most of the directors have vast knowledge of business and commerce because of their experience of having many other businesses apart from the banking business,

which is a valuable addition to the Board. Among the directors of the board of SJIBL, one is a renowned chartered accountant, two are ex-Managing Directors of private commercial banks, one is a PhD holder, four directors are Commercially Important Persons (CIPs), and the remaining directors are market leaders and entrepreneurs in the business sector.

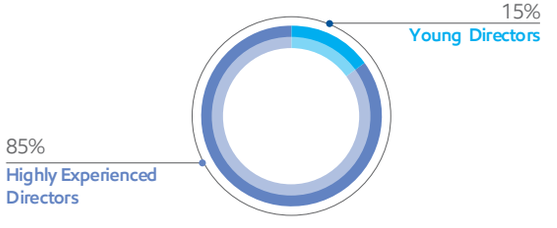
Professional Background



4) Experience

Independent directors have extensive experience working for reputable banks and other organizations, including multinational corporations. Other directors also have long-time business experience.

Experience of Directors



8.4 Rights of Shareholders

Shareholders are the true owners of the bank. As such, shareholders have specific privileges and rights that are governed by the laws. The basic rights that shareholders enjoy are:

- Entitlement to dividends.
- Effective participation and voting in shareholders' meetings.
- Right to elect the board members.
- Ability to convey or transfer shares.
- Participation and informed on basic decisions including amendments to governing documents, new share authorization and extraordinary transactions.
- Sufficient and timely information on the Board Meetings.
- Right to question the board and give input on fundamental issues.
- Allowed to consult with each other concerning their interests.

8.5 Free-Float Shares & Interest of General Investors

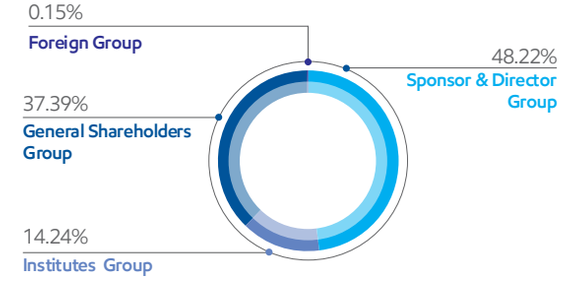
The portion of shares held by investors other than restricted shares owned by the company's sponsor shareholders and directors is known as the free float. These free-floating shares are available to all types of investors. SJIBL's sponsor shareholders and directors only float shares in the market after getting approval from the appropriate regulatory agencies and ensuring that all requirements are met. As part of effective governance, the SJIBL authority performs its utmost due diligence to protect the interests of general investors.

8.6 Shareholding Pattern

The authorized capital of Shahjalal Islami Bank Limited is Tk. 15,000,000,000 divided into 1,500,000,000 ordinary shares of Tk. 10.00 each. The paid-up capital of the bank is Tk10,290,969,510 divided into 1,029,096,951ordinary shares of Tk.10.00 each. As per Section 1(5) (xxiii) of BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018, the pattern of shareholding is given below:

Types of Shareholders	Percentage of Holding	Number of Share
Sponsor & Director Group	48.22%	496,241,326
Institutes Group	14.24%	146,588,245
General Shareholders Group	37.39%	384,676,589
Foreign Group	0.15%	1,590,791
Total	100.00%	1,029,096,951

Shareholding pattern



8.7 Share held by Parent or Subsidiary or Associated Companies

Shahjalal Islami Bank has no parent company or associated companies. It has only one subsidiary company, named Shahjalal Islami Bank Securities Limited. Shahjalal Islami Bank Securities does not hold any share of Shahjalal Islami Bank Limited, thus no share was held by parent, subsidiary, or associated companies during the year 2021.

8.8 shares are held by the Chief Executive Officer, Company Secretary, Chief Financial Officer, and Head of Internal Control & Compliance and their spouses and minor children.

Sl. No.		Designation	Shareholdings as on 31.12.2021
1	a)	**Mr. M Shahidul Islam** Chief Executive Officer	Nil
	b)	Spouse / Minor Children of Chief Executive Officer	Nil
2	a)	**Mr. Md. Abul Bashar** Company Secretary	Nil
	b)	Spouse / Minor Children of the Company Secretary	Nil
3	a)	**Mr. Md. Jafar Sadeq FCA** Chief Financial Officer	Nil
	b)	Spouse / Minor Children of the Chief Financial Officer	Nil
4	a)	**Mr. Md. Nazimuddoul**a Head of Internal Control and Compliance	Nil
	b)	Spouse / Minor Children of the Head of Internal Control and Compliance	Nil

8.9 Shares held by top five salaried Executives in the regular services of the Bank

Sl.	Name	Designation	Shareholdings as on 31.12.2021
1	Mr. Abdul Aziz	Additional Managing Director	Nil
2	Mr. S.M. Mainuddin Chowdhury	Additional Managing Director	Nil
3	Mr. Mian Quamrul Hasan Chowdhury	Additional Managing Director	Nil
4	Mr. Md. Shahjahan Shiraj	Deputy Managing Director	Nil
5	Mr. Md. Mahmudul Haque	Senior Executive Vice President	Nil

8.10 List of Shareholders holdings 10% and above shares in the Paid Up Capital of the Bank

According to Section 14A of the Bank Company Act of 1991, no person, company, or member of the family may purchase more than ten percent of a bank's shares, either individually, jointly, or in both ways. There were no shareholders holding 10% and above shares in the paid-up capital of the bank, either individually or jointly or in both ways during the year 2021.

8.11 Disclosure about Family influence in the Bank

No person, no company, or member of the family, either individually or jointly, or in both ways, holds 10% or more shares of the paid-up capital of the bank. So there is no family influence in the bank because no individual or single-family holds a majority share of the bank to control the bank unilaterally.

9. ENVIRONMENTAL AND SOCIAL OBLIGATIONS

9.1 Policies and practices relating to social and environmental responsibility of SJIBL

Environmental and social issues are part of the core risks for which the Board of Directors reviews relevant steps from time to time. To ensure sustainable banking practices, the Board approved a Green Banking Policy and Environmental and Social Risk Management Guidelines. The Board or Management does not approve any investment without "Environmental Due Diligence" (EDD). No high-risk projects like ship breaking or tannery were financed in the year 2021. The Bank approved a substantial amount of CSR for environmental and climate risk purposes through blanket distribution and tree plantation. The SJIBL Head Office Building is a LEED-certified Green Building and is considered an iconic building in the industry. More details of environmental and social obligations are stated in the "Sustainability Report" of this Annual Report on page no. 181.

9.2 SJIBL's Disclosure of specific activities undertaken by the Bank in pursuance of these policies and practices

SJIBL is also focusing on the Earth and its sustainability, shifting from the traditional investment financing approach. In this regard, we are making our investment appraisal process much more stringent from an "Environmental and Social Risk Management" (ESRM) perspective evaluating all the environmental and social factors prior to approving an investment.

Any investment is not approved by the Board or Management unless the following conditions are met, where applicable:

- Site/Location Clearance Certificate
- Environmental Clearance Certificate
- Environmental Impact Analysis (EIA) Report

Besides, the following steps have been taken:

- An Environmental Risk Rating is included in investment proposals, where applicable.
- No disbursement is allowed for projects having a high environmental threat.
- Environmental CSR is donated from the climate risk fund with approval from the Board.

Details of specific activities undertaken in this regard are disclosed in "Sustainability Report" on page no. 181.

9.3 Sustainability in SJIBL

Sustainable development has long been recognized as a strategy to construct a more resilient society, alleviate poverty, and protect the environment. This reflects a growing need for greater social and environmental responsibility, as well as a new landscape of private-sector commercial opportunities. Shahjalal Islami Bank Limited (SJIBL) has made sustainability a priority in its daily operations and is working to improve its environmental and social performance, which we refer to as our corporate footprint.

9.4 Corporate Social Responsibility

Due to COVID-19, Bangladesh Bank instructed all scheduled banks to emphasize CSR in the healthcare sector. As such, SJIBL has started to increase health care-related CSR since March 2020.Ambulance, freezing van, etc. were distributed among different hospitals. Masks, gloves, and other medical kits were distributed among large numbers of people in different geographical locations. Apart from healthcare-related CSR, tree plantation was introduced on a large scale in the year 2021.

9.5 Environmental Initiatives

SJIBL is creating a sustainable business by integrating sustainability into all products and services. SJIBL has designed its products and services, to ensure environmental benefits in the economy and society. The products, services, and investments of the bank play an important role in the lives of individuals, businesses, and communities. Our Bank extends investment facilities to clients whose business activities lessen ecological damage, promote energy efficiency and support communities. The following initiatives have been taken by the bank for a sustainable business environment:

- More focus on green products for investment.
- Growth of sustainable finance through more agriculture and SME investment.
- Reduction of unnecessary energy consumption (Electricity, fuel, water);
- Reuse of paper, different printing stationary items;
- Promote digital products and services.

9.6 Certificates and checklists reference

Sl. No.	Report Name	Page No.
1	Declaration by CEO and CFO	392
2	Compliance Certificate on Corporate Governance Code	393
3	Compliance Status of BSEC Notification	394
4	Compliance Status of Bangladesh Bank Guidelines	405

DECLARATION BY **CEO AND CFO**

16 March 2022

The Board of Directors
Shahjalal Islami Bank Limited
Corporate Head Office
Shahjalal Islami Bank Tower
Plot – 4, Block – CWN (C)
Gulshan Avenue, Dhaka – 1212.

Subject: Declaration on Financial Statements for the year ended on 31 December 2021

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

(1) The Financial Statements of Shahjalal Islami Bank Limited for the year ended on 31 December 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;

(2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;

(3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;

(4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;

(5) Our Internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and

(6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

i) We have reviewed the financial statements for the year ended on 31 December 2021 and that to the best of our knowledge and belief:

   (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (b) these statements collectively present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transaction entered into by the Company during the year which is fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

M Shahidul Islam
Managing Director & CEO

Md. Jafar Sadeq FCA
Chief Financial Officer

Ahsan Manzur & Co.
Chartered Accountants

House:373 (2nd Floor), Road:28, DOHS
Mohakhali, Dhaka-1 206, Bangladesh
Ph : +88-02-9885210
E-mail : info@amc-bd.com
www.amc-bd.com

Annexure-B

[(Certificate as per condition No. 1(5) (xxvii)l

Report to the Shareholders of Shahjalal Islami Bank Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Shahjalal Islami Bank Limited for the year ended on December 31, 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006-1.58/207/Admin/80 dated June 03, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

(a) The company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;

(b) The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institution of Chartered Secretaries of Bangladesh (ICSB) as required by this code;

(c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and

(d) The governance of the company is highly satisfactory.

Place: Dhaka
Dated: 22 March 2022

Ahsan Manzur & Co.
Chartered Accountants

COMPLIANCE STATUS ON BSEC NOTIFICATION **ON CORPORATE GOVERNANCE**

The Bangladesh Securities and Exchange Commission (BSEC) issued a Corporate Governance Code in 2018 which is being followed by the banks on 'Comply' basis. Status of compliance by Shahjalal Islami Bank Limited with the said CG code issued by BSEC through Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued under the Section 2CC of the Securities and Exchange Ordinance, 1969 is as follows:

(Report under Condition No. 9.00)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not complied	
1.	**Board of Directors**			
1(1)	**Size of the Board of Directors:** The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		-
1(2)	**Independent Directors**			
1(2) (a)	At least one fifth (1/5) of the total number of directors in the Company's board shall be independent directors.	√		The Board of Directors consists of 20 (Twenty) members including 3 (Three) Independent Directors which is in compliance with the Section- 15(9) of Bank Company Act, 1991 (Amended up to 2018)
1(2) (b)	'Independent director' means a director-			
1(2) (b) (i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		None of the Independent Director holds any share of the Bank.
1(2) (b) (ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	√		
1(2) (b) (iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		-
1(2) (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		-
1(2) (b) (v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange.	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not complied	
1(2) (b) (vi)	who is not a shareholder, director excepting independent director or officer of any member or the holder of stock exchange or an intermediary of the capital market;	√		-
1(2) (b) (vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		-
1(2) (b) (viii)	Who is not independent director in more than 5 (five) listed companies.	√		-
1(2) (b) (ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	√		-
1(2) (b) (x)	Who has not been convicted for a criminal offence involving moral turpitude.	√		-
1(2) (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		-
1(2) (d)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days and	√		-
1(2) (e)	The tenure of office of an Independent Director shall be for a period of 3 (three) years which may be extended for 1 (one) tenure only.	√		-
1(3)	**Qualification of Independent Director :-**			
1(3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		
1(3) (b)	**Independent Director shall have following Qualification.**			
1(3) (b) (i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	N/A		-
1(3) (b) (ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	√		Two Independent Directors have such qualification.
1(3) (b) (iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	N/A		-
1(3) (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	N/A		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not complied	
1(3) (b) (v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		One Independent Director has such qualification.
1(3) (c)	The Independent Director(s)shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		-
1(3) (d)	In special cases, the above qualification or experiences may be relaxed subject to prior approval of the commission.	-		No such deviation found
1(4)	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-**			
1(4) (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		The Chairman of the Board and MD & CEO of the Bank are different individual
1(4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		-
1(4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		-
1(4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		-
1(4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		-
1(5)	**Directors' Report to Shareholders:-**			
1(5) (i)	An industry outlook and possible future developments in the industry;	√		-
1(5) (ii)	The segment-wise or product-wise performance;	√		-
1(5) (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		-
1(5) (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		Cost of Fund, Operating & Net Profit and related ratios are provided.
1(5) (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		SJIBL does not have such gain or loss
1(5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		-
1(5) (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	√		-
1(5) (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	N/A		-
1(5) (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not complied	
1(5) (x)	A statement of remuneration paid to the directors including independent directors;	√		-
1(5) (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		-
1(5) (xii)	A statement that proper books of account of the issuer company have been maintained;	√		-
1(5) (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		-
1(5) (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		-
1(5) (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	√		-
1(5) (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		-
1(5) (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		-
1(5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		-
1(5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		-
1(5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year	N/A		-
1(5) (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	N/A		-
1(5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	√		-
1(5) (xxiii)	**A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:**			
1(5) (xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name wise details);	√		-
1(5) (xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		-
1(5) (xxiii)(c)	Executives; and	√		-
1(5) (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		-
1(5) (xxiv)	**In case of the appointment or re-appointment of a Director a disclosure on the following information to the Shareholders:**			
1(5) (xxiv) (a)	a brief resume of the Director;	√		
1(5) (xxiv)(b)	Nature of his/her expertise in specific functional areas; and	√		-
1(5) (xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not complied	
1(5) (xxv)	**A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:**			
1(5) (xxv) (a)	accounting policies and estimation for preparation of financial statements;	√		-
1(5) (xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	N/A		-
1(5) (xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		-
1(5) (xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		-
1(5) (xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	√		-
1(5) (xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		-
1(5) (xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		-
1(5) (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	√		-
1(5) (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		-
1(6)	**Meetings of the Board of Directors**			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		-
1(7)	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer**			
1(7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	N/A		-
1.7. (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	N/A		-
2	**Governance of Board of Directors of Subsidiary Company**			
2 (a)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not complied	
2 (b)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	√		-
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	√		-
2 (d)	The Minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the Subsidiary Company also.	√		-
2 (e)	The Audit Committee of the holding company shall also review the Financial Statements, in particular the investments made by the Subsidiary Company.	√		-
3.0	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)**			
3 (1)	**Appointment**			
3 (1) (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3 (1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3 (1) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		-
3 (1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	N/A		No such situation arisen in the reporting year
3(2)	**Requirement to attend Board of Directors' Meetings**			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board.	√		
3(3)	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**			
3(3) (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3) (a) (i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		-
3(3) (a) (ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		-
3(3) (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		-
3(3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		-
4	**Board of Directors' Committee:-**			
	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4 (i)	Audit Committee	√		
4 (ii)	Nomination and Remuneration Committee.	N/A		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not complied	
5	**Audit Committee:-**			
5 (i)	**Responsibility to the Board of Directors.**			
5(i) (a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5(i) (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		-
5(i) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5 (2)	**Constitution of the Audit Committee**			
5 (2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		-
5 (2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		
5 (2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5 (2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee	√		-
5 (2)(e)	The company secretary shall act as the secretary of the Committee;	√		
5 (2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5(3)	**Chairperson of the Audit Committee**			
5(3) (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		-
5(3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		-
5(3) (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	√		-
5(4)	**Meeting of the Audit Committee**			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.	√		SJIBL Audit Committee conducted 10 meetings in 2021

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not complied	
5(4) (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		-
5(5)	**Role of Audit Committee**			
	The audit committee shall:-			
5(5) (a)	Oversee the financial reporting process;	√		
5(5) (b)	Monitor choice of accounting policies and principles.	√		-
5(5) (c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		-
5(5) (d)	Oversee hiring and performance of external auditors.	√		-
5(5) (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		-
5(5) (f)	Review along with the management, the annual financial statements before submission to the Board for approval;	√		-
5(5) (g)	Review along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval.	√		-
5(5) (h)	Review the adequacy of internal audit function.	√		-
5(5) (i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5) (j)	review statement of all related party transactions submitted by the management;	√		-
5(5) (k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	√		-
5(5) (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		-
5(5) (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	N/A		-
5(6)	**Reporting of the Audit Committee**			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a) (i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
5(6)(a) (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
5(6)(a)(ii)(a)	Report on conflicts of Interests.	-		No such event arose
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	-		No such event arose
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-		No such event arose
5(6)(a)(ii) (d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-		No such event arose

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not complied	
5(6)(b)	**Reporting to the Authorities:** If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-		No such event arose
5(7)	**Reporting to the Shareholders and General Investors:-** Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		-
6	**Nomination and Remuneration Committee (NRC)**	Not required in accordance with Bangladesh Bank instruction ref: BRPD(R-1)717/2021-5064 dated 16 June 2021.		
6(1)	**Responsibility to the Board of Directors**			
6 (1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	-		
6 (1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	-		
6 (1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	-		
6(2)	**Constitution of the NRC**			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	-		
6(2)(b)	All members of the Committee shall be non-executive directors;	-		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	-		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	-		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	-		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	-		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	-		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not complied	
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	-		
6(3)	**Chairperson of the NRC**			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	-		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes	-		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:	-		
6(4)	**Meeting of the NRC**			
6(4) (a)	The NRC shall conduct at least one meeting in a financial year;	-		
6(4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-		
6(4) (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	-		
6(4) (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	-		
6(5)	**Role of the NRC**			
6(5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	-		
6(5) (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	-		
6(5) (b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	-		
6(5) (b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	-		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	-		
6(5) (b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	-		
6(5) (b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	-		
6(5) (b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	-		
6(5) (b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	-		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not complied	
6(5) (b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	-		
6(5) (b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	-		
6(5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	-		
7	**External or Statutory Auditors.**			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	financial information systems design and implementation;	√		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	broker-dealer services;	√		
7(1)(v)	actuarial services;	√		
7(1)(vi)	internal audit services or special audit services;	√		
7(1)(vii)	any service that the Audit Committee determines;	√		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	Any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	**Maintaining a website by the Company.**			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The Company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	**Reporting and Compliance of Corporate Governance.**			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and such certificate shall be disclosed in the Annual Report.	√		Included in this Annual Report
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the **Annexure-C** attached, in the directors' report whether the company has complied with these conditions or not.	√		

COMPLIANCE STATUS OF BANGLADESH BANK GUIDELINES **ON CORPORATE GOVERNANCE**

To ensure good governance i.e. corporate governance in bank management, Bangladesh Bank (BB) issued three circulars in 2013 covering three broad areas as follows:

1. BRPD Circular No.11 dated 27 October 2013: Formation and responsibilities of Board of Directors (BoD).
2. BRPD Circular Letter No. 18 dated 27 October 2013: Appointment and responsibilities of Chief Executive Officer (CEO).
3. BRPD Circular Letter No. 19 dated 27 October 2013: Contractual appointment of Advisor and Consultant.

The summary of the BB guidelines and SJIBL's compliance thereto are presented below:

1. Formation and responsibilities of Board of Directors (BoD)

Sl. No.	Particulars	Compliance Status
1.0	**Formation of Board of Directors:** Prior approval of Bangladesh Bank before the appointment of new bank directors, as well as dismissal, termination or removal of any director from the post; director's fit & proper criteria; maximum number of directors; appointment of independent directors; appointment of maximum 4(four) members from a family as director.	Complied
1.1	**Appointment of New Directors:** Every banking company, other than specialized banks, at the time of taking prior approval from Bangladesh Bank for appointing/reappointing directors should furnish the following documents along with the application:	
	a. Personal information of the nominated person	Complied
	b. Nominated person's declaration	Complied
	c. 'Declaration for confidentiality' by the nominated person	Complied
	d. In case of independent director, the approval letter from BSEC	Complied
	e. In case of Independent director, a declaration of the directors concern	Complied
	f. CIB report of the nominated person	Complied
	g. Updated list of Directors	Complied
1.2	**Vacation of office of Director:**	
	(a) The office of director shall be vacated according to the instructions specified in section 108(1) of the Companies Act, 1994. Besides, when a bank director becomes defaulter and does not repay the loan within two months after getting a notice under the section 17 of the Bank Company Act, 1991; provides false statement at the time of appointment; or fails to fulfill the minimum eligibility criteria, the office of the director will be vacated.	No such case occurred
	(b) If the office of a director is vacated by a notice under the section 17 of the Bank Company Act, the person will not be eligible to become a director of the bank or any other bank or any financial institution for one year from the date of repayment of the total amount due to the bank. It is mentionable here that the dues can be adjusted with the shares held by the director in that bank. When a director receives a notice under section 17 of the Bank Company Act, 1991, he/she can't transfer his/her shares of that bank until he/she repays all the liabilities of the noticed bank or financial institution.	No such case occurred
	(c) Bangladesh Bank can remove a director or chairman of a bank, except state owned banks, for conducting any kind of activities that is detrimental to the interest of the banks depositors or against the public interest under Section 46 and can supersede the Board of a banking company under Section 47 of Bank Company Act, 1991.	No such case occurred
1.3	**Removal of Directors from office:** With the prior approval of Bangladesh Bank, a bank director other than specialized banks can be removed from his office for the reason specified in its Articles of Association. For this purpose, the reason and grounds of the dismissal/removal and copy of the decision of the board and list of directors should be submitted to Bangladesh Bank. In this case, the removal will be effective from the date of Bangladesh Bank's approval.	No such case occurred

Sl. No.	Particulars	Compliance Status
1.4	**Appointment of Alternate Director:** An alternate director can be appointed to act for a director during his absence for a continuous period of not less than three months from Bangladesh. In this context, the following instructions should be followed:	Mr. Md. Masud was appointed as Alternate Director to Mrs. Tahera Faruque
	(a) Bank has to collect and properly maintain the documentary evidences relating to departure and arrival of the original director. If there is any exception, the chief executive officer should immediately inform it to Bangladesh Bank.	Complied
	(b) The copy of the decision of the board regarding appointment of alternate director, with original director's probable returning date from abroad should be sent to Bangladesh Bank within 7 days of taking the decision and the director's arrival date must be intimated to Bangladesh Bank immediately after his return.	Complied
	(c) Any loan defaulter or any person who is not eligible to become a director as per any rules & regulation will not be appointed as an alternate director.	Complied
	(d) As appointment of alternate director is a temporary measure; therefore, he/she will not be included in any kind of committee constituted by the board.	Complied
	(e) While in the office, an alternate director or his/her affiliated organization will not get any kind of loan facilities from his bank. In case of previous loan, enhancement of limit or extension of time period or any kind of exemption or interest waiver will not be allowed. Moreover, all restrictions applicable to directors according to rules & regulations will also be applicable to the alternate director.	Complied
2	**Depositor Director:** As per appointment of director from depositors is no longer required. But, after complying regulation under sec 15(9) of the Bank Company Act, 1991 (amended up to 2018) bank can consider the tenure of existing depositor director or may appoint them as independent director.	Complied, No Depositor Director in SJIBL
3	**Information regarding Directors:** Banks are advised to take the following steps regarding directors information:	
	(a) Every bank should keep an updated list of bank directors.	Complied
	(b) Banks should send a directors' list to other banks or financial institutions immediately after the appointment or release of director.	Complied
	(c) Banks should display a list of directors on the website and update it on a regular basis.	Complied
4	**Responsibilities of the Board of Directors (Board)**	
4.1	**Responsibilities and Authorities of the Board:**	
(a)	**Work planning and strategic management**	
	(i) The board shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and reformation for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor, at quarterly rests, the development of implementation of the work-plans.	Complied
	(ii) The board shall have its analytical review incorporated in the Annual Report as regards to the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders of its opinions/ recommendations on future plans and strategies. It shall set the Key Performance Indicators (KPIs) for the CEO & officers immediate two tiers below the CEO, and have it evaluated from time to time.	
(b)	**Credit and risk management**	
	(i) The policies, strategies, procedures etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, reschedule and write-off thereof shall be made with the board's approval under the purview of the existing laws, rules and regulations. The board shall specifically distribute the power of sanction of loan/investment and such distribution should desirably be made among the CEO and his subordinate executives as much as possible. No director, however, shall interfere, direct or indirect, into the process of loan approval.	Complied
	(ii) The board shall frame policies for risk management and get them complied with and shall monitor the compliance at quarterly rests and review the concerned report of the risk management team and shall compile in the minutes of the board meeting. The board shall monitor the compliance of the guidelines of Bangladesh Bank regarding key risk management.	
(c)	**Internal Control Management**	
	The board shall be vigilant on the internal control system of the bank in order to attain and maintain satisfactory qualitative standard of its loan/investment portfolio. The board will establish such an internal control system so that the internal audit process can be conducted independently from the management. It shall review the reports submitted by its audit committee at quarterly rests regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.	Complied

Sl. No.	Particulars	Compliance Status
(d)	**Human Resources (HR) Management and Development**	
	(i) Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules shall be framed and approved by the board. The chairman or the directors shall in no way involve themselves or interfere into or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the set service rules. No member of the board of directors shall be included in the selection committees for recruitment and promotion to different levels. Recruitment, promotion, transfer & punishment of the officers immediate two tiers below the CEO shall, however, rest upon the board. Such recruitment and promotion shall have to be carried out complying with the service rules i.e., policies for recruitment and promotion.	Complied. SJIBL Board reviews HR Policy time to time.
	(ii) The board shall focus its special attention to the development of skills of bank's staff in different fields of its business activities including prudent appraisal of loan/investment proposals, and to the adoption of modern electronic and information technologies and the introduction of effective Management Information System (MIS). The board shall get these programs incorporated in its annual work plan.	
	(iii) The board will compose Code of Ethics for every tier and they will follow it properly. The board will promote healthy code of conducts for developing a compliance culture.	
(e)	**Financial Management**	
	(i) The annual budget and the statutory financial statements shall be finalized with the approval of the board. It shall at quarterly rests review/monitor the positions in respect of bank's income, expenditure, liquidity, non-performing asset, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures.	Complied.
	(ii) The board shall frame the policies and procedures for bank's purchase and procurement activities and shall accordingly approve the distribution of power for making such expenditures. The maximum possible delegation of such power of expenditures shall rest on the CEO and his subordinates. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of bank's business shall, however, be adopted with the approval of the board.	
	iii) The board will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to Bangladesh Bank guidelines.	
(f)	**Appointment of Chief Executive Officer (CEO):** In order to strengthen the financial base of the bank and obtain confidence of the depositors, one of the major responsibilities of the board of directors is to appoint an honest, efficient, experienced and suitable CEO or Managing Director. The Board of directors will appoint a suitable CEO with the approval of the Bangladesh Bank.	Complied.
(g)	**Other responsibilities of the Board:** The board should follow and comply with the responsibilities assigned by Bangladesh Bank.	Complied. The Board of Directors will do so as and when required by Bangladesh Bank.
4.2	**Meetings of the Board of Directors:** Board of Directors may meet once or more than once in a month upon necessity and shall meet at least once in every three months. Excessive meetings are discouraged.	Complied. Usually SJIBL holds one or two Board Meetings in a month.
4.3	**Responsibilities of the Chairman of the Board:**	
	(a) As the chairman of the board of directors or chairman of any committee formed by the board or any director does not personally possess the jurisdiction to apply policy making or executive authority, he/she shall not participate in or interfere into the administrative or operational and routine affairs of the bank.	Complied
	(b) The chairman may conduct on-site inspection of any bank-branch or financing activities under the purview of the oversight responsibilities of the board. He may call for any information relating to bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the board or the executive committee and if deemed necessary, with the approval of the board, he shall effect necessary action thereon in accordance with the set rules through the CEO. However, any complaint against the CEO shall have to be apprised to Bangladesh Bank through the board along with the statement of the CEO.	Complied
	(c) The chairman may be offered an office-room, a personal secretary/assistant, one peon/ MLSS, one telephone at the office, one mobile phone to use inside the country and a vehicle in the business-interest of the bank subject to the approval of the board.	Complied

Sl. No.	Particulars	Compliance Status
5	**Formation of Supportive Committees of the Board:** Each bank company can form 1(one) executive committee, 1(one) audit committee and 1(one) risk management committee with the directors. Board can't form any other permanent, temporary or sub- committee except the above mentioned three committees.	Complied
5.1	**Executive Committee (EC):** Executive committee should be formed with the members of the board to continue the urgent and daily or routine works between the intervals of two board meetings. Executive committee will perform according to their terms of reference determined by the board of directors.	Complied
	a) Organizational structure:	
	i. Members of the committee will be nominated by the board of directors from themselves;	Complied
	ii. The executive committee will comprise of maximum 07 (seven) members;	
	iii. Members may be appointed for a 03 (three)-year term of office;	
	iv. Chairman of the Board of Directors can be the chairman of executive committee;	
	v. Company secretary of the bank will be the secretary of the executive committee.	
	b) Qualifications of the Members:	
	i. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;	Complied
	ii. Each member should be capable of making valuable and effective contributions in the functioning of the committee;	
	iii. To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.	
	c) Roles and Responsibilities of the Executive Committee:	
	i. The executive committee can decide or can act in those cases as instructed by the Board of directors that are not specifically assigned on full board through the Bank Company Act, 1991 and other laws and regulations.	Complied
	ii. The executive committee can take all necessary decision or can approve cases within power delegated by the board of directors.	
	iii. All decisions taken in the executive committee should be ratified in the next board meeting.	
	d) Meetings	
	i. The executive committee can sit any time as it may deem fit.	Complied
	ii. The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary;	
	iii. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting;	
	iv. All decisions/observations of the committee should be noted in minutes.	
5.2	**Audit Committee:** The board will approve the objectives, strategies and overall business plans of the bank and the audit committee will assist the board in fulfilling its oversight responsibilities. The committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct.	Complied
	a) Organizational structure:	
	i. Members of the committee will be nominated by the board of directors from the directors;	Complied
	ii. The audit committee will comprise of maximum 05 (five) members, with minimum 2(two) independent directors;	
	iii. Audit committee will comprise with directors who are not executive committee members;	
	iv. Members may be appointed for a 03 (three) year term of office;	
	v. Company secretary of the bank will be the secretary of the audit committee.	

Sl. No.	Particulars	Compliance Status
	b) Qualifications of the Member:	
	i. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee ;	Complied
	ii. Each member should be capable of making valuable and effective contributions in the functioning of the committee;	
	iii. To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.	
	iv. Professionally Experienced persons in banking/financial institutions specially having educational qualification in Finance, Banking, Management, Economics, Accounting will get preference in forming the committee.	
	c) Roles and Responsibilities of the Audit Committee	
	i) Internal Control:	
	1. Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have clear understanding of their roles and responsibilities;	Complied
	2. Review management's actions in building computerization of the bank and its applications and bank's Management Information System (MIS);	
	3. Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management;	
	4. Consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the board after reviewing whether necessary corrective measures have been taken by the management.	
	(ii) Financial Reporting:	
	1. Audit committee will check whether the financial statements reflect the complete and concrete information and determine whether the statements are prepared according to existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank;	Complied
	2. Discuss with management and the external auditors to review the financial statements before its finalization.	
	(iii) Internal Audit:	
	1. Audit committee will monitor whether internal audit working independently from the management.	Complied
	2. Review the activities of the internal audit and the organizational structure and ensure that no unjustified restriction or limitation hinders the internal audit process;	
	3. Examine the efficiency and effectiveness of internal audit function;	
	4. Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not.	
	(iv) External Audit	
	1. Review the performance of the external auditors and their audit reports;	Complied
	2. Examine whether the findings and recommendations made by the external auditors are duly considered by the management or not.	
	3. Make recommendations to the board regarding the appointment of the external auditors.	
	(v) Compliance with existing laws and Regulations:	
	Review whether the laws and regulations framed by the regulatory authorities (central bank and other Bodies) and internal regulations approved by the board are being complied with.	Complied
	(vi) Other Responsibilities:	
	1. Submit compliance report to the board on quarterly basis on regularization of the omission, fraud and forgeries and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities;	Complied
	2. External and internal auditors will submit their related assessment report, if the committee solicit;	
	3. Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis.	

Sl. No.	Particulars	Compliance Status
	d) Meetings:	
	1. The audit committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit;	Complied
	2. The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary;	
	3. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting;	
	4. All decisions/observations of the committee should be noted in minutes.	
5.3	**Risk Management Committee:** To play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently, a risk management committee will be formed. After identifying and assessing several risk factors like credit risks, foreign exchange risks, internal control and compliance risks, money laundering risks, information and communication risks, management risks, interest risks, liquidity risks etc.; the risk management committee will scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified.	Complied
	a) Organizational Structure:	
	1. Members of the committee will be nominated by the board of directors from themselves;	Complied
	2. The Risk Management Committee will comprise of maximum 05 (five) members;	
	3. Members may be appointed for a 03 (three) year term of office;	
	4. Company secretary of the bank will be the secretary of the Risk Management Committee.	
	b) Qualifications of the Member:	
	1. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;	Complied
	2. Each member should be capable of making valuable and effective contributions in the functioning of the committee;	
	3. To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.	
	c) Roles and Responsibilities of the Risk Management Committee:	
	i) Risk identification & control policy :	
	Formulation and implementation of appropriate strategies for risk assessment and its control is the responsibility of Risk Management Committee. Risk Management Committee will monitor risk management policies &methods and amend it if necessary. The committee will review the risk management process to ensure effective prevention and control measures.	Complied
	ii) Construction of organizational structure:	
	The responsibility of Risk Management Committee is to ensure an adequate organizational structure for managing risk within the bank. The Risk Management Committee will supervise formation of separate management level committees and monitor their activities for the compliance of instructions of lending risk, foreign exchange transaction risk, internal control & compliance risk, money laundering risk, information & communication risk including other risk related guidelines.	Complied
	iii) Analysis and approval of Risk Management policy:	
	Risk management policies & guidelines of the bank should be reviewed annually by the committee. The committee will propose amendments if necessary and send it to the Board of Directors for their approval. Besides, other limits including lending limit should be reviewed at least once annually and should be amended, if necessary.	Complied
	iv) Storage of data & Reporting system:	
	Adequate record keeping & reporting system developed by the bank management will be approved by the risk management committee. The committee will ensure proper use of the system. The committee will minute its proposal, suggestions & summary in a specific format & inform the Board of Directors.	Complied
	v) Monitoring the implementation of overall Risk Management Policy:	
	Risk Management Committee will monitor proper implementation of overall risk management policies. They will monitor whether proper steps have been taken to mitigate all risks including lending risk, market risk, and management risk.	Complied

Sl. No.	Particulars	Compliance Status
	vi) Other responsibilities:	
	1. Committee's decision and suggestions should be submitted to the Board of Directors quarterly in short form;	Complied
	2. Comply instructions issued time to time by the controlling Body;	
	3. Internal & external auditor will submit respective evaluation report whenever required by the committee.	Complied
	d) Meetings:	
	1. The risk management committee should hold at least 4 meetings in a year and it can sit any time as it may deem fit;	Complied
	2. The committee may invite Chief Executive Officer, Chief Risk Officer and any other Officer to its meetings, if it deems necessary;	Complied
	3. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting;	Complied
	4. All decisions/observations of the committee should be noted in minutes.	
6	**Training of the Directors:** The Directors of the Board will acquire appropriate knowledge of the Banking laws and other relevant laws, rules and regulations to effectively discharge the responsibilities as a Director of the bank.	Complied
7	**Intimation of the Circular to the Board and related persons by CEO:** The CEO will inform about this Circular to the directors and other related persons.	Complied

2. Appointment and responsibilities of Chief Executive Officer (CEO)

Sl. No.	Particulars	Compliance Status
A	**Rules and regulations for appointment of the CEO**	
1	**Moral Integrity:** In case of appointment to the post of CEO, satisfaction in respect of the concerned person should be ensured to the effects that:	
	a) He has not been convicted by any Criminal Court of Law.	Complied
	b) He has not been punished for violating any rules, regulations or procedures/ norms set by any regulatory authority.	
	c) He was not associated with any such company/organization; registration or license of which has been cancelled.	
2	**Experience and Suitability:**	
	a) For appointment as a CEO, the concerned person must have experience in banking profession for at least 15 (fifteen) years as an active officer and at least 02 (two) years experience in a post immediate below the CEO of a bank.	Complied
	b) He must have a Master's degree at minimum from any recognized university. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person.	
	c) In respect of service, the concerned person should have excellent track record of performance.	
	d) Satisfaction should be ensured that the concerned person was not dismissed from service when he was chairman/director/official of any company.	
	e) Any director of any bank or financial institution or any person who has business interest in the concerned bank will not be eligible for appointment to the post of the CEO.	
3	**Transparency and financial integrity:** Before making appointment as a CEO, satisfaction should be ensured to the effects that:	
	a. The concerned person was not involved in any illegal activity while performing duties in his own or banking profession.	Complied
	b. He has not deferred payment to creditors or has not compromised with his creditors to be relieved from debts or he is not a loan defaulter.	
	c. He is not a tax defaulter.	
	d. He has never been adjudicated a bankrupt by the Court.	
4	**Age Limit:** No person crossing the age of 65 years shall hold the post of CEO of a bank.	Complied

Sl. No.	Particulars	Compliance Status
5	**Tenure:** The tenure of the CEO shall not be more than 03 (three) years, which is renewable. If the candidate has less than 3 years left to attain 65 years, he/she can be appointed for that shorter period	Complied
6	**Guidelines in fixing the salary and allowances:** Banks are required to follow the guidelines stated below while determining the salary and allowances of the CEO and submitting such proposal to Bangladesh Bank:	
	a. In fixing the salary and allowances of the CEO, financial condition, scope of operation, business-volume and earning capacity of the bank; qualifications, achievement of the candidate in the past, age and experience and the remuneration paid to the persons occupying same position in the peer banks shall have to be taken into consideration.	Complied
	b. Total salary shall be comprised of direct salary covering 'Basic Salary' and 'House Rent' and allowances as 'Others'. The allowances (e.g., provident fund, utility bill, leave-fare assistance) in 'Others' head should be specified in amount/ceiling. Besides, other facilities (e.g., car, fuel, driver etc.), as far as possible, shall have to be converted in the monetary value and thus determining monthly total salary, it shall have to be mentioned in the proposal submitted to Bangladesh Bank. In the proposal, Basic Salary, House Rent, Festival Allowance, other allowances and other facilities shall have to be specified in Taka amount.	
	c. Without improving the bank's major financial indicator like- CAMELS, annual salary increment will not be payable.	
	d. Terms of salary-allowances and other facilities as specified in the terms and conditions of appointment cannot be changed during the tenure. In case of renewal, proposal may be made for re-fixation of the salary considering the work performance of the current CEO.	
	e. The CEO so appointed shall not get any other direct or indirect facilities (e.g., dividend, commission, club expense, etc.) other than the salary-allowances and other facilities as enumerated in clause (b) above.	
	f. The bank shall not pay any income tax for the CEO, i.e., the CEO so appointed shall have to pay it.	
7	**Incentive Bonus:** The CEO will get incentive bonus subject to paying incentive bonus to all executives/officers/workers of the bank and the said bonus amount will not exceed BDT 1,000,000 in a year.	Complied
8	**Honorarium for attending the Board Meeting:** Being a salaried executive, CEO will not get any honorarium for attending the Board meeting or Board formed Committee meeting.	Complied
9	**Evaluation Report:** For reappointment of the CEO, the Chairman of the bank shall have to submit a Board approved evaluation report to Bangladesh Bank.	Complied
10	**Prior Approval from Bangladesh Bank:** Prior approval from Bangladesh Bank is mandatory before appointing CEO as per section 15(4) & (5) of Bank Company Act 1991 (amended up to 2018). For processing such approval, along with the proposal signed by the Chairman of the Board, the selected person's complete resume, offer letter (mentioning the direct & indirect remuneration and facilities) and copy of Board's approval must be submitted to Bangladesh Bank. The selected person must also submit declarations as per Annexure Ka& Annexure Kha to Bangladesh Bank.	Complied
11	**Decision of Bangladesh Bank is final:** The decision of Bangladesh Bank regarding appointment of the CEO will be treated as final and such appointed CEO cannot be dismissed, released or removed from his/her office without prior approval from Bangladesh Bank.	Complied
B	**Responsibilities and Authorities of the CEO: The CEO of the bank, whatever name called, shall discharge the responsibilities and exercise the authorities as follows:**	
	a. In terms of the financial, business and administrative authorities vested upon him by the Board, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management.	Complied
	b. The CEO shall ensure compliance of the Bank Company Act 1991 and other relevant laws and regulations in discharging of routine functions of the bank.	Complied
	c. The CEO shall include clearly any violation from Bank Company Act 1991 and/or other relevant laws and regulations in the "Memo" presented to the meeting of the Board or any other Committee (s) engaged by the Board.	Complied
	d. The CEO shall report to Bangladesh Bank of issues in violation of the Bank Company Act 1991 or of other laws/regulations.	Complied

Sl. No.	Particulars	Compliance Status
	e. The recruitment and promotion of all staffs of the bank except those in the two tiers below him/her shall rest on the CEO. He/she shall act in such cases in accordance with the approved service rules on the basis of the human resources policy and approved delegation of employees as approved by the Board.	Complied
	f. The authority relating to transfer of and disciplinary measures against the staff, except those at two tiers below the CEO, shall rest on him/her, which he/she shall apply in accordance with the approved service rules. Besides, under the purview of the human resources policy as approved by the Board, he/she shall nominate officers for training etc.	Complied

3. Contractual appointment of Advisor and Consultant

Sl. No.	Particulars	Compliance Status
A	**Rules and regulations for appointment of an Advisor**	
1	**Experience and Suitability:** For appointment as advisor, the concerned person will have to fulfill the following requirements with regard to experience and qualifications:	N/A
	a. Experience in Banking or Administration for at least 15 (fifteen) years or have a long experience in social activities.	
	b. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person.	
	c. Satisfaction should be ensured that the concerned person was not dismissed from his service when he was Chairman/ Director/ Executive of any company.	
	d. The person who is working in any bank or financial institution or who has business interest in that bank will not be eligible for appointment to the post of Advisor.	
	e. Satisfaction should be ensured that the concerned person is not a loan defaulter or tax defaulter and has never been adjudicated a bankrupt by the Court.	
2	**Responsibilities of the Advisor:** The roles and responsibilities of the Advisor should be defined specifically. The Advisor can advise the Board of Directors or CEO only on those matters specified in the appointment letter. The routine and general activities of the bank will not be included in his terms of reference. He will not be entitled to exercise any power or involved himself in the decision making process of financial, administrative, operations or other activities of the bank.	N/A
3	**Prior approval from Bangladesh Bank:** Prior approval from Bangladesh Bank is mandatory before appointing an Advisor. For such appointment, the justifications of the post of advisor, responsibilities or terms of reference, complete resume of the concerned person, terms of appointment (mentioning remuneration and facilities) and copy of Board's approval shall be submitted to Bangladesh Bank. The nominated person has to make a declaration as per Annexure A. This declaration shall also be submitted to Bangladesh Bank.	N/A
4	**Remuneration and other facilities of Advisor:** The post of Advisor is not a fixed or substantive post in the bank's organization structure. Advisor will not be entitled to salaries and allowances as regular employee except gross amount of remuneration, transport and telephone facilities. Remunerations inconsistent with the terms of reference of the advisor will not be considered as acceptable to Bangladesh Bank.	N/A
5	**Tenure of Advisor:** The tenure of the Advisor shall be maximum 01(one) year, which is renewable. An evaluation report (by the Chairman that is approved by the Board) of previous tenure should be submitted to Bangladesh Bank along with the re-appointment proposal.	N/A
6	**Appointment of Ex-officials:** For ensuring good governance, any former Director, CEO or any other Executive of the bank will not be eligible to become an Advisor in the same bank immediately after their retirement or resignation. However, after one year from such retirement or resignation, he/she will be eligible for appointment as Advisor.	N/A
B	**Rules and regulations for appointment of a Consultant**	
1	**Terms of reference of Consultant:** Consultant can be appointed for specialized tasks like tax, law and legal procedures, engineering and technical works, information technology, etc. Consultants' appointment should be avoided as much as possible for those works that could be done by regular employees of the bank.	N/A

Sl. No.	Particulars	Compliance Status
2	**Responsibilities of a Consultant:** The responsibilities or terms of reference of a Consultant should be specified. He/she should not be involved in any activities beyond his/her terms of references and he/she cannot exercise any kind of power in bank operation or cannot participate in the decision making process.	N/A
3	**Appointment of a Consultant:** A Consultant can be appointed with the approval of the Board. After Such appointment the bank shall send the Consultant's complete resume, terms of reference and details of remuneration to Bangladesh Bank immediately.	N/A
4	**Tenure of a Consultant:** The tenure of a Consultant should be consistent with the terms of reference, but would not exceed 02 (two) years. Generally the Consultant will not be eligible for re-appointment. But to complete the unfinished tasks, his contract may be extended for maximum period of 01 (one) year with the approval of Bangladesh Bank. The Chairman of the bank upon approval of the Board shall have to submit the extension proposal to Bangladesh Bank with the evaluation report of his previous tenure.	N/A
5	**Remuneration/Honorarium of a Consultant:** The Consultant's remuneration should be in the form of monthly or single lump-sum payment and he is not entitled to any other facilities.	N/A
6	**Appointment of Ex-officials:** For ensuring good governance, any former Director, CEO or any other Executive of the bank will not be eligible for appointment as a Consultant in the same bank immediately after their retirement or resignation. However, after one year from such retirement or resignation, he/ she will be eligible for appointment as a Consultant.	N/A

بِسۡمِ اللّٰہِ الرَّحۡمٰنِ الرَّحِیۡمِ

Annual Report of the Shari'ah Supervisory Committee
For the year ended on 31st December, 2021

الحمد لله رب العالمين والصلوة والسلام على سيدنا محمد وعلى آله وصحبه أجمعين، ومن تبعهم بإحسان إلى يوم الدين.

All praise is due to Almighty Allah, the Lord of the Worlds, The Most Gracious, The Most Merciful and peace and blessing of Allah be upon the Prophet Muhammad (PBUH) and upon his all other descendants and companions, Tabe'yeen, Tabe-Tabe'yeen, Ayemma-e-Mujtahideen and those who follow their example with good conduct till the Day of Judgment.

To the Shareholders of Shahjalal Islami Bank Limited

Assalamu Alaikum Wa Rahmatullah.

We submit herewith the following Report on the Islamic Banking operations of Shahjalal Islami Bank Limited for the year ended on 31st December, 2021.

The Shari'ah Supervisory Committee of Shahjalal Islami Bank Limited consists of Islamic Jurisprudents, Shari'ah Scholars, renowned Islamic Bankers, Lawyers and financial Experts. The Shari'ah Supervisory Committee meeting is usually held once in a quarter to provide opinion on various Shari'ah related issues referred to it by the Management of the Bank. During the year 2021, four (4) meetings of the Committee were held.

We have reviewed the principles and the contracts relating to the transactions and applications introduced by Shahjalal Islami Bank Limited during the period from 1st January, 2021 to 31st December, 2021. We have conducted our review on the basis of Shari'ah inspection reports of the Muraquibs (Shari'ah Auditors) to form our opinion as to whether the Bank has complied with Shari'ah rules and principles and also with the specific fatwas, rulings and guidelines issued by us. In addition to our fatwas, the Muraquibs also followed the Internal Control & Compliance guidelines on Islamic Banking issued by the Bangladesh Bank.

The prime responsibility for ensuring Shari'ah compliance of the Bank's operations lies with the Board of Directors and the Executive Management. Shahjalal Islami Bank Limited Management is responsible for ensuring that they conduct its Banking business in accordance with the Shari'ah Rules and Principles. It is our responsibility to form an independent opinion, based on our review of the Islamic Banking operations and to report to you.

We conducted our review which included, on a test basis of each type of transaction, the relevant documentation and procedures adopted by Shahjalal Islami Bank Limited. We planned and performed the review so as to obtain the information and explanation which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that Shahjalal Islami Bank Limited has not violated Shari'ah rules and principles in its Islamic Banking operations.

In our opinion:

a. The contracts, transactions and dealings entered into by Shahjalal Islami Bank Limited during the year ended on 31st December, 2021 that we have reviewed are in compliance with Shari'ah rules and principles;

b. Distribution of profit among the various Mudarabah depositors have been made as far as possible in accordance with the principles of Islamic Shariah;

c. All earnings that have been realized from sources or by means prohibited by Shari'ah rules and principles have been separated from income to be disposed of to charitable causes; and

d. The calculation of Zakah is in compliance with the Shari'ah Rules and Principles.

During the year under report, the Shari'ah Supervisory Committee has advised the Management of the Bank on the following issues:

a. To take effective steps aiming at gradual development of the employees and customers awareness about concept and operational methodology of Islamic banking & Shari'ah compliance in Islamic Banking;

b. To develop and organize comprehensive training courses for the employees and orientation programs for the Clients' periodically;

c. In addition to the existing investment schemes, more small investment schemes to be introduced aiming at development of socio-economic condition of the poorer sections of the population; and

d. Shari'ah audit frequency to be increased for the purpose of timely identification of lapses and for adopting preventive measures.

May Allah bless us with the best Tawfeeq to accomplish His cherished tasks, make us successful in this world and in the life hereafter and forgive our mistakes.

Wassalamu Alaikum Wa Rahmatullah.



Mufti Abdul Halim Bukharee
Chairman
Shari'ah Supervisory Committee

بِسۡمِ اللّٰہِ الرَّحۡمٰنِ الرَّحِیۡمِ

শরীয়াহ্ সুপারভাইজারী কমিটির বার্ষিক প্রতিবেদন-২০২১

الحمد لله رب العالمين والصلوة والسلام على سيدنا محمد وعلى آله وصحبه أجمعين، ومن تبعهم بإحسان إلى يوم الدين.

সকল প্রশংসা জগতসমূহের প্রতিপালক মহান আল্লাহ্ রাব্বুল আলামীনের, যিনি পরম করুণাময় ও অসীম দয়ালু। অসংখ্য দরূদ ও সালাম আমাদের প্রিয় নবী হযরত মুহাম্মদ মুস্তফা সাল্লাল্লাহু আলাইহি ওয়াসাল্লাম, তাঁর পরিবারের সদস্যবর্গ, সাহাবায়ে কেরাম, তাবেয়ীন, তাবে' তাবেয়ীন, আইম্মায়ে মুজতাহেদীন এবং ক্বিয়ামত পর্যন্ত অনাগত অনুসারীদের প্রতি।

শাহজালাল ইসলামী ব্যাংক লিমিটেড-এর সম্মানিত শেয়ারহোল্ডারবৃন্দ!

আস্সালামু আলাইকুম ওয়ারাহ্মাতুল্লাহ্।

৩১শে ডিসেম্বর, ২০২১ ইং তারিখে সমাপ্ত বছরের জন্য শাহজালাল ইসলামী ব্যাংক লিমিটেড-এর কার্যক্রমের উপর নিম্নলিখিত প্রতিবেদন উপস্থাপন করা হল।

শাহজালাল ইসলামী ব্যাংক লিমিটেড-এর শরীয়াহ্ সুপারভাইজারী কমিটি ইসলামী ফিক্হশাস্ত্রবিদ, শরীয়াহ স্কলার, প্রসিদ্ধ ইসলামী ব্যাংকার, আইনজীবী ও আর্থিক বিশেষজ্ঞদের নিয়ে গঠিত। শরীয়াহ্ সুপারভাইজারী কমিটির সভা সাধারণত ত্রৈমাসিক ভিত্তিতে অনুষ্ঠিত হয় যাতে ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক উত্থাপিত বিভিন্ন শরীয়াহ্ সম্পর্কিত বিষয়ে মতামত প্রদান করা হয়। ২০২১ ইং সালে কমিটির ৪ (চার) টি সভা অনুষ্ঠিত হয়।

আমরা ১লা জানুয়ারী থেকে ৩১শে ডিসেম্বর, ২০২১ ইং সময়কালে শাহজালাল ইসলামী ব্যাংক লিমিটেড কর্তৃক উপস্থাপিত লেনদেন সম্পর্কিত নীতিমালা ও চুক্তিসমূহ পর্যালোচনা করেছি। ব্যাংকটি শরীয়াহ্ বিধি-বিধান ও নীতিমালা এবং আমাদের পক্ষ থেকে প্রদত্ত সুনির্দিষ্ট ফতোয়া, সিদ্ধান্ত ও নির্দেশিকা মেনে চলছে কিনা সে বিষয়ে আমরা মুরাক্বিবগণের (শরীয়াহ্ পরিদর্শকদের) শরীয়াহ্ নিরীক্ষা প্রতিবেদনের ভিত্তিতে আমাদের পর্যালোচনা সম্পাদন করেছি। আমাদের ফতোয়াসমূহ ছাড়াও মুরাক্বিবগণ বাংলাদেশ ব্যাংক কর্তৃক জারিকৃত ইসলামিক ব্যাংকিং সম্পর্কিত অভ্যন্তরীণ নিয়ন্ত্রণ ও পরিপালন নির্দেশিকা (Internal Control & Compliance guidelines) অনুসরণ করেছেন।

ব্যাংকের সার্বিক কার্যক্রমে শরীয়াহ্ পরিপালন নিশ্চিত করার প্রধান দায়িত্ব পরিচালনা পর্ষদের। শাহজালাল ইসলামী ব্যাংক লিমিটেড-এর ব্যবস্থাপনা কর্তৃপক্ষেরও দায়িত্ব হল শরীয়াহ্'র বিধিবিধান ও নীতিমালা অনুযায়ী ব্যাংকিং কার্যক্রম পরিচালনা করা। আর আমাদের দায়িত্ব হল, ইসলামিক ব্যাংকিং কার্যক্রম সম্পর্কে আমাদের পর্যালোচনার ভিত্তিতে একটি স্বাধীন মতামত গঠন করা এবং আপনাদের বরাবর রিপোর্ট পেশ করা।

আমরা যেসব বিষয় পর্যালোচনা করেছি তার মধ্যে রয়েছে, পরীক্ষামূলকভাবে বিভিন্ন ধরনের লেনদেন এবং শাহজালাল ইসলামী ব্যাংক লিমিটেড কর্তৃক গৃহীত প্রাসঙ্গিক ডকুমেন্টেশন ও পদ্ধতিসমূহ। শাহ্জালাল ইসলামী ব্যাংক লিমিটেড ইসলামী ব্যাংকিং কার্যক্রমে শরীয়াহ্'র বিধিবিধান ও নীতিমালা লঙ্ঘন করে নি এই মর্মে যুক্তিসঙ্গত নিশ্চয়তা প্রদানের জন্য পর্যাপ্ত প্রমাণ সরবরাহ করতে প্রয়োজনীয় তথ্য ও ব্যাখ্যা পাওয়ার জন্য আমরা পরিকল্পনা প্রণয়ন করেছি এবং পর্যালোচনা করেছি।

আমাদের অভিমত ঃ

ক. ৩১ ডিসেম্বর ২০২১ ইং তারিখে সমাপ্ত বছরে শাহ্জালাল ইসলামী ব্যাংক লিমিটেড কর্তৃক সম্পাদিত যেসব চুক্তি, লেনদেন ও কর্মকাণ্ড আমরা পর্যবেক্ষণ করেছি তা শরীয়াহ্'র বিধিবিধান ও নীতিমালা পরিপালন করে সম্পাদিত হয়েছে মর্মে আমাদের নিকট প্রতীয়মান হয়েছে ;

খ. বিভিন্ন প্রকার মুদারাবাহ্ আমানতকারীদের মাঝে যে মুনাফা বন্টন করা হয়েছে, তা যথাসম্ভব শরীয়াহ্ নীতিমালার আলোকে করা হয়েছে;

গ. শরীয়াহ্ নিষিদ্ধ উৎস থেকে অথবা শরীয়াহ্ নিষিদ্ধ উপায়ে অর্জিত সকল উপার্জন ব্যাংকের নিয়মিত আয় থেকে পৃথক করা হয়েছে, যা দাতব্য কাজে ব্যয় করা হবে; এবং

ঘ. শরীয়াহ'র নীতিমালা পরিপালন করে যাকাতের হিসাব-নিকাশ সম্পাদন করা হয়েছে।

ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষের প্রতি আমাদের পরামর্শ ঃ

ক. ইসলামী ব্যাংকিংয়ে শরীয়াহ্ পরিপালন সম্পর্কে ব্যাংকের কর্মকর্তা-কর্মচারী ও গ্রাহকদের সচেতনতা ক্রমান্বয়ে বৃদ্ধির লক্ষ্যে কার্যকর পদক্ষেপ গ্রহণ করা;

খ. সময় সময় কর্মকর্তা-কর্মচারীদের জন্য ব্যাপক আকারে প্রশিক্ষণ কোর্স ও গ্রাহকদের জন্য সভা-সমাবেশ-এর আয়োজন করা;

গ. দেশের আর্থ-সামাজিক অবস্থার উন্নয়নে ও অপেক্ষাকৃত সুবিধাবঞ্চিত মানুষের দারিদ্র বিমোচনে বিদ্যমান বিনিয়োগ প্রকল্পসমূহের পাশাপাশি আরও নতুন নতুন ক্ষুদ্র বিনিয়োগ প্রকল্প গ্রহণ করা;

ঘ. সময়মত অনিয়মসমূহ সনাক্তকরণ এবং যথাযথ প্রতিরোধমূলক পদক্ষেপ গ্রহণের লক্ষ্যে শরীয়াহ্ নিরীক্ষা কার্যক্রমের গতি আরও বৃদ্ধি করা।

ঙ. আল্লাহ্ তা'আলা আমাদের উপর অর্পিত গুরুদায়িত্ব সম্পাদন করার তাওফীক দিন এবং দুনিয়া ও আখেরাতে সফলতা দান করুন এবং আমাদের ভুল-ত্রুটিগুলো ক্ষমা করুন। আমীন!



মুফতী আবদুল হালীম বুখারী
চেয়ারম্যান, শরীয়াহ্ সুপারভাইজারী কমিটি

FROM THE **DESK OF CFO**



Md. Jafar Sadeq FCA
Chief Financial Officer

Bismillahir Rahmanir Rahim

By the grace of Almighty Allah, Shahjalal Islami Bank Limited (SJIBL) has completed another successful year. Hopefully the world will remain in the transition period of the COVID-19 pandemic in the year 2022. After more than two years since the first cases were reported, it has significantly changed the environment we operate in. The pandemic added many complexities and challenges in banking business globally, including key topics such as investment quality, liquidity, profitability, digitization, cyber security and sustainability. Moreover, the government has implemented the single digit lending rate to maximum 9.00% and inflation adjusted deposit rate which have made banking business more challenging.

To keep pace with the changing banking environment, we re-prioritized the way we look at our business, focusing on the very basic question of how will we implement our strategy and perform our business. Despite these enormous challenges, I am very much pleased at the excellent performance of Shahjalal Islami Bank Limited (SJIBL) in almost all the financial indicators. The Bank has achieved operating profit of BDT 6004 million. The operating profit growth was 46.62%, investment growth was 10.22% and total assets growth was 6.89% keeping NPI at 4.42%. SJIBL's ROA and ROE for the year 2021 were 0.85% and 13.70% respectively.

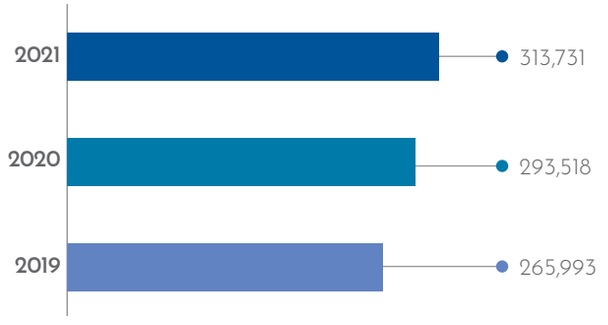
Budget and achievement

Budget, the numerical expression of a plan of the Bank, plays an important role to specify the position to be reached by a stipulated time period. We have prepared our business budgets for helping us to achieve our ultimate goal. In order to make the budget realistic, participation of both the branches and Head Office management is essential. Accordingly, we have prepared our budget with the participation of both branches and head office. The banking business was seriously affected by COVID-19 pandemic since 2020. Moreover, profit rate cap on investment at maximum 9.00% and inflation adjusted profit rate on deposits also put pressure on the profitability of the Bank. Very much optimistically, we have achieved almost all the targets set in our budget 2021 in this adverse situation.

The important targets and their achievements of 2021 are shown below:

Sl. No.	Particulars	Budget	Actual	Achievement
1	Deposit	238,560	217,600	91%
2	Investment	228,000	216,590	95%
3	Operating profit	4,500	6,004	133%
4	Export	164,820	191,900	116%
5	Import	180,320	248,930	138%

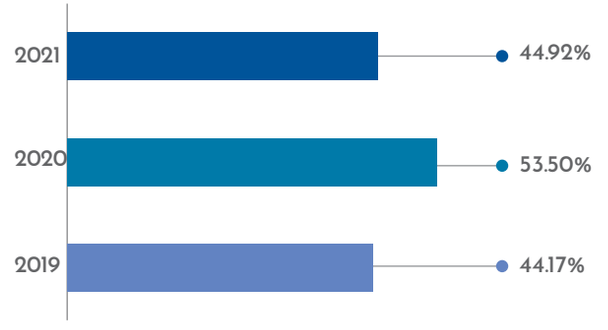
Total Assets (BDT million)



Cost Rationalization

Cost rationalization had become essential for the existence of banking sector as a whole due to prolonged effect of COVID 19 pandemic, profit rate cap at maximum 9.00% on lending as well as inflation adjusted deposit rate. To minimize the impact on the profitability from the pandemic, we conducted an operational rationalization exercise throughout the year to improve our operating efficiency and reduce our operating expenses. This helped us to reduce the cost-to-income ratio from 53.50% of last year to 44.92% in 2021. On the funding side, we put all efforts to improve our deposit mix and commendably managed to improve the same. Accordingly, cost of deposit reduced to 3.19% in 2021 from 4.98% of 2020. Moreover, we were able to leverage our existing relationships and access to new sources of deposits.

Cost to Income Ratio (%)

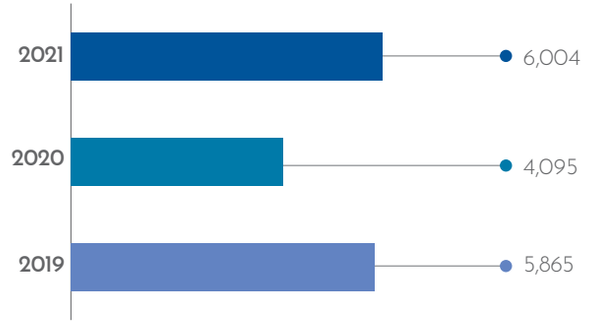


Financial performance highlights of SJIBL

Banking industry passed a challenging year due to prolonged COVID 19 pandemic in 2021. Despite intensified challenges, SJIBL managed its portfolio efficiently closing the year 2021 with an NPI of 4.42% that was 4.57% in 2020 which is lower than that of industry average of 7.93%. The prime focus during the year has been improving asset quality, recovering classified investments, mobilization of low cost no cost deposits, process automation, upholding service excellence and rationalizing costs. A brief review of financial performances is given below:

- Net Investment Income increased by 14.39% in 2021 compared to last year. This is because of profit paid on deposits reduced by 35.35% but in the same time investment income reduced only by 18.95% during the year under review.
- Non-profit income increased by 40.34% mainly due to increase of commission, exchange and brokerage income by 27.77% and increase of income from investment in shares and securities by 90.67%. Due to prolonged effect of COVID 19 pandemic, the demand of investment was slower. As a result we emphasized on non-funded business, accordingly both export and import business increased significantly during the year. On the other hand Bank had huge liquidity due to lower investment appetite in the market. As part of Bank's fund management policy, the Bank used its idle fund in capital market operations, as a result income from investment in shares and securities increased by 90.67%.
- The operating income increased by 23.79% and operating expense increased by 3.96% during the year 2021 compared to last year. As a consequence, operating profit of the Bank increased notably by 46.62% and reached at BDT6,003.69 million in 2021 from BDT4,094.81 million of 2020.

Operating Profit (BDT million)

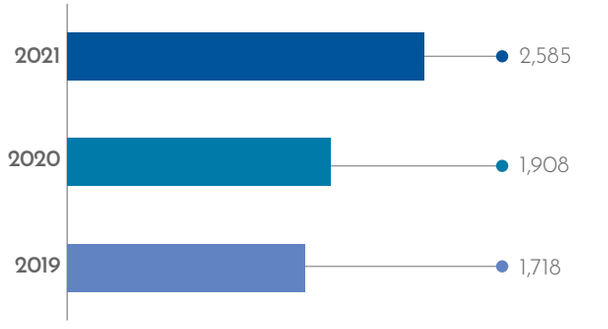


- Total provision increased by 158.54% in 2021 compared to last year. Significant amount of

investment not falling under classification but the bank has kept provision for those investments for strengthening the position of the bank resulting in increase of provision for investments.

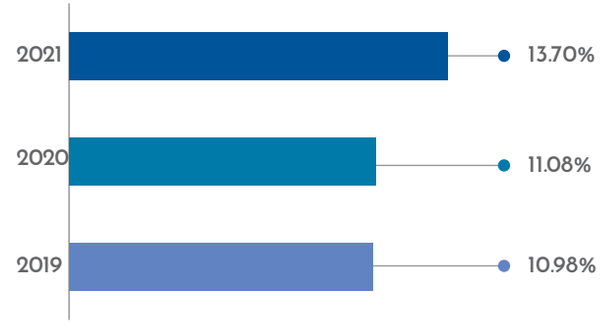
- Total tax provision increased by 29.75% in 2021 compared to last year mainly due to increase of operating profit by 46.62% in 2021.
- Finally Bank's profit after tax (PAT) increased by BDT 677.04 million or 35.48% in 2021 compared to 2020.

Profit After Tax (BDT million)



- ROE increased to 13.70% from 11.08% and ROA increased to 0.85% from 0.68% due to increase of profit after tax by 35.48%. Cost to income ratio decreased significantly to 44.92% in 2021 from 53.50% of 2020. This is a sign of efficient operation of the bank as its operating income increased by 23.79% whereas its operating expenses increased only by 3.96%. The Capital to risk weighted assets ratio (CRAR) increased to 15.04% in 2021 from 14.43% in 2020. CRAR increased due to issuance of Mudaraba Perpetual Bond of BDT 5,000 million

Return on Equity (%)



Appropriation of profit

Profit after tax of the Bank stood at BDT 2,585.24 million during the year out of which BDT 967.33 million transferred to statutory reserve in 2021 and BDT 44.94 million transferred to Start-up Fund. Thus, cumulative profit available for distribution stands at BDT 1,584.82 million out of which the Board of Directors recommended 15% dividend (10% cash & 5% stock) for the year 2021. The Bank has been paying attractive dividend to its shareholders since its inception representing attractive market value of its share.

Digitalization

Through digital Leadership we promise to improve our competitive edge. To accelerate the digitalization process, we have emphasized on investing in latest technology for modern banking operations. The Bank launched E-Account Opening Services with the aim of providing fast account opening services to its customers at anytime from anywhere. The Bank also inaugurated QR Code Banking service for cash withdrawal. The customers of the bank will be able to withdraw cash from any branch without any card or cheque by using QR Code Banking. Our mobile app "SJIBL NET" are examples, that demonstrate our ability to leverage in digital transformation of the services to provide superior customer experience to keep pace with the global standards of banking technology.

Issuance of Mudaraba Perpetual Bond

SJIBL managed efficiently its capital and liquidity positions and maintained the cost of funds at reasonable level amid intense competition among the banks and financial institutions. SJIBL successfully raised Additional Tier-1 Capital through issuance of "SJIBL Mudaraba Perpetual Bond" first ever the history of the bank for BDT.5000 million of which 90% i.e. BDT 4500 million issued through private placement and the rest 10% i.e. BDT 500 million issued through Initial Public Offer (IPO). With due approval from competent authority, the Bond was issued to strengthen the capital base of the Bank. The subscription of SJIBL Mudaraba Perpetual Bond was successfully closed on 28 December 2021 and full amount was subscribed by the investors. The bond was listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

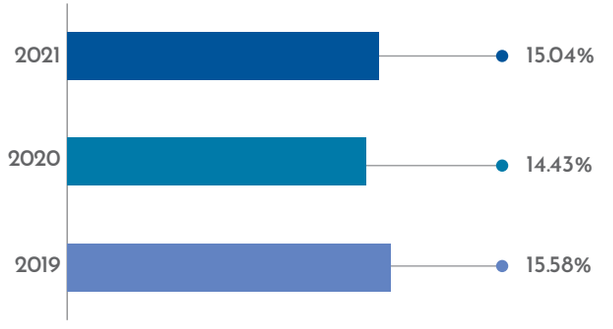
Capital adequacy status under Basel III

Bank's Capital to Risk Weighted Assets Ratio (CRAR) remains consistently within the comfort zone against the requirement of 12.5% (including capital conservation buffer) and ended at 15.04% as on 31 December 2021. The Bank issued 1st and 2nd Mudaraba Subordinated Bond of BDT 4,000 & 6,000 million respectively and the issuance of 3rd Mudaraba Subordinated Bond is in process. Repayment of 1st and 2nd Mudaraba Subordinated Bond is going on. However, to keep

pace with the business growth and increased CRAR requirement, we have issued Mudaraba Perpetual Bond of BDT5,000 million in the first time of bank's history. This perpetual bond will increase our Additional Tier-1 capital as well as declaration of 5% stock dividend will also increase our Tier-1 capital further. The bank will also keep focusing on quality of assets consistently in order to reduce the risk weighted assets as well as retention of profit to strengthen its capital base. From the beginning of the Basel-III implementation process SJIBL has been successfully maintaining the required CRAR which is stated below:

2017	2018	2019	2020	2021
12.19%	14.50%	15.58%	14.43%	15.04%

CRAR (%)



Capital Planning

SJIBL has been successfully maintaining more than the required CRAR by taking the empirical capital planning initiatives. Bank's capital planning is an ongoing, dynamic and forward-looking approach. It incorporates changes in strategic focus, risk tolerance, business plan and aligned with bank`s mission, vision, goals and objectives. To attain prospective growth, the bank is keen to maintain adequate capital at the same time emphasize on capital savings by ensuring minimum capital requirements with maximization return. As part of efficient capital management, the Bank has prepared a 10 years capital projection based on macro economic factors.

Non-performing Investments

Non-performing investment of banking sector of Bangladesh stood at 7.93% as on 31 December 2021 whereas non-performing investment of SJIBL was 4.42% at the same period which is significantly lower than the country position. The Bank has strengthened investment discipline and streamlined the recovery process to reduce the NPIs to an acceptable level. NPI of SJIBL came down to 4.42% from 4.57% of previous year. However, we are taking more initiatives to realize and regularize non-performing investments and reducing it further.

Regulatory Compliance

Our utmost priority is to safeguard the interest of our customers and shareholders. We have continued to work closely with the regulators to ensure compliance in every aspect. Our focus during 2021 was to conduct businesses prudently keeping ourselves within regulatory framework. Accordingly, we complied with all key regulatory ratios of the Bank namely CRR, SLR, ID ratio, CRAR, leverage ratio, MCO, capital market exposure, LCR & NSFR that clearly shows our commitment to key stakeholders. All the reports, returns, statements required to submit different regulatory authorities has been submitted within stipulated time in a complete and correct manner. The bank complied with all regulatory requirements of primary regulator Bangladesh Bank as well as all other regulators during the year 2021.

Financial Reporting

The Financial Statements for the year ended on 31 December 2021 have been prepared in compliance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as applicable in Bangladesh and where there are any departures from the Standards, adequate disclosures have been made in the notes to the Financial Statements.

Accounting estimates and judgments related to Financial Statements were made on a reasonable and consistent basis. The Financial Statements are prepared on going concern assumption.

Applicable circulars and Guidelines of Bangladesh Bank, Companies Act 1994, Bank Companies Act 1991, Securities & Exchange Commission Rules and other applicable laws, Rules and Guidelines are complied with, in preparing Financial Statements.

Adequate disclosure is made to the Financial Statements by taking care of the needs and requirements of all types of stakeholders. SJIBL focuses on transparent and appropriate disclosures through financial reporting.

I would like to take the opportunity to thank the Board of Directors, Management, and my colleagues at all stages, the customers, the regulators and the stakeholders at large. I am positive that, we will continue to take the bank forward and deliver more value to our shareholders in the days ahead.

Ameen,

Md. Jafar Sadeq FCA
Chief Financial Officer



FINANCIAL STATEMENTS

Independent Auditor's Report

TO THE SHAREHOLDERS OF SHAHJALAL ISLAMI BANK LIMITED

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Shahjalal Islami Bank Limited and its subsidiary (the "Group") as well as the separate financial statements of Shahjalal Islami Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2021 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2021, and of its consolidated and separate financial performance, and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note no. 2.1.

Basis for Opinion

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

Key Audit Matters

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

Description of key audit matters	Our response to key audit matters
1. Investments	
Refer to note no. 8 to the consolidated and separate financial statements	
Investments are the main element of financial statements of the Bank. Income of the Bank is mainly dependent on the portfolio of investments. Management performance is highly dependent on the target achievement of investments. Investment disbursement requires robust documentation followed by approval from appropriate level of authority. We have identified investments as key audit matter because there is an inherent risk of fraud in disbursement of investments by management to meet specific targets or expectations. At year end the Group and the Bank reported total gross investments of BDT 219,200 million (2020: BDT 199,137 million) and BDT 216,587 million (2020: BDT 196,513 million) respectively.	We tested the design and operating effectiveness of key controls focusing on credit appraisal, investment disbursement procedures and monitoring process of investments. We have performed procedure to check whether the Bank has ensured appropriate documentation as per Bangladesh Bank regulations and the Bank's policy before disbursement of investments. In addition, we have performed procedure to check whether the investments are recorded completely and accurately and that are existed at the reporting date. Furthermore, we have assessed the appropriateness of disclosure against Bangladesh Bank guidelines.

Description of key audit matters	Our response to key audit matters
2. Recognition of income from investments	
Refer to note no. 8 and 23 to the consolidated and separate financial statements	
Recognition of investment income has significant and wide influence on financial statements. Recognition and measurement of investment income has involvement of complex IT environment. We have identified recognition of income from investments as a key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk of fraud and error in recognition of income by management to meet specific targets or expectations. For the year ended the Group and the Bank reported total gross income from investments of BDT 13,793 million (2020: BDT 16,987 million) and BDT 13,805 million (2020: BDT 17,034 million) respectively.	We tested the design and operating effectiveness of key controls over recognition and measurement of income from investments. We have performed test of operating effectiveness on automated control in place to measure and recognise investment income. We have also performed substantive procedure to check whether investment income is recognised completely and accurately. We have assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.
3. Measurement of provision for investment	
Refer to note no. 8, 15a and 40 to the consolidated and separate financial statements	
The process for estimating provision for investments associated with credit risk is judgmental, significant and complex. For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions. For the collective analysis, these provisions are manually processed that deals with voluminous data extracted from the IT system of the Bank and following the instructions of Bangladesh Bank issued time to time. While estimating such provision certain judgmental factors need to be considered including: • Future business performance of the investment client; • Key assumptions relating to further business performance of the client; • Market value of the collateral; • Ability to repossess collateral; and • Recovery rates. Due to high level of judgment involved and using some manual process in estimating the provision for investments, we considered this to be a key audit matter. At year end the Group and the Bank reported total provision for investments of BDT 5,738 million (2020: BDT 6,015 million) and BDT 5,494 million (2020: BDT 5,664 million) respectively.	We tested the design and operating effectiveness of key controls focusing on the following: • Tested the credit appraisal, investments disbursement procedures, monitoring and provisioning process; • Reviewed identification of loss events, including early warning and default warning indicators; and • Reviewed quarterly Classification of Investments (CL); Our substantive procedure in relation to the provisions for investments portfolio comprised the following: • Reviewed the adequacy of the Group and the Bank's general and specific provisions; • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; and • Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
4. Impairment assessment of unquoted shares	
Refer to note no. 7a.5 to the consolidated and separate financial statements	
In the absence of quoted price in an active market, the fair value of unquoted shares and securities, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence requires an elevated level of judgement and assumption. Due to high level of judgment and assumption involved in evaluating the impairment assessment of unquoted shares, we considered this to be a key audit matter.	We have assessed the process and controls put in place by the Bank to ensure all major investment decisions are undertaken through a proper due diligence process. We have tested a sample of investment valuation as at 31 December 2021 and compared our results to the recorded value. Finally, we have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

Description of key audit matters	Our response to key audit matters
5. Carrying value of investment in subsidiary by the Bank	
Refer to note no. 10a to the consolidated and separate financial statements	
The Bank has invested in equity shares of its subsidiary namely Shahjalal Islami Bank Securities Limited. As at 31 December 2021 the carrying value of these investments in Shahjalal Islami Bank Securities Limited is BDT 2,515 million (2020: 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 Bank's investments in Shahjalal Islami Bank Securities Limited stated at cost. The Bank is required to perform impairment test of investment in subsidiary when impairment indication exists. The impairment testing is considered to be a key audit matter due to the complexity and judgements required in determining the assumptions to be used to estimate the recoverable amount which is higher of fair value less costs to sell and value in use. Management has conducted impairment assessment and calculated recoverable value of its subsidiary for Shahjalal Islami Bank Securities Limited in accordance with IAS 36.	We have reviewed management's analysis of impairment assessment and recoverable value calculation of the subsidiary in accordance with IAS 36: *Impairment of Assets*. In particular, our discussion with the management was focused on the continued appropriateness of the value in use model, the key assumption used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.
6. 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. Overall, the legal provision represents the Group's best estimation for existing legal matters that have a probable and estimable impact on the Group's financial position.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group and Bank's key controls over the legal provision and contingency processes. We enquired those charged with governance to obtain their views on the status of all significant litigation and regulatory matters. We enquired of the Group and the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel. We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information. We also assessed the Group and the Bank's provisions and contingent liabilities disclosure.
7. IT systems and controls	
Our audit procedures have focused on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included master data management, user access management and developer access to the production environment and changes to the IT environment. Among others, these are key to ensuring operating effectiveness of IT dependent application-based controls.	We tested the design and operating effectiveness of the Group and the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorised. We tested the Group and the Bank's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorisation. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.

Other Information

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

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note no. 2.1, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Banking Companies Act, 1991 (as amended up to date) and the Bangladesh Bank regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Group and the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules, 1987, the Banking Companies Act, 1991 (as amended up to date) and the rules and regulations issued by Bangladesh Bank, we also report that:

(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:

  (a) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in the financial statements appeared to be materially adequate;

  (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entity;

(iii) financial statements for the year ended 31 December 2021 of subsidiary namely Shahjalal Islami Bank Securities Limited have been audited by M/s. K. M. Hasan & Co., Chartered Accountants and have been properly reflected in the consolidated financial statements;

(iv) in our opinion, proper books of accounts as required by law have been kept by the Group and Bank so far as it appeared from our examination of those books;

(v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

(vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

(vii) the expenditures incurred were for the purpose of the Bank's business for the year;

(viii) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;

(ix) adequate provisions have been made for investments and other assets which are in our opinion, doubtful of recovery;

(x) the information and explanations required by us have been received and found satisfactory;

(xi) we have reviewed over 80% of the risk-weighted assets of the Bank and spent over 4,568 person hours; and

(xii) Capital to Risk-weighted Assets Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dhaka,
16 March 2022

Signed for & on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787
DVC: 2203200787AS332767

Shahjalal Islami Bank Limited and its Subsidiary

CONSOLIDATED BALANCE SHEET

As at 31 December 2021

	Note	31.12.2021 Taka	31.12.2020 Taka
Property and Assets			
Cash			
Cash in Hand (including Foreign Currencies)	3	1,943,331,636	1,814,745,636
Balance with Bangladesh Bank & Sonali Bank Ltd. (including Foreign Currencies)	4	12,087,735,744	13,351,033,150
		14,031,067,380	**15,165,778,786**
Balance with Other Banks and Financial Institutions			
Inside Bangladesh		2,067,998,849	2,983,335,984
Outside Bangladesh		1,029,495,149	4,759,516,675
	5	**3,097,493,998**	**7,742,852,659**
Placement with Other Banks & Financial Institutions	6	**18,514,593,291**	**23,646,670,016**
Investments in Shares & Securities			
Government		28,047,670,000	21,695,610,000
Others		10,290,056,403	7,700,804,301
	7	**38,337,726,403**	**29,396,414,301**
Investments			
General Investments etc.		201,220,993,015	184,095,800,600
Bills Purchased and Discounted		17,979,284,002	15,041,318,459
	8	**219,200,277,017**	**199,137,119,059**
Fixed Assets including Premises, Furniture and Fixtures	9	**5,226,775,920**	**4,872,812,072**
Other Assets	10	**18,061,545,248**	**15,917,222,101**
Non-Banking Assets	11	**88,909,355**	**88,909,355**
Total Property and Assets		**316,558,388,612**	**295,967,778,349**
Liabilities and Capital			
Liabilities			
Placement from Other Banks & Financial Institutions	12	**32,701,012,974**	**19,856,439,728**
Deposits and Other Accounts			
Mudaraba Savings Deposits		36,326,434,041	30,316,556,422
Mudaraba Term Deposits		74,469,380,080	81,508,507,043
Other Mudaraba Deposits		62,818,504,170	67,907,231,368
Al-Wadeeah Current & Other Deposit Accounts		39,179,649,922	34,433,455,394
Bills Payable		4,016,969,162	3,889,060,291
	13	**216,810,937,375**	**218,054,810,518**
Mudaraba Bonds	14	**12,200,000,000**	**9,200,000,000**
Other Liabilities	15	**34,553,169,294**	**30,403,236,018**
Deferred Tax Liabilities	16	**235,550,642**	**256,677,740**
Total Liabilities		**296,500,670,284**	**277,771,164,004**
Capital/Shareholders' Equity			
Paid-up Capital	17.2	10,290,969,510	9,800,923,350
Statutory Reserve	18	7,927,205,795	6,959,872,664
Capital Reserve		3,449,994	2,878,961
Retained Earnings	19	1,608,652,106	1,206,062,264
Total Shareholders' Equity		**19,830,277,405**	**17,969,737,239**
Non-controlling Interest	17.7	**227,440,923**	**226,877,106**
Total Liabilities & Shareholders' Equity		**316,558,388,612**	**295,967,778,349**

Shahjalal Islami Bank Limited and its Subsidiary

CONSOLIDATED OFF-BALANCE SHEET ITEMS

As at 31 December 2021

	Note	31.12.2021 Taka	31.12.2020 Taka
Contingent Liabilities			
Acceptances & endorsements		52,969,323,781	37,961,567,205
Letters of guarantee	20	31,904,128,585	31,092,059,818
Irrevocable letters of credit	21	64,074,742,941	34,857,199,890
Bills for collection		22,275,433,922	16,124,209,575
Other contingent liabilities		-	-
Total		**171,223,629,229**	**120,035,036,488**
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		**171,223,629,229**	**120,035,036,488**
Consolidated Net Asset Value per Share [previous year's figure restated]	42(i)	**19.27**	**17.46**

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

Chairman **Director** **Director** **Managing Director & CEO**

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

Signed for & on behalf of
ACNABIN
Chartered Accountants

Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787
DVC: 2203200787AS332767

Dhaka,
16 March 2022

Shahjalal Islami Bank Limited and its Subsidiary

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2021

	Note	2021 Taka	2020 Taka
Operating Income			
Investment Income	23	13,792,776,608	16,986,601,742
Less: Profit paid on Deposits	24	7,397,902,913	11,440,711,730
Net Investment Income		**6,394,873,695**	**5,545,890,012**
Income from Investments in Shares/Securities	25	1,218,245,276	722,883,847
Commission, Exchange and Brokerage	26	2,518,174,907	1,857,875,279
Other Operating Income	27	1,056,361,211	818,539,311
		4,792,781,394	**3,399,298,436**
Total Operating Income		**11,187,655,089**	**8,945,188,449**
Operating Expenses			
Salaries and Allowances	28	3,033,864,435	3,031,500,629
Rent, Taxes, Insurances, Electricity etc.	29	340,726,959	438,197,925
Legal Expenses	30	1,039,886	2,109,580
Postage, Stamps, Telecommunication etc.	31	42,604,155	46,959,444
Stationery, Printings, Advertisements etc.	32	99,662,329	84,665,701
Chief Executive's Salary & Fees	33	22,929,970	21,572,700
Directors' Fees & Expenses	34	6,398,484	6,737,530
Shariah Supervisory Committee's Fees & Expenses	35	743,851	295,512
Auditors' Fees	36	617,242	540,250
Depreciation & Repairs of Assets	37	557,103,457	408,833,601
Zakat Expenses	38	179,870,407	160,982,542
Other Expenses	39	787,867,429	620,498,003
Total Operating Expenses		**5,073,428,603**	**4,822,893,418**
Profit/ (Loss) before Provision	22	**6,114,226,487**	**4,122,295,031**
Specific provision for Classified Investments		541,490,000	156,994,000
General Provision for Unclassified Investments		196,038,000	228,500,000
General Provision for Off-balance Sheet Items		421,000,000	65,900,000
Provision for diminution in value of Investments in Shares		16,000,000	-
Provision for Other Assets		10,000,000	-
Total Provision	40	**1,184,528,000**	**451,394,000**
Total Profit/ (Loss) before Taxes		**4,929,698,487**	**3,670,901,031**
Provision for Taxation			
Deferred Tax	41	(21,127,098)	70,354,756
Current Tax	41b	2,338,472,612	1,686,637,361
		2,317,345,515	**1,756,992,117**
Net Profit/ (Loss) after Tax		**2,612,352,972**	**1,913,908,914**

Shahjalal Islami Bank Limited and its Subsidiary

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2021

	Note	2021 Taka	2020 Taka
Net Profit after Tax attributable to:			
Equity holders of SJIBL		2,591,539,155	1,913,440,000
Non-controlling Interest		20,813,816	468,914
		2,612,352,972	**1,913,908,914**
Retained Earnings from previous year		1,206,062,264	954,727,530
Add: Net Profit after Tax (attributable to equity holders of SJIBL)		2,591,539,155	1,913,440,000
Profit available for Appropriation		**3,797,601,419**	**2,868,167,530**
Appropriation:			
Statutory Reserve	18	967,333,131	728,684,000
Start-up Fund	15a.3	44,934,355	-
Dividend		1,176,110,795	933,421,266
Capital Reserve		571,033	-
Retained Earnings	19	1,608,652,106	1,206,062,264
		3,797,601,419	**2,868,167,530**
Consolidated Earnings per Share [previous year's figure restated]	42	**2.52**	**1.86**

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

Chairman **Director** **Director** **Managing Director & CEO**

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

Signed for & on behalf of
ACNABIN
Chartered Accountants

Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787
DVC: 2203200787AS332767

Dhaka,
16 March 2022

Shahjalal Islami Bank Limited and its Subsidiary

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2021

	Note	2021 Taka	2020 Taka
Cash flows from operating activities			
Investment income receipt in cash	43	14,774,368,653	17,801,979,787
Profit paid on deposits	44	(8,273,077,584)	(12,336,325,947)
Dividend receipts		68,927,342	46,331,181
Fees & commission receipt in cash		2,506,847,975	1,855,753,778
Recoveries on investment previously written off		31,809,277	24,654,765
Cash payments to employees		(3,056,794,405)	(3,053,073,329)
Cash payments to suppliers		(99,662,329)	(84,665,701)
Income tax paid		(1,855,006,719)	(2,185,842,395)
Receipts from other operating activities	45	1,057,282,006	825,332,151
Payments for other operating activities	46	(1,377,027,302)	(1,283,938,535)
(i) Operating profit before changes in operating assets & liabilities		**3,777,666,914**	**1,610,205,756**
Changes in operating assets and liabilities			
(Increase)/decrease in investment to customers		(21,001,399,797)	1,162,205,716
(Increase)/decrease in other assets	47	64,438,242	143,745,220
(Increase)/decrease of placement with other banks & financial institutions		5,132,076,725	(11,285,186,850)
Increase/(decrease) in deposits from other banks		5,154,203,653	366,775,113
Increase/(decrease) of placement from other banks & financial institutions		12,832,443,887	8,146,268,450
Increase/(decrease) in deposits received from customers		(5,697,828,226)	15,236,731,886
Increase/(decrease) in other liabilities on account of customers		697,070,407	992,271,283
Increase/(decrease) in other liabilities	48	85,859,272	476,963,050
(ii) Cash flows from operating assets and liabilities		**(2,733,135,839)**	**15,239,773,867**
Net cash flow from operating activities (A)=(i+ii)		**1,044,531,076**	**16,849,979,622**
Cash flows from investing activities			
Proceeds from sale of securities		2,461,433,041	690,123,080
Payments for purchases of securities		(11,402,745,143)	(12,788,096,201)
Proceeds from sale of fixed assets		2,865,702	5,342,071
Payments for purchases of fixed assets		(191,167,040)	(721,144,515)
Net cash used in investing activities (B)		**(9,129,613,440)**	**(12,813,775,566)**
Cash flows from financing activities			
Receipts from issuance of debt instruments		5,000,000,000	-
Payments for redemption of debt instruments		(2,000,000,000)	(800,000,000)
Dividend paid to ordinary shareholders		(706,314,635)	(466,710,636)
Net cash flow from/(used in) financing activities (C)		**2,293,685,366**	**(1,266,710,636)**
Net (decrease)/increase in cash & cash equivalents (A+B+C)		**(5,791,396,999)**	**2,769,493,420**
Add: Effect of exchange rate changes on cash and cash equivalents		11,326,932	2,121,500
Add: Cash and cash equivalents at the beginning of the year		22,908,631,445	20,137,016,525
Cash and cash equivalents at the end of the year	49	**17,128,561,378**	**22,908,631,445**
Consolidated Net Operating Cash Flow per Share (NOCFPS) [previous year's figure restated]	42(ii)	**1.01**	**16.37**

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

Chairman **Director** **Director** **Managing Director & CEO**

Dhaka,
16 March 2022

Shahjalal Islami Bank Limited and its Subsidiary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

(Amount in Taka)

Particulars	Paid-up Capital	Statutory Reserve	Capital Reserve	Retained Earnings	Non-controlling Interest	Total Capital/ Shareholders' Equity
Balance as at 01 January 2021	9,800,923,350	6,959,872,664	2,878,961	1,206,062,264	226,877,106	18,196,614,346
Dividend:						
Stock Dividend	490,046,160	-	-	(490,046,160)	-	-
Cash Dividend Paid	-	-	-	(686,064,635)	(20,250,000)	(706,314,635)
Net profit during the year	-	-	-	2,591,539,155	20,813,816	2,612,352,972
Statutory Reserve	-	967,333,131	-	(967,333,131)	-	-
Start-up Fund	-	-	-	(44,934,355)	-	(44,934,355)
Capital Reserve	-	-	571,033	(571,033)	-	-
Total Shareholders' Equity as at 31 December 2021	**10,290,969,510**	**7,927,205,795**	**3,449,994**	**1,608,652,106**	**227,440,923**	**20,057,718,328**
Add: Mudarabah Perpetual Bond						5,000,000,000
Add: General Provision for Unclassified Investments & Off-balance Sheet Items						3,824,503,735
Add: Mudaraba Subordinated Bond						5,200,000,000
Total Eligible Regulatory Capital as at 31 December 2021						**34,082,222,063**

For the year ended 31 December 2020

(Amount in Taka)

Particulars	Paid-up Capital	Statutory Reserve	Capital Reserve	Retained Earnings	Non-controlling Interest	Total Capital/ Shareholders' Equity
Balance as at 01 January 2020	9,334,212,720	6,231,188,665	2,878,961	954,727,530	226,408,192	16,749,416,068
Dividend for the year 2019:						
Stock Dividend (5%)	466,710,630	-	-	(466,710,630)	-	-
Cash Dividend Paid (5%)	-	-	-	(466,710,636)	-	(466,710,636)
Net profit during the year	-	-	-	1,913,440,000	468,914	1,913,908,914
Statutory Reserve	-	728,684,000	-	(728,684,000)	-	-
Total Shareholders' Equity as at 31 December 2020	**9,800,923,350**	**6,959,872,664**	**2,878,961**	**1,206,062,264**	**226,877,106**	**18,196,614,346**
Add: General Provision for Unclassified Investments & Off-balance Sheet Items						3,207,465,735
Add: Mudaraba Subordinated Bond						7,200,000,000
Less: Shortfall of provision required against investments						329,797,981
Total Eligible Regulatory Capital as at 31 December 2020						**28,274,282,100**

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

Chairman **Director** **Director** **Managing Director & CEO**

Dhaka,
16 March 2022

Shahjalal Islami Bank Limited

BALANCE SHEET

As at 31 December 2021

	Note	31.12.2021 Taka	31.12.2020 Taka
Property and Assets			
Cash			
Cash in Hand (including Foreign Currencies)	3a	1,943,331,636	1,814,745,636
Balance with Bangladesh Bank & Sonali Bank Ltd. (including Foreign Currencies)	4a	12,087,735,744	13,351,033,150
		14,031,067,380	**15,165,778,786**
Balance with other Banks and Financial Institutions			
Inside Bangladesh		1,993,712,408	2,975,866,157
Outside Bangladesh		1,029,495,149	4,759,516,675
	5a	**3,023,207,557**	**7,735,382,832**
Placement with other Banks & Financial Institutions	6a	**18,514,593,291**	**23,646,670,016**
Investments in Shares & Securities			
Government		28,047,670,000	21,695,610,000
Others		8,219,932,088	5,914,149,344
	7a	**36,267,602,088**	**27,609,759,344**
Investments			
General Investment etc.		198,607,299,997	181,471,332,782
Bills Purchased and Discounted		17,979,284,002	15,041,318,459
	8a	**216,586,583,999**	**196,512,651,241**
Fixed Assets including Premises, Furniture and Fixtures	9a	**5,077,326,059**	**4,740,650,245**
Other Assets	10a	**20,141,811,136**	**18,018,050,356**
Non-Banking Assets	11	**88,909,355**	**88,909,355**
Total Property and Assets		**313,731,100,865**	**293,517,852,175**
Liabilities and Capital			
Liabilities			
Placement from other Banks & Financial Institutions	12a	**32,436,452,822**	**19,730,962,466**
Deposits and Other Accounts			
Mudaraba Savings Deposits		36,326,437,165	30,316,566,001
Mudaraba Term Deposits		74,469,380,080	81,508,507,043
Other Mudaraba Deposits		63,296,520,951	68,295,354,091
Al-Wadeeah Current & Other Deposit Accounts		39,179,680,779	34,433,462,289
Bills Payable		4,016,969,162	3,889,060,291
	13a	**217,288,988,137**	**218,442,949,715**
Mudaraba Bonds	14	**12,200,000,000**	**9,200,000,000**
Other Liabilities	15a	**31,765,514,727**	**27,935,935,686**
Deferred Tax Liabilities	16a	**237,151,866**	**259,248,945**
Total Liabilities		**293,928,107,552**	**275,569,096,812**
Capital/Shareholders' Equity			
Paid-up Capital	17.2	10,290,969,510	9,800,923,350
Statutory Reserve	18	7,927,205,795	6,959,872,664
Retained Earnings	19a	1,584,818,008	1,187,959,349
Total Shareholders' Equity		**19,802,993,313**	**17,948,755,363**
Total Liabilities & Shareholders' Equity		**313,731,100,865**	**293,517,852,175**

Shahjalal Islami Bank Limited

OFF-BALANCE SHEET ITEMS

As at 31 December 2021

	Note	31.12.2021 Taka	31.12.2020 Taka
Contingent Liabilities			
Acceptances & endorsements		52,969,323,781	37,961,567,205
Letters of guarantee	20	31,904,128,585	31,092,059,818
Irrevocable letters of credit	21	64,074,742,941	34,857,199,890
Bills for collection		22,275,433,922	16,124,209,575
Other contingent liabilities		-	-
Total		**171,223,629,229**	**120,035,036,488**
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		**171,223,629,229**	**120,035,036,488**
Net Asset Value per Share [previous year's figure restated]	42(i)	**19.24**	**17.44**

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

Chairman **Director** **Director** **Managing Director & CEO**

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

Signed for & on behalf of
ACNABIN
Chartered Accountants

Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787
DVC: 2203200787AS332767

Dhaka,
16 March 2022

Shahjalal Islami Bank Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2021

	Note	2021 Taka	2020 Taka
Operating Income			
Investment Income	23a	13,805,194,923	17,033,748,679
Less: Profit paid on Deposits	24a	7,381,645,027	11,418,428,603
Net Investment Income		**6,423,549,896**	**5,615,320,076**
Income from Investments in Shares & Securities	25a	1,192,319,713	625,322,945
Commission, Exchange and Brokerage	26a	2,239,187,234	1,752,496,265
Other Operating Income	27a	1,045,664,738	812,353,493
		4,477,171,685	**3,190,172,702**
Total Operating Income		**10,900,721,581**	**8,805,492,779**
Operating Expenses			
Salaries and Allowances	28a	2,981,217,178	2,980,281,717
Rent, Taxes, Insurances, Electricity etc.	29a	334,690,238	429,749,211
Legal Expenses	30a	1,011,136	1,235,580
Postage, Stamps, Telecommunication etc.	31a	40,178,463	44,513,612
Stationery, Printings, Advertisements etc.	32a	98,375,319	82,898,124
Chief Executive's Salary & Fees	33	22,929,970	21,572,700
Directors' Fees & Expenses	34	6,398,484	6,737,530
Sharia'h Supervisory Committee's Fees & Expenses	35	743,851	295,512
Auditor's Fees	36a	550,000	500,000
Depreciation & Repairs of Bank's Assets	37a	535,869,372	390,017,716
Zakat Expenses	38	179,870,407	160,982,542
Other Expenses	39a	695,193,509	591,894,537
Total Operating Expenses		**4,897,027,926**	**4,710,678,782**
Profit before Provision	22a	**6,003,693,656**	**4,094,813,997**
Specific Provision for Classified Investments		541,490,000	156,994,000
General Provision for Unclassified Investments		194,538,000	228,500,000
General Provision for Off-balance Sheet Items		421,000,000	65,900,000
Provision for diminution in value of Investments in Shares		-	-
Provision for Other Assets		10,000,000	-
Total Provision	40a	**1,167,028,000**	**451,394,000**
Total Profit before Taxes		**4,836,665,656**	**3,643,419,997**
Provision for Taxation			
Deferred Tax	41a	(22,097,080)	71,173,152
Current Tax	41c	2,273,525,795	1,664,048,258
		2,251,428,716	**1,735,221,410**
Net Profit after Taxes		**2,585,236,940**	**1,908,198,587**

Shahjalal Islami Bank Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2021

	Note	2021 Taka	2020 Taka
Retained Earnings from previous year		1,187,959,349	941,866,028
Add: Net Profit after Taxes		2,585,236,940	1,908,198,587
Profit available for Appropriation		**3,773,196,289**	**2,850,064,615**
Appropriation:			
Statutory Reserve	18	967,333,131	728,684,000
Start-up Fund	15a3	44,934,355	-
Dividend		1,176,110,795	933,421,266
Retained Earnings	19a	1,584,818,008	1,187,959,349
		3,773,196,289	**2,850,064,615**
Earnings per Share (EPS) [previous year's figure restated]	42a	**2.51**	**1.85**

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

Chairman **Director** **Director** **Managing Director & CEO**

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

Signed for & on behalf of
ACNABIN
Chartered Accountants

Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787
DVC: 2203200787AS332767

Dhaka,
16 March 2022

Shahjalal Islami Bank Limited

CASH FLOW STATEMENT

For the year ended 31 December 2021

	Note	2021 Taka	2020 Taka
Cash flows from operating activities			
Investment income receipt in cash	43a	14,348,482,625	17,580,956,079
Profit paid on deposits	44a	(8,081,893,596)	(12,093,678,875)
Dividend receipts		295,277,342	46,331,181
Fees & commission receipt in cash		2,227,860,302	1,750,374,764
Recoveries on investment previously written-off		31,809,277	24,654,765
Cash payments to employees		(3,004,147,148)	(3,001,854,417)
Cash payments to suppliers		(98,375,319)	(82,898,124)
Income tax paid		(1,799,500,546)	(2,156,182,447)
Receipts from other operating activities	45a	1,045,558,852	811,759,372
Payments for other operating activities	46a	(1,279,206,916)	(1,250,116,440)
(i) Operating profit before changes in operating assets and liabilities		**3,685,864,873**	**1,629,345,858**
Changes in operating assets and liabilities			
(Increase)/decrease in investment to customers		(21,012,174,597)	773,028,842
(Increase)/decrease in other assets	47a	29,494,436	153,312,500
(Increase)/decrease of placement with other banks & financial institutions		5,132,076,725	(11,285,186,850)
Increase/(decrease) in deposits from other banks		5,154,203,653	366,775,113
Increase/(decrease) of placement from other banks & financial institutions		12,705,490,356	8,348,366,169
Increase/(decrease) in deposits received from customers		(5,607,916,661)	15,478,449,149
Increase/(decrease) in other liabilities on account of customers		697,070,407	992,271,283
Increase/(decrease) in other liabilities	48a	(152,048,146)	161,945,697
(ii) Cash flows from operating assets and liabilities		**(3,053,803,828)**	**14,988,961,902**
Net cash flow from operating activities (A)=(i+ii)		**632,061,045**	**16,618,307,760**
Cash flows from investing activities			
Proceeds from sale of securities		1,486,453,576	259,379,720
Payments for purchases of securities		(10,144,296,320)	(12,229,721,292)
Proceeds from sale of fixed assets		2,418,502	5,036,971
Payments for purchases of fixed assets		(148,785,781)	(616,932,441)
Net cash used in investing activities (B)		**(8,804,210,024)**	**(12,582,237,042)**
Cash flows from financing activities			
Receipts from issuance of debt instruments		5,000,000,000	-
Payments for redemption of debt instruments		(2,000,000,000)	(800,000,000)
Dividend paid to ordinary shareholders		(686,064,635)	(466,710,636)
Net cash flows from/(used in) financing activities (C)		**2,313,935,366**	**(1,266,710,636)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)		**(5,858,213,613)**	**2,769,360,082**
Add: Effect of exchange rate changes on cash and cash equivalents		11,326,932	2,121,500
Add: Cash and cash equivalents at the beginning of the year		22,901,161,618	20,129,680,036
Cash and cash equivalents at the end of the year	49a	**17,054,274,937**	**22,901,161,618**
Net Operating Cash Flow per Share (NOCFPS) [previous year's figure restated]	42(ii)	**0.61**	**16.15**

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

Chairman **Director** **Director** **Managing Director & CEO**

Dhaka,
16 March 2022

Shahjalal Islami Bank Limited

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021 **(Amount in Taka)**

Particulars	Paid-up Capital	Statutory Reserve	Retained Earnings	Total Capital/ Shareholders' Equity
Balance as at 01 January 2021	9,800,923,350	6,959,872,664	1,187,959,349	17,948,755,363
Dividend:				
Stock Dividend	490,046,160	-	(490,046,160)	-
Cash Dividend Paid	-	-	(686,064,635)	(686,064,635)
Net profit during the year	-	-	2,585,236,940	2,585,236,940
Statutory Reserve	-	967,333,131	(967,333,131)	-
Start-up Fund	-	-	(44,934,355)	(44,934,355)
Total Shareholders' Equity as at 31 December 2021	**10,290,969,510**	**7,927,205,795**	**1,584,818,008**	**19,802,993,313**
Total Equity for the purpose of Capital Adequacy				
Equity as per above				**19,802,993,313**
Add: Mudarabah Perpetual Bond				5,000,000,000
Add: General Provision for Unclassified Investments & Off-Balance Sheet Items				3,775,038,000
Add: Mudaraba Subordinated Bond				5,200,000,000
Total Eligible Regulatory Capital as at 31 December 2021				**33,778,031,313**

For the year ended 31 December 2020 **(Amount in Taka)**

Particulars	Paid-up Capital	Statutory Reserve	Retained Earnings	Total Capital/ Shareholders' Equity
Balance as at 01 January 2020	9,334,212,720	6,231,188,665	941,866,028	16,507,267,412
Dividend for the year 2019:				
Stock Dividend (5%)	466,710,630	-	(466,710,630)	-
Cash Dividend Paid (5%)	-	-	(466,710,636)	(466,710,636)
Net profit during the year	-	-	1,908,198,587	1,908,198,587
Statutory Reserve	-	728,684,000	(728,684,000)	-
Total Shareholders' Equity as at 31 December 2020	**9,800,923,350**	**6,959,872,664**	**1,187,959,349**	**17,948,755,363**
Total Equity for the purpose of Capital Adequacy				
Equity as per above				**17,948,755,363**
Add: General Provision for Unclassified Investments & Off-Balance Sheet Items				3,159,500,000
Add: Mudaraba Subordinated Bond				7,200,000,000
Total Eligible Regulatory Capital as at 31 December 2020				**28,308,255,363**

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

Chairman **Director** **Director** **Managing Director & CEO**

Dhaka,
16 March 2022

Shahjalal Islami Bank Limited

LIQUIDITY STATEMENT
(ASSETS & LIABILITIES MATURITY ANALYSIS)

As at 31 December 2021

(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	1,943,331,636	-	-	-	-	1,943,331,636
Balance with Other Banks and Financial Institutions	6,426,442,301	-	-	-	8,684,501,000	15,110,943,301
Placement with Other Banks & Financial Institutions	7,583,400,000	10,070,000,000	-	861,193,291	-	18,514,593,291
Investments in Shares & Securities	2,250,000,000	7,000,000,000	9,239,932,088	17,377,670,000	400,000,000	36,267,602,088
Investments	44,341,512,186	61,797,340,036	89,905,880,569	17,142,115,468	3,399,735,740	216,586,583,999
Fixed Assets including Premises, Furniture and Fixtures	30,509,661	61,019,322	274,586,949	1,464,463,728	3,246,746,399	5,077,326,059
Other Assets	278,101,375	702,006,577	13,388,760	16,633,314,423	2,515,000,000	20,141,811,136
Non-Banking Assets	-	-	88,909,355	-	-	88,909,355
Total Assets (i)	**62,853,297,159**	**79,630,365,935**	**99,522,697,721**	**53,478,756,911**	**18,245,983,139**	**313,731,100,865**
Liabilities						
Placement from Other Banks & Financial Institutions	8,865,000,000	14,207,700,000	8,331,200,000	1,032,552,822	-	32,436,452,822
Deposits and Other Accounts	48,068,263,285	64,015,537,503	78,270,034,922	23,073,926,038	3,861,226,389	217,288,988,137
Mudaraba Subordinated Bond	-	-	2,000,000,000	5,200,000,000	5,000,000,000	12,200,000,000
Other Liabilities	218,275,240	108,996,505	5,242,492,299	18,595,080,953	7,600,669,730	31,765,514,727
Deferred Tax Liabilities	-	-	-	-	237,151,866	237,151,866
Total Liabilities (ii)	**57,151,538,525**	**78,332,234,008**	**93,843,727,221**	**47,901,559,813**	**16,699,047,985**	**293,928,107,552**
Net Liquidity Gap (i-ii)	**5,701,758,634**	**1,298,131,928**	**5,678,970,499**	**5,577,197,098**	**1,546,935,154**	**19,802,993,313**

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

Chairman **Director** **Director** **Managing Director & CEO**

Dhaka,
16 March 2022

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2021

1. Status of the Bank

1.1. Legal Form of the Bank

Shahjalal Islami Bank Limited (hereinafter called the 'Bank' or 'SJIBL') was established as a public limited company (Banking Company) on 01 April 2001 under the Companies Act, 1994 as interest free Islamic Shariah based Commercial Bank and commenced its operation on 10 May 2001 with the permission of Bangladesh Bank. Currently, the Bank is operating its business through head office having 132 (one hundred thirty-two) branches, 118 (one hundred eighteen) ATM booths, 100 (one hundred) agent banking outlets and 2,741 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 Limited, governed under the rules and guidelines of Bangladesh Bank. The Bank commenced the operation of its Offshore Banking Unit on 21 December 2008 with the permission from Bangladesh Bank vide letter no. BRPD(P-3)744(99)/2008-2800 dated 24 July 2008. The unit is located at Shahjalal Islami Bank Tower, Plot-04, Block-CWN(C), Gulshan Avenue, Gulshan, Dhaka-1212. Separate Financial Statements of Offshore Banking Unit are also presented.

1.4. Agent Banking

Shahjalal Islami Bank Limited obtained permission from Bangladesh Bank on 16 October 2019 vide reference no. BRPD(P-3)745(54)/2019-8354 to commence Agent Banking services and subsequently started commercial operations on 02 January 2020. Till 31 December 2021 there were 100 Agent Banking Outlets in 41 districts and 86 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 Limited incorporated as a public limited company under the Companies Act, 1994 vide Certificate of Incorporation no. C-86917/10 dated 06 September 2010 and commenced its operation on 25 May 2011. The main objective of the company is to carry on business of stock brokers/dealers in relation to shares and securities dealings and other services as mentioned in the Memorandum and Articles of Association of the company. It has corporate membership of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. Shahjalal Islami Bank Limited holds 91.79% shares of Shahjalal Islami Bank Securities Limited.

2. Significant Accounting Policies

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

2.1. Basis of Preparation of the Financial Statements

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

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

i) The Banking Companies Act, 1991 (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 Ordinance, 1984, and amendments thereon;

vi) The Value Added Tax and Supplementary Duty Act, 2012, The Value Added Tax Rules, 2016 and amendments thereon;

vii) Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations;

viii) Financial Reporting Act, 2015; and

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.

ii) Name of the Financial Statements

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

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

iii) Investments in Shares and Securities

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

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

iv) Revaluation Gains/Losses on Government Securities

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

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

v) Provision on Investments and Off-balance Sheet Items

IFRS/IAS: As per IFRS 9, an entity shall recognise an impairment allowance on investments (loans) based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for investments (loans) at an amount equal to the lifetime expected credit losses if the credit risk on these investments has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-

looking. For those investments (loans) for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 months' expected credit losses that may result from default events on investments that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD circular no. 14 (23 September 2012), BRPD circular no. 19 (27 December 2012), BRPD circular no. 05 (29 May 2013), BRPD circular no. 16 (18 November 2014), BRPD circular no. 15 (27 September 2017), BRPD circular no. 01 (20 February 2018), BRPD circular no. 03 (21 April 2019) and BRPD circular no. 07 (19 March 2020), a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also, provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively except (a) short-term agricultural and micro-credits were 5% for sub-standard and doubtful loans and 100% for bad & loss loans; and (b) cottage micro and small credits were 5% for sub-standard, 20% for doubtful and 100% for bad & loss loans depending on the duration of overdue. Again, as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures except LC issued against Fast Track Electricity Project & Bills for Collection according to BRPD circular letter no. 01 dated 03 January 2018 & BRPD circular no. 07 dated 21 June 2018 respectively. Such provision policies are not specifically in line with those prescribed by IFRS 9.

vi) Recognition of Investment Income in Suspense

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

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

vii) Other Comprehensive Income

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

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

viii) Financial Instruments – Presentation and Disclosure

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

ix) Financial Guarantees

IFRS/IAS: As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

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

x) Cash and Cash Equivalents

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

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

xi) Non-Banking Assets

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

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

xii) Cash Flow Statement

IFRS/IAS: The cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 and BRPD circular no. 15 dated 09 November 2009, cash flow is the mixture of direct and indirect methods.

xiii) Balance with Bangladesh Bank (Cash Reserve Requirement)

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

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

xiv) Presentation of Intangible Asset

IFRS/IAS: An intangible asset must be identified and recognised, and the disclosure must be given as per IAS 38: *Intangible Assets*.

Bangladesh Bank: There is no regulation for intangible assets in BRPD circular no. 15 dated 09 November 2009.

xv) Off-balance Sheet Items

IFRS/IAS: There is no concept of off-balance sheet items in any IFRS; hence, there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD circular no. 15 dated 09 November 2009, off-balance sheet items (e.g., letter of credit, letter of guarantee, etc.) must be disclosed separately on the face of the balance sheet.

xvi) Disclosure of Appropriation of Profit

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

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

xvii) Investments Net off Provision

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

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

xviii) Recovery of Written off Investments/Loans

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

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

xix) Revenue

As per IFRS 15, revenue should be recognised on accrual basis, but due to the unique nature of Islamic Banks, income from investment under Murabaha, Bi-Muazzal, HPSM, Ijarah, Bi-Salam, Quard, IDBP and FDBP modes is accounted for on realization basis as per AAOIFI and Bangladesh Bank guidelines.

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 Limited including Offshore Banking Unit and the Financial Statements of its subsidiary named Shahjalal Islami Bank Securities Limited made up to the end of the financial year.

The consolidated Financial Statements have been prepared in accordance with IFRS 10: *Consolidated Financial Statements*. The consolidated Financial Statements are prepared to a common financial year ending 31 December 2021.

2.3. Subsidiary

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

2.4. Transactions Eliminated on Consolidation

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

2.5. Going Concern

The Financial Statements have been prepared on a going concern principle which is the assumption that an entity will

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

2.6. Use of Estimates and Judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis and recognised its effects on present and future financial positions. The most significant areas where estimates and judgments have been made are on:

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

2.7. Assets and Basis of their Valuation

2.7.1 Cash and Cash Equivalents

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

2.7.2 Investments in Shares and Securities

Islamic Investment Bond

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

Bangladesh Government Investment Sukuk

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

Mudaraba Perpetual Bond

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

Mudaraba Subordinated Bond

Investment in Mudaraba Subordinated Bond is reported at cost price.

Investment in Quoted Securities

These shares and securities are brought and held primarily for the purpose of selling them in future or held for dividend income. These are reported at cost. As per Bangladesh Bank DOS circular no. 04 dated 24 November 2011, provision for diminution in value of investments was made by netting off unrealised gain/loss of shares from market price less cost price.

Investment in Unquoted Securities

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

Derivative Investments

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

The Bank has no investments in any derivative investments.

Investment in Subsidiary

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

2.7.2.1 Held to Maturity

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

2.7.2.2 Held for Trading

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

2.7.2.3 Investment - Initial Recognition and Subsequent Measurement

Investment Class	Initial Recognition	Measurement after Initial Recognition	Recording of Changes
Govt. Treasury Securities - 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.

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

Provisions

Investments are stated in the Balance Sheet net off unearned income. Provision on Investments (Loans & Advances) is made on the basis of period end review by the management and as per instructions contained in Bangladesh Bank BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 5 dated 29 May 2014, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 01 dated 20 February 2018, BRPD circular no. 03 dated 21 April 2019, BRPD circular no. 07 dated 19 March 2020, BRPD circular letter no. 52 dated 20 October 2020, 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 and BRPD circular letter no. 53 dated 30 December 2021.

The rates of provision are given below:

Particulars		Percentage (%) of Provision Requirement				
		Un-classified		Classified		
		Standard	SMA	SS	DF	BL
Cottage, Micro & Small Investments Under CMSME		0.25%	0.25%	5%	20%	100%
Medium Enterprise Financing under SMEF		0.25%	0.25%	20%	50%	100%
Consumer	Investment to Professional	2%	2%	20%	50%	100%
	Investment for House Building	1%	1%	20%	50%	100%
	Other than House Building & Professional	2%	2%	20%	50%	100%
Short-term Agricultural and Micro-Credits		1%	1%	5%	5%	100%
Investment to Stock Dealers & Stock Broker		2%	2%	20%	50%	100%
Credit Card		2%	2%	20%	50%	100%
All Other Investments		1%	1%	20%	50%	100%
Staff Investment		0%	0%	20%	50%	100%
Off-balance Sheet exposures		1%	N/A	N/A	N/A	N/A
Special General Provision for COVID-19		1%		BRPD circular letter no. 56; Date: 10 December 2020		
Special General Provision for COVID-19		2%		BRPD circular letter no. 50; Date: 14 December 2021		

2.7.4 Impairment of Financial Assets

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

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

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

2.7.5 Fixed Assets including Premises, Furniture and Fixtures

Recognition and Measurement

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

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

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

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

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

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

(b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;

(c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purpose other than to produce inventories during that period.

Subsequent Costs

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

Depreciation

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

Name of the Assets	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

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

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

Intangible Assets

a. Goodwill

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

b. Software

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

c. License

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

2.7.6 IFRS 16: Leases

Shahjalal Islami Bank Limited applied IFRS 16: Leases 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

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 Limited raised Additional Tier-1 Capital through issuance of "SJIBL Mudaraba Perpetual Bond" for BDT 500 crore of which BDT 450 crore raised 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 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.

2.8.6 Taxation

Current Tax

Provision for current income tax has been made at 37.50% as prescribed in the Finance Act, 2021 on the accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure and provisions as per Income Tax Ordinance, 1984 in compliance with IAS 12: Income Taxes.

Deferred Tax

Principle of Recognition

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

Recognition of Taxable Temporary Difference

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

Recognition of Deductible Temporary Difference

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

Measurement

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

2.9. Capital/Shareholders' Equity

Authorised Capital

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

Paid-up Capital

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

Statutory Reserve

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

Non-controlling (minority) Interest

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

2.10. 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)

(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 year has already been included in the investment income of the Bank.

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

Income on Investments in Securities

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

Dividend Income on Shares

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

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.

Finance Income and Costs

Finance income comprises profit earned on outstanding financial assets and finance costs comprises profit expense arises on outstanding financial liabilities.

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 2021, the Bank paid 70.08% of Investment Income earned through deployment of Mudaraba Fund. Mudaraba Depositors do not share any income derived from various banking services where their fund is not involved and any income derived from investing Bank's equity and other cost free fund. Al-Wadeeah depositors do not share any income of the Bank. Profit is paid to Mudaraba Deposit accounts at provisional rate throughout the year. Final rates of profit of any accounting year are declared after finalization of Shari'ah Inspection report and certifying the Investment Income of the Bank by the statutory auditor.

Other Operating Expenses

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

Zakat

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

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

2.13. Dividend Payments

Final dividend is recognised when it is approved by the shareholders in Annual General Meeting (AGM). The proposed dividend for the year 2021, therefore, has not been recognised as a liability however disclosed in the notes to the financial statements in accordance with IAS 10: Events after the Reporting Period. Dividend payable to the Bank's shareholders is recognised as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive the dividend is established.

2.14. 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).

2.15. Provision for Nostro Accounts

According to Foreign Exchange Policy Department of Bangladesh Bank vide the circular letter no. (FEPD)/01/2005-677 dated 13 September 2005, the Bank is not required to make provision regarding the unreconciled debit balance of Nostro accounts as on the reporting date in these financials as there are no unreconciled outstanding entries for more than 03 (three) months.

2.16. Foreign Currency Transactions

Functional and Presentation Currency

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

Foreign Currency Translation

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

Commitment

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

2.17. Earnings per Share

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

2.18. Statement of Liquidity

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

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.

2.19. Cash Flow Statement

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

2.20. 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.

2.21. Off-balance Sheet Items

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

2.22. 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 Limited did not change the accounting policies and accounting estimates during the year 2021.

2.23. Offsetting

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

2.24. Employee Benefits

Provident Fund (Defined Contribution Plan)

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

Gratuity Fund (Defined Benefit Plan)

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

Other Employee Benefits

Superannuation Fund

"Shahjalal Islami Bank Limited Employees' Social Security - Superannuation Fund" commenced with effect from 01 January 2008. The purpose of the fund is to provide medical and death cum survival benefit in lieu of group insurance (death cum endowment). The fund shall be subscribed by the employees on monthly basis and with the contribution of the Bank.

Benevolent Fund

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

Incentive Bonus

The Bank usually paid incentive bonus among its employees. This bonus amount is distributed among the employees on annual basis considering specific terms & policies of the Bank.

Hospitalisation Insurance

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

Workers Profit Participation Fund

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

2.25. Reconciliation:

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 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.

2.26. Related Party Disclosures

A party is related to the company, if:

i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with the company; has an interest in the company that gives it significant influence over the company; or has joint control over the company;

ii) the party is an associate;

iii) the party is a joint venture;

iv) the party is a member of the key management personnel of the Company or its parent;

v) the party is a close member of the family of any individual referred to in (i) or (iv);

vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

Related Party Transactions

The Bank in its ordinary course of business undertook financial transactions with some entities or persons that fall within the definition of 'Related Party' as contained in IAS 24: Related Party Disclosures and relevant provisions of the Banking Companies Act, 1991 (as amended up to 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.

2.27. Corporate Governance

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

2.28. The Bank's Compliance with Related Pronouncement of Bangladesh Bank

i. Risk Management

Department of Off-site Supervision (DOS) of Bangladesh Bank issued circular no. 02 dated 15 February 2012 under Section 45 of the Bank Companies Act, 1991 on Risk Management Guidelines for Banks and instructed all scheduled Banks operating in Bangladesh to follow this Guidelines for managing various risks which have been compiled by the Bank. In addition, the Bank is also following relevant Bangladesh Bank guidelines on risk based capital adequacy, supervisory review process, stress testing and managing the Banking risks in other core risk areas.

The risk of a Bank is defined as the possibility of losses, financial or otherwise. The Risk Management of the Bank covers 6 (six) Core Risk Areas of Banking industry i.e., i) Internal Control and Compliance Risk; ii) Foreign Exchange Risk; iii) Investment (Credit) Risk; iv) Asset Liability Management Risk; v) Money Laundering Risk; and vi) Information & Communication Technology Security Risk. The risk management procedures in the core risk areas have been devised in line with the core risk management guidelines of Bangladesh Bank. Core Risk Management Guidelines are periodically reviewed by the Bank, and Bangladesh Bank periodically inspects the implementation status of these guidelines and as per the reports of Bangladesh Bank, and Shahjalal Islami Bank Limited is well compliant in Core Risk Management activities.

In line with instruction of Bangladesh Bank, SJIBL formed a Risk Management Division (RMD) to formulate risk assessment and management policies, methodologies, guidelines and procedures for risk identification, risk measurement, risk monitoring, deciding acceptable level of risk and risk controlling by taking mitigating steps, Comprehensive Risk Management Report (CRMR), conducting monthly risk management meeting, stress testing and reporting the competent authority from time to time. It also reports to Bangladesh Bank on quarterly basis along with the CRMR, minutes of the monthly meeting and all other required supporting papers. Moreover, in compliance with the Banking Companies Act, 1991 (as amended 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 5 (five) directors from the Board to formulate risk management policies, procedures and oversee the risk management activities of the Bank.

The prime objective of the Risk Management Committee is that the Bank takes well calculative Business Risk Policy for safeguarding the Bank's capital, its financial resources and profitability from various risks. In this context, the Bank implemented all the guidelines of Bangladesh Bank as under:

a) Investment (Credit) Risk Management

The management of specific investment risk is developed according to associated risk with individual business units. The investment risk management function ensures that appropriate policies are established and ensures compliance with the related sanction, monitoring procedures and controls at the business unit level. Investment exposures are aggregated from individual business units and are monitored on a regular basis.

Investment risks may be summarized as under:

- Difficulty in choosing core business.
- Failure in business of the customer.
- Encompassing a blend of Banking and non-Banking service.
- Investment either too liquid or of questionable quality.
- Competition from other commercial Banks.
- Security Control Risk.
- Market volatility both local and global.

Portfolio monitoring is carried out by asset quality, background of the customer, soundness and viability of his/her business and cash flow, etc., sector of the economy, cost of long-term financing to match with the return on long-term investment.

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

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

b) Foreign Exchange Risk Management

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

c) Asset Liability Risk Management

The Asset Liability Management Committee (ALCO) that is formed with the senior executives headed by Managing Director conducted 13 (thirteen) meetings during the year 2021. The key agenda of the meetings were liquidity position, pricing, risk related to the Balance Sheet, maintaining CRR & SLR, Economic Outlook & Market Status and Rate of Profit (Interest). For managing Balance Sheet risk properly, the Bank has already prepared a Manual of the Asset Liability Management according to the guidelines of Bangladesh Bank.

d) Money Laundering Risk Management

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

e) Internal Control & Compliance Risk Management

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

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

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

f) Information and Communication Technology Security Risk Management

According to BRPD circular no. 14 dated 23 October 2005 regarding "Guideline on Information and Communication Technology for Scheduled Banks", BRPD circular no. 21 dated 20 May 2010 and BRPD circular no. 09 dated 17 September 2015, the Bank has followed IT Manual which deals operational risk, physical security control, potential for wide area disaster, data center disaster, recovery plan and backup/restore plan. The customers of SJIBL are enjoying 24 hours Banking facilities through using Internet Banking and Mobile Application with different services like other bank fund transfer, utility bill payment, transfer to Mobile Financial Services (MFSs), etc. In addition, SWIFT, REUTERS, SJIBL Visa Debit Card, Push-Pull Services & SMS Banking facilities are also available. The Bank joined Q-Cash consortium under which ATM and POS services are being offered to its customers to meet the demand of time. Moreover, the Bank is running on technology-based total Banking solution module, i.e., core banking software. Recently, the Bank has introduced Agent Banking Services around all over the country targeting unbanked rural people to bring under formal banking services. In recent time, the Bank formed a different 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

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

a. Identification of gap in policy and procedures with the Business and its Operation.

b. Identification of breach in policy and procedures against internal and regulatory policies & procedures.

c. Assessment of qualitative and quantitative risk of the Business.

d. Recommending remedial course of actions, where necessary.

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

iii. Fraud and Forgeries

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

Shahjalal Islami Bank Limited follows a stringent screening process while recruiting officers and staff. The prospective employees' family background/employment history/association are checked/cross checked in terms of integrity, attitude and behavioral pattern. The Bank has started to collect Police Clearance to know if the candidate had ever been engaged in anti-social or anti-state or detrimental/subversive activities. Check with Bangladesh Bank's Corporate Memory Management Systems for background check of experienced Bankers, Financial Institution's employees and verify National ID on-line. As a result, the Bank since its inception has seen comparatively very few cases of fraud and forgeries. Moreover, the Internal Control and Compliance Division (IC&CD) have been strengthened to remain ever vigilant. These have reduced the chances of fraudulent activities in Shahjalal Islami Bank Limited.

2.29. 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.

2.30. 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	11	Construction Contracts	Not Applicable
7	12	Income Taxes	Complied
8	16	Property, Plant & Equipment	Complied
9	19	Employee Benefits	Complied
10	20	Accounting for Government Grants and Discloser of Government Assistance	Not Applicable
11	21	The Effects of Changes in Foreign Exchanges Rates	Complied
12	23	Borrowing Costs	Not Applicable
13	24	Related Party Disclosures	Complied
14	26	Accounting and Reporting by Retirement Benefit Plans	Not Applicable
15	27	Consolidated and Separate Financial Statements	Complied
16	28	Investment in Associates	Not Applicable
17	31	Interest in Joint Venture	Not Applicable
18	33	Earnings per Share	Complied
19	34	Interim Financial Reporting	Complied
20	36	Impairment of Assets	Complied
21	37	Provisions, Contingent Liabilities and Contingent Assets	Complied *
22	38	Intangible Assets	Complied
23	40	Investment Property	Not Applicable
24	41	Agriculture	Not Applicable

Sl. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time Adoption of International Financial Reporting Standards	Not Applicable
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Complied
4	4	Insurance Contracts	Not Applicable
5	5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
6	6	Exploration for and Evaluation of Mineral	Not Applicable
7	7	Financial Instruments: Disclosures	Complied *
8	8	Operating Segments	Complied
9	9	Financial Instruments	Complied *
10	10	Consolidated Financial Statements	Complied
11	11	Joint Arrangements	Not Applicable
12	12	Disclosure of Interests in Other Entities	Not Applicable
13	13	Fair Value Measurement	Complied
14	14	Regulatory Deferral Accounts	Not Applicable
15	15	Revenue from Contracts with Customers	Complied
16	16	Leases	Complied

*Subject to departure disclosed in note no. 2.1.

IFRS 17 Insurance Contracts:

IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted as long as IFRS 9 is also applied. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. The objective of the standard is to ensure that an entity provides relevant information that faithfully represents those contracts.

2.31. Director's Responsibilities on Financial Statement

The Board of Directors and management accept their responsibility for the preparation and fair presentation of these financial statements.

2.32. Reporting Period

The Financial Statements cover one calendar year from 01 January to 31 December 2021.

2.33. Auditor of the Subsidiary

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

2.34. 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. The detail of Events after the Reporting Period is given in Note No. 54 of these financial Statements.

2.35. Impact of COVID-19

The business operation and profitability of the Bank had been impacted severely by COVID-19 along with implication of single digit profit rate declared by Bangladesh Bank during the year 2020, but due to the relatively stable market condition and quicker economic recovery, the operating income of the Bank increased significantly during the year 2021 compared to 2020.

2.36. Date of Authorization

The financial statements were authorized by the Board of Directors on 16 March 2022.

2.37. General Information

i. Figures appearing in these financial statements have been rounded off to the nearest Taka.

ii. Figures of previous year have been rearranged wherever necessary to conform to current year's presentation.

		Note	31.12.2021 Taka	31.12.2020 Taka
3	**Consolidated Cash in Hand (including Foreign Currencies)**			
	Shahjalal Islami Bank Ltd.	(Note-3a)	1,943,331,636	1,814,745,636
	Shahjalal Islami Bank Securities Ltd.		-	-
			1,943,331,636	**1,814,745,636**
3a	**Cash in Hand of the Bank (including Foreign Currencies)**			
	In Local Currencies		1,933,919,419	1,797,993,889
	In Foreign Currencies	(Note-3a.1)	9,412,217	16,751,747
			1,943,331,636	**1,814,745,636**
3a.1	**In Foreign Currencies**			

Foreign Currency	Amount in FC	Exchange Rate (Mid Rate)		
USD	99,918.79	85.8000	8,573,032	15,930,785
GBP	3,460.50	115.7871	400,681	487,921
Euro	4,503.68	97.3658	438,504	333,041
			9,412,217	**16,751,747**

4	**Consolidated Balance with Bangladesh Bank and its agent bank(s)**			
	Shahjalal Islami Bank Ltd.	(Note-4a)	12,087,735,744	13,351,033,150
	Shahjalal Islami Bank Securities Ltd.		-	-
			12,087,735,744	**13,351,033,150**
4a	**Balance with Bangladesh Bank and its agent bank(s) (including Foreign Currencies)**			
	In Local Currencies		10,015,206,320	10,360,749,111
	In Foreign Currencies		1,859,608,174	2,571,599,078
			11,874,814,494	**12,932,348,189**
	Balance with Sonali Bank Ltd. as agent of Bangladesh Bank			
	In Local Currencies		212,921,250	418,684,961
	In Foreign Currencies		-	-
			212,921,250	**418,684,961**
			12,087,735,744	**13,351,033,150**

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	8,684,501,000	9,074,982,000
Actual Reserve held with Bangladesh Bank (in Local Currencies)*	9,952,254,666	10,746,257,840
CRR Surplus	**1,267,753,666**	**1,671,275,840**
Maintained (%)	4.58%	4.74%

*Actual Reserve held with Bangladesh Bank (in Local Currencies) reported as per the statement of Bangladesh Bank.

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

Required Reserve		11,941,222,000	12,478,333,000
Actual Reserve held	(Note-4a.4)	31,971,676,551	26,100,316,437
SLR Surplus		**20,030,454,551**	**13,621,983,437**
Maintained (%)		14.73%	11.50%

4a.4 Components of Statutory Liquidity Ratio

Cash in Hand	(Note-3a)	1,943,331,636	1,814,745,636
Balance with Sonali Bank Ltd. as agent of Bangladesh Bank	(Note-4a)	212,921,250	418,684,961
Excess CRR	(Note-4a.2)	1,267,753,666	1,671,275,840
Bangladesh Government Islamic Investment Bond	(Note-7a)	13,250,000,000	18,000,000,000
Bangladesh Government Investment Sukuk (BGIS)	(Note-7a)	14,797,670,000	3,695,610,000
Refinance Fund (with Bangladesh Bank)	(Note-6a.1)	500,000,000	500,000,000
		31,971,676,551	**26,100,316,437**

		Note	31.12.2021 Taka	31.12.2020 Taka
5	**Consolidated Balance with Other Banks and Financial Institutions**			
	Inside Bangladesh			
	Shahjalal Islami Bank Ltd.	(Note-5a.1)	1,993,712,408	2,975,866,157
	Shahjalal Islami Bank Securities Ltd.		552,337,203	395,609,024
			2,546,049,611	3,371,475,181
	Less: Inter Company Transaction		478,050,762	388,139,197
			2,067,998,849	**2,983,335,984**
	Outside Bangladesh			
	Shahjalal Islami Bank Ltd.	(Note-5a.2)	1,029,495,149	4,759,516,675
	Shahjalal Islami Bank Securities Ltd.		-	-
			1,029,495,149	**4,759,516,675**
			3,097,493,998	**7,742,852,659**
5a	**Balance with Other Banks and Financial Institutions of the Bank**			
	Inside Bangladesh	(Note-5a.1)	1,993,712,408	2,975,866,157
	Outside Bangladesh	(Note-5a.2)	1,029,495,149	4,759,516,675
			3,023,207,557	**7,735,382,832**
5a.1	**Inside Bangladesh**			
	Current Account			
	Sonali Bank Ltd. (other than as agent of Bangladesh Bank)		45,149,933	31,942,634
	National Bank Limited (Narayangonj Branch)		3,524	4,214
	Standard Chartered Bank (Uttara Branch)		16,663,153	8,988,179
	Agrani Bank Limited (Islami Banking Wing)		11,651,576	13,504,633
	Janata Bank Limited (Dinajpur Branch)		612	612
	Offshore Banking Unit		45,646,242	21,904,111
			119,115,040	**76,344,382**
	Less: Offshore Banking Unit		45,646,242	21,904,111
			73,468,799	**54,440,272**
	Mudaraba Special Notice Deposit			
	Export Import Bank of Bangladesh Limited		78,543,733	49,410,559
	Trust Bank Limited (Dilkusha Corporate Branch)		23,369,632	23,059,719
	Prime Bank Limited (Islami Banking Branch)		733,870	81,678
	Social Islami Bank Limited		5,577,298	7,799,376
	Agrani Bank Limited (Islami Banking Wing)		578,894,705	1,921,707,541
	AB Bank Limited (Islami Banking Branch)		25,745	26,181
	Jamuna Bank Limited (Naya Bazar Islami Banking Branch)		478,367	5,970
	Bank Alfalah (Islami Banking Branch)		2,760,961	2,665,895
	Al-Arafah Islami Bank Limited		887,919,086	868,590,762
	Southeast Bank Limited (Islami Banking Branch)		7,561,690	6,865,465
	The City Bank Limited (Islamic Banking Branch)		1,224,050	1,212,960
	Islami Bank Bangladesh Limited		83,017,951	39,477,642
	Mercantile Bank Limited (Islami Wing Main Branch)		98,725	100,000
	Premier Bank Limited (Mohakhali Branch-Islami Banking Wing)		250,000,000	-
			1,920,205,814	**2,921,003,747**
	Mudaraba Savings Deposit			
	Social Islami Bank Limited		8,771	393,621
	Al-Arafah Islami Bank Limited		14,871	14,364
	Islami Bank Bangladesh Limited		14,154	14,154
			37,795	**422,139**
			1,993,712,408	**2,975,866,157**

5a.2 Outside Bangladesh (Nostro Accounts) [as at 31 December 2021]

Current Account	Currency	F.C. Amount	Rate	Taka
Standard Chartered Bank, NY	USD	4,222,890.33	85.8000	362,323,990
Mashreq Bank psc, NY	USD	1,383,308.45	85.8000	118,687,865
Standard Chartered Bank, Mumbai	USD	222,198.53	85.8000	19,064,634
Habib American Bank, USA	USD	732,230.33	85.8000	62,825,362
ICICI Bank, Hong Kong	USD	290,441.65	85.8000	24,919,894
WACHOVIA BANK, NY, USA	USD	668,366.00	85.8000	57,345,803
Commerzbank AG Frankfrut	USD	79,082.15	85.8000	6,785,248
Bank Aljazira	USD	64,700.58	85.8000	5,551,310
JPMorgan Chase Bank N.A., NY, USA	USD	1,083,379.99	85.8000	92,954,003
Citibank N.A., NY, USA	USD	173,390.88	85.8000	14,876,938
AB Bank Ltd. Mumbai	ACUD	314,047.62	85.8000	26,945,286
Standard Chartered Bank, Mumbai	ACUD	63,156.19	85.8000	5,418,801
Nepal Bangladesh Bank, Nepal	ACUD	51,424.69	85.8000	4,412,238
Standard Chartered Bank, Colombo	ACUD	14,195.67	85.8000	1,217,988
ICICI Bank, Mumbai	ACUD	940,221.69	85.8000	80,671,021
Habib Metropoliton Bank Ltd.	ACUD	61,007.79	85.8000	5,234,468
United Bank of India, Kolkata	ACUD	225,403.19	85.8000	19,339,594
Sonali Bank Ltd. ACU, Kolkata	ACUD	67,955.25	85.8000	5,830,560
Bank of Bhutan Ltd. Main Branch	ACUD	12,602.16	85.8000	1,081,265
AXIS Bank Ltd. India	ACUD	272,112.23	85.8000	23,347,229
MCB Bank Limited	ACUD	193,508.12	85.8000	16,602,997
HDFC Bank Ltd., Mumbai	ACUD	207,696.40	85.8000	17,820,351
Standard Chartered Bank, Frankfurt	EURO	17,789.23	97.3658	1,732,063
COMMERZBANK AG	EURO	1,057.35	97.3658	102,950
Wells Fargo Bank, N. A. London, UK	EURO	1,785.56	97.3658	173,852
JPMorgan Chase AG, Frankfurt	EURO	68,840.91	97.3658	6,702,750
Standard Chartered Bank,Tokyo	YEN	1,335,122.99	0.7467	996,936
Habib Bank AG Zurich	CHF	8,222.91	93.8137	771,422
ICICI Bank, Canada	CAD	4,976.48	67.0837	333,841
Bank Aljazira, KSA	SAR	1,237,672.35	22.8660	28,300,616
Riyad Bank, KSA	SAR	58,798.45	22.8660	1,344,485
Standard Chartered Bank, London	GBP	3,420.31	115.7871	396,028
JPMorgan Chase Bank N.A., London	GBP	4,989.68	115.7871	577,741
MASHREQBANK PSC. UAE	AED	27,420.95	23.3622	640,614
Emirates Islamic Bank PJSC, Dubai	AED	565,000.00	23.3622	13,199,643
Standard Chartered Bank, China	CNY	71,648.42	13.4736	965,362
				1,029,495,149

Currency-wise Distribution:	BDT	Composition
Foreign Currency	765,335,047	74.34%
USD	207,921,800	20.20%
ACUD	8,711,615	0.85%
EURO	996,936	0.10%
YEN	771,422	0.07%
CHF	333,841	0.03%
CAD	29,645,101	2.88%
SAR	973,768	0.09%
GBP	13,840,257	1.34%
AED	965,362	0.09%
CNY	**1,029,495,149**	**100%**

Please see Annexure-C for detailed comparative statement of 2021 & 2020 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 31 December 2021 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 31 December 2021 **Amount in US$**

	As per Bank's Book				As per Correspondents' Book			
	Debit Entries		Credit Entries		Debit Entries		Credit Entries	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 3 months	6	1,032,654	382	23,493,531	20	290,593	395	19,413,789
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		-		-		-		-
	6	**1,032,654**	**382**	**23,493,531**	**20**	**290,593**	**395**	**19,413,789**

As at 31 December 2020

Up to 3 months	11	49,051,823	324	10,879,951	14	13,239	302	18,113,535
More than 03 months but less than 06 months		-		-		-		-
More than 06 months but less than 09 months		-		-		-		-
More than 09 months but less than 12 months		-		-		-		-
More than 12 months		-		-		-		-
	11	**49,051,823**	**324**	**10,879,951**	**14**	**13,239**	**302**	**18,113,535**

		Note	31.12.2021 Taka	31.12.2020 Taka
5a.4	**Maturity-wise groupings of Balance with Other Banks and Financial Institutions**			
	On Demand		73,472,200	54,478,264
	Not more than 03 months		2,949,735,357	7,680,904,568
	More than 03 months but less than 01 year		-	-
	More than 01 year but less than 05 years		-	-
	More than 05 years		-	-
			3,023,207,557	**7,735,382,832**
6	**Consolidated Placement with Other Banks & Financial Institutions**			
	Shahjalal Islami Bank Ltd.	(Note-6a)	18,514,593,291	23,646,670,016
	Shahjalal Islami Bank Securities Ltd.		-	-
			18,514,593,291	23,646,670,016
	Less: Inter Company Transaction		-	-
			18,514,593,291	**23,646,670,016**
6a	**Placement with Other Banks & Financial Institutions of the Bank**			
	Placement with Other Banks	(Note-6a.1)	11,094,593,291	15,286,670,016
	Placement with Financial Institutions	(Note-6a.2)	7,420,000,000	8,360,000,000
			18,514,593,291	**23,646,670,016**

		Note	31.12.2021 Taka	31.12.2020 Taka
6a.1	**Placement with other Banks**			
	Mudaraba Term Deposits-Other Banks			
	ICB Islamic Bank Limited		311,193,291	311,370,016
	Export Import Bank of Bangladesh Limited		3,200,000,000	4,200,000,000
	Bangladesh Bank (Refinance Fund)		500,000,000	500,000,000
	Al-Arafah Islami Bank Limited		1,272,750,000	1,335,800,000
	Social Islami Bank Limited		1,000,000,000	3,000,000,000
	Agrani Bank Limited (Islami Banking Wing)		1,100,000,000	600,000,000
	Dhaka Bank Limited (Islami Banking Wing)		2,098,500,000	1,000,000,000
	South East Bank Limited		339,400,000	-
	Mercantile Bank Limited		848,500,000	-
	Standard Bank Limited		424,250,000	-
	Jamuna Bank Limited (Islami Banking Branch)		-	2,000,000,000
	Premier Bank Limited (Islami Banking Wing)		-	1,500,000,000
	Islami Bank Bangladesh Limited		-	839,500,000
			11,094,593,291	**15,286,670,016**
6a.2	**Placement with Financial Institutions**			
	Mudaraba Term Deposits-Financial Institutions			
	Lanka Bangla Finance Limited		1,050,000,000	300,000,000
	Industrial and Infrastructure Development Finance Company Limited		650,000,000	930,000,000
	Union Capital Limited		250,000,000	250,000,000
	Phoenix Finance & Investments Limited		370,000,000	380,000,000
	Premier Leasing International Limited		300,000,000	300,000,000
	Industrial Promotion and Development Company of Bangladesh Limited		1,500,000,000	1,200,000,000
	IDLC Finance Limited		500,000,000	3,000,000,000
	Delta Brac Housing Finance Corporation Limited		2,500,000,000	2,000,000,000
	National Housing & Finance Limited		300,000,000	-
			7,420,000,000	**8,360,000,000**
			18,514,593,291	**23,646,670,016**
6a.3	**Maturity-wise groupings of Placement with Other Banks and Financial Institutions**			
	On Demand		-	-
	Not more than 03 months		17,653,400,000	21,335,300,000
	More than 03 months but not more than 01 year		-	2,000,000,000
	More than 01 year but not more than 05 years		861,193,291	311,370,016
	More than 05 years		-	-
			18,514,593,291	**23,646,670,016**
7	**Consolidated Investments in Shares & Securities**			
	Government			
	Shahjalal Islami Bank Ltd.	(Note-7a.i)	28,047,670,000	21,695,610,000
	Shahjalal Islami Bank Securities Ltd.		-	-
			28,047,670,000	**21,695,610,000**
	Others			
	Shahjalal Islami Bank Ltd.	(Note-7a.ii)	8,219,932,088	5,914,149,344
	Shahjalal Islami Bank Securities Ltd.		2,070,124,315	1,786,654,957
			10,290,056,403	**7,700,804,301**
			38,337,726,403	**29,396,414,301**

		Note	31.12.2021 Taka	31.12.2020 Taka
7a	**Investments in Shares & Securities of the Bank**			
	i) Government			
	Bangladesh Government Islamic Investment Bond (BGIIB)	(Note-7a.2)	13,250,000,000	18,000,000,000
	Bangladesh Government Investment Sukuk (BGIS)	(Note-7a.3)	14,797,670,000	3,695,610,000
			28,047,670,000	**21,695,610,000**
	ii) Others			
	Mudaraba Perpetual Bond, Islami Bank Bangladesh Ltd.		1,527,483,542	47,550,542
	Mudaraba Subordinated Bond	(Note-7a.4)	3,400,000,000	3,720,000,000
	Beximco Green Sukuk Al Istisna'a		1,000,000,000	-
	Investments in Shares & Securities	(Note-7a.5)	2,292,448,546	2,146,598,802
			8,219,932,088	**5,914,149,344**
			36,267,602,088	**27,609,759,344**
7a.1	**Maturity-wise groupings of Investments in Shares & Securities**			
	On Demand		-	-
	Not more than 03 months		9,250,000,000	14,214,149,344
	More than 03 months but less than 01 year		9,239,932,088	6,000,000,000
	More than 01 year but less than 05 years		17,377,670,000	4,795,610,000
	More than 05 years		400,000,000	2,600,000,000
			36,267,602,088	**27,609,759,344**

7a.2 Bangladesh Bank introduced Mudaraba Bond named "Bangladesh Government Islamic Investment Bond (Islamic Bond)" in September 2004 on behalf of the Government to facilitate Islamic Banks and Financial Institutions. Investment in this fund is considered as a component of Statutory Liquidity Ratio (SLR).

The mobilized fund from Islamic Bond is invested by Bangladesh Bank and a portion of realized profit is distributed among the bondholders as per mudaraba principle of Islamic Shari'ah on the basis of the tenor of the bond. So the rate of return from Islamic Bond is dependent on fund deployment of Bangladesh Bank which is not prefixed.

7a.3 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. SJIBL, 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.

7a.4 Mudaraba Subordinated Bond

SIBL Mudarabah Subordinated Bond	200,000,000	320,000,000
IBBL Mudaraba Subordinated Bond	600,000,000	800,000,000
IBBL 3rd Mudaraba Subordinated Bond	1,600,000,000	1,600,000,000
AIBL 3rd Mudaraba Subordinated Bond	1,000,000,000	1,000,000,000
	3,400,000,000	**3,720,000,000**

7a.5 Investments in Shares & Securities (at cost)

Quoted

The ACME Laboratories Limited	22,850,371	133,933,591
Active Fine Chemicals Ltd.	50,768,200	35,487,579
Aftab Automobiles Limited	72,694,438	61,605,088
AIBL 1st Islamic Mutual Fund	72,760,670	67,402,500
Apex Footwear Limited	18,699,764	12,854,787
Bangladesh Steel Re-Rolling Mills Limited	25,845,335	36,383,068
Dhaka Electric Supply Company Ltd.	125,911,056	115,162,210
Eastern Housing Limited	205,738,580	166,063,283
Export Import Bank of Bangladesh Limited	132,329,640	100,196,838

	Note	31.12.2021 Taka	31.12.2020 Taka
Fareast Islami Life Insurance Co. Ltd.		65,297,782	65,297,780
Generation Next Fashions Limited		25,741,814	25,741,813
M.I. Cement Factory Ltd.		31,871,607	43,580,439
Meghna Petroleum Limited		101,861,109	62,070,338
Metro Spinning Mills Limited		54,315,162	65,855,505
RAK Ceramics (Bangladesh) Limited		52,821,755	64,176,345
Square Textile Ltd.		42,041,896	45,712,547
The Dacca Dyeing & Mfg. Co. Limited		110,968,750	156,023,958
Titas Gas Transmission and Distribution Co. Ltd.		193,241,054	111,712,964
Unique Hotel and Resorts Ltd.		20,091,892	36,810,461
Prime Islami Life Insurance Ltd.		13,936,568	32,516,491
Singer Bangladesh Limited		72,735,184	23,605,504
Olympic Industries Ltd.		5,627,022	10,352,346
Square Pharmaceuticals Ltd.		128,941,716	77,460,720
Bashundhara Paper Mills Limited		26,119,683	16,714,534
The IBN SINA Pharmaceutical Industry Ltd.		38,087,484	25,580,746
MJL Bangladesh Limited		86,720,740	55,849,486
Silva Pharmaceuticals Limited		31,768,758	20,335,072
Robi Axiata Limited		142,756,117	2,715,540
Linde Bangladesh Ltd.		19,981,907	25,454,659
Power Grid Company of Bangladesh Ltd.		30,831,580	19,730,763
Lub-rref (Bangladesh) Limited		42,281,896	-
Mir Akhter Hossain Limited		55,081,388	-
Krishibid Feed Limited		865,260	-
ACI Limited		59,835,403	-
Al-Arafah Islami Bank Ltd.		29,602,959	-
Islami Bank Bangladesh Limited		44,936,869	-
Agricultural Marketing Company Ltd. – AMCL (PRAN)		-	12,508,253
Aamra Technologies Limited		-	8,527,068
Bangladesh Building Systems Ltd.		-	13,071,649
Beximco Limited		-	41,467,354
Envoy Textiles Ltd.		-	42,402,697
Esquire Knit Composite Limited		-	6,778,090
First Security Islami Bank Limited		-	19,903,128
LafargeHolcim Bangladesh Limited		-	173,528,430
Orion Pharma Ltd.		-	28,796,598
Premier Cement Mills Limited		-	18,441,295
Shahjibazar Power Co. Ltd.		-	36,951,327
Padma Islami Life Insurance Limited		-	15,673,722
Sea Pearl Beach Resort & Spa Limited		-	18,635
Dominage Steel Building Systems Ltd.		-	18,602
i) Total		**2,255,961,410**	**2,134,473,802**
Un-Quoted			
Lanka Bangla Securiries Ltd.		5,000,000	5,000,000
Investment A/C - SWIFT Membership Share		9,443,636	-
Union Bank Limited		21,403,000	-
BD Thai Food & Beverage Limited		640,500	-
Lub-rref (Bangladesh) Limited		-	5,125,000
Market Stabilization Fund, Asset Management Co. Ltd.		-	2,000,000
ii) Total		**36,487,136**	**12,125,000**
Grand Total		**2,292,448,546**	**2,146,598,802**

Please see Annexure-A for details regarding unrealised gain/(loss) and provision.

		Note	31.12.2021 Taka	31.12.2020 Taka
8	**Consolidated Investments**			
	Shahjalal Islami Bank Ltd.	(Note-8a)	198,607,299,997	181,471,332,782
	Shahjalal Islami Bank Securities Ltd.		4,855,652,531	4,636,326,999
			203,462,952,528	186,107,659,781
	Less: Inter Company Transaction		2,241,959,513	2,011,859,181
			201,220,993,015	**184,095,800,600**
	Bills Purchased and Discounted			
	Shahjalal Islami Bank Ltd.	(Note-8a)	17,979,284,002	15,041,318,459
	Shahjalal Islami Bank Securities Ltd.		-	-
			17,979,284,002	**15,041,318,459**
			219,200,277,017	**199,137,119,059**
8a	**Investments of the Bank**			
	Country-wise Classification of Investments:			
	Inside Bangladesh			
	Gross Murabaha, Bai-Muajjal etc.		206,187,088,993	189,174,075,576
	Less: Profit receivable on Murabaha, Bai-Muajjal etc. (Mark-up profit or unearned income)		7,579,788,996	7,702,742,794
	Net Murabaha, Bai-Muajjal etc.		**198,607,299,997**	**181,471,332,782**
	Net Bills Purchased and Discounted	(Note-8a.2)	17,979,284,002	15,041,318,459
	Outside Bangladesh		-	-
			216,586,583,999	**196,512,651,241**

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	465	83%	4	100%
Total Files	560		4	

* BRPD Circular Letter # 04: Regarding the collection of adudited 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	44,341,512,186	27,708,283,825
	Not more than 03 months	61,797,340,036	65,006,385,030
	Over 03 months but not more than 01 year	89,905,880,569	73,751,198,011
	Over 01 year but not more than 05 years	17,142,115,468	25,271,526,950
	Over 05 years	3,399,735,740	4,775,257,425
		216,586,583,999	**196,512,651,241**
8a.2	**Bills Purchased and Discounted**		
	Payable inside Bangladesh	4,279,558,652	4,345,494,581
	Payable outside Bangladesh	14,001,667,445	10,941,976,594
	Gross Bills Purchased and Discounted	**18,281,226,097**	**15,287,471,175**
	Less: Profit receivable on Bills Purchased and Discounted	301,942,095	246,152,716
	Net Bills Purchased and Discounted	**17,979,284,002**	**15,041,318,459**
8a.3	**Maturity-wise Classification of Bills Purchased and Discounted**		
	Re-payable:		
	Within 01 month	3,680,359,435	2,120,825,903
	Over 01 month but less than 03 months	5,129,489,726	4,975,668,146
	Over 03 months but less than 06 months	3,732,499,359	4,211,569,168
	06 months or more	5,436,935,482	3,733,255,241
		17,979,284,002	**15,041,318,459**

	Note	31.12.2021 Taka	31.12.2020 Taka
8a.4 Investments on the basis of significant concentration			
Investments to allied concern of Directors	(Note-53.5)	2,684,321,800	2,422,671,777
Investments to Executives/Officers		2,013,480,269	1,881,187,195
Investments to Customer Groups		84,154,894,572	81,360,652,400
Industrial Investments		127,733,630,426	110,845,959,276
Others		256,931	2,180,592
		216,586,583,999	**196,512,651,241**

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	:	98,065.51 million	88,947.94 million
Number of such types of customers	:	20	22
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. 3,377.80 million which is computed @ 10% and above of total capital of the bank, i.e. Tk. 33,778.03 million (Note-17.5.c) as at 31 December 2021.

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

8a.5 Sector-wise Classification of Investments

Sector	As at 31 December 2021		As at 31 December 2020	
	Amount	Composition	Amount	Composition
Agriculture & Fishing	3,745,300,000	1.73%	4,428,100,000	2.25%
Cotton & Textile	15,986,252,326	7.38%	14,204,891,416	7.23%
Garments	48,795,252,329	22.53%	35,917,795,745	18.28%
Cement	1,377,204,327	0.64%	2,909,125,717	1.48%
Pharmaceuticals & Chemicals	5,765,427,211	2.66%	3,502,368,796	1.78%
Real Estate	7,861,742,082	3.63%	6,823,342,294	3.47%
Transport	3,612,697,161	1.67%	3,852,956,608	1.96%
Information Technology	785,682,273	0.36%	1,049,993,980	0.53%
Non Banking Financial Institutions	1,049,270,234	0.48%	1,547,537,178	0.79%
Steel & Engineering	7,861,742,082	3.63%	10,718,891,585	5.45%
Food Processing & Beverage	13,394,922,486	6.18%	11,586,731,440	5.90%
Power & Energy	5,718,061,127	2.64%	6,157,617,851	3.13%
Paper & Paper Products	2,128,663,687	0.98%	2,220,723,185	1.13%
Plastic & Plastic Product	6,299,677,023	2.91%	5,605,896,330	2.85%
Electronics	6,650,416,932	3.07%	5,629,384,876	2.86%
Services Industries	7,314,961,280	3.38%	6,660,892,213	3.39%
Trading	30,870,690,066	14.25%	31,252,429,405	15.90%
Construction incl. Work Order Financing	21,190,235,269	9.78%	20,620,941,948	10.49%
Share business	2,388,413,151	1.10%	2,256,505,482	1.15%
Staff Investment	2,013,480,269	0.93%	1,881,187,195	0.96%
Others	21,776,492,686	10.05%	17,685,337,995	9.00%
Total	**216,586,583,999**	**100.00%**	**196,512,651,241**	**100.00%**

8a.6 Geographical Location-wise Investments

Area	As at 31 December 2021		As at 31 December 2020	
	Amount in Taka	Composition	Amount in Taka	Composition
i) Inside Bangladesh				
a. In Urban Areas				
Dhaka	160,485,479,863	77.92%	139,611,824,666	74.75%
Chattogram	29,601,629,063	14.37%	31,718,061,626	16.98%
Sylhet	2,168,082,454	1.05%	1,803,989,407	0.97%
Rajshahi	4,939,003,409	2.40%	5,037,596,743	2.70%
Rangpur	1,443,032,912	0.70%	1,370,436,948	0.73%
Khulna	5,357,801,659	2.60%	5,217,920,865	2.79%
Barishal	555,135,633	0.27%	587,326,482	0.31%
Mymensingh	1,418,508,441	0.69%	1,417,037,704	0.76%
Sub-total	**205,968,673,434**	**100%**	**186,764,194,441**	**100%**
b. In Rural Areas				
Dhaka	7,011,138,447	66.03%	6,534,764,955	67.03%
Chattogram	1,444,088,800	13.60%	1,363,660,141	13.99%
Sylhet	241,928,581	2.28%	179,404,330	1.84%
Rajshahi	559,804,389	5.27%	488,611,551	5.01%
Khulna	786,973,605	7.41%	762,894,796	7.83%
Barishal	376,641,467	3.55%	248,239,171	2.55%
Mymensingh	197,335,275	1.86%	170,881,855	1.75%
Sub-total	**10,617,910,565**	**100%**	**9,748,456,799**	**100%**
ii) Outside Bangladesh	-	-	-	-
Total	**216,586,583,999**	**100%**	**196,512,651,241**	**100%**

8a.7 Mode-wise Investments

		31.12.2021 Taka	31.12.2020 Taka
Mode of Investment			
Bai-Murabaha		9,336,514,649	10,004,371,083
Bai-Muajjal		100,091,286,727	96,174,321,290
Hire Purchase Under Shirkatul Melk		51,205,439,045	50,556,352,938
Ijara		1,779,525,158	2,249,339,398
Bai-Salam		5,190,002,694	5,099,669,833
Mudaraba Import Bills		13,582,710,813	10,698,391,320
EDF/Murabaha Foreign Currency Investment		28,182,486,663	13,912,823,725
Quard		2,481,970,929	3,298,817,265
IDBP		4,003,734,897	4,115,948,375
FDBP		392,838,293	226,978,763
Islamic Credit Card Investment		340,074,133	175,637,249
Total		**216,586,583,999**	**196,512,651,241**

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

Status	As at 31 December 2021		As at 31 December 2020	
	Amount in Taka	Composition	Amount in TakA	Composition
Unclassified:				
Standard (including Staff Investment)	203,649,935,063	94.03%	181,843,113,633	92.54%
Special Mention Account (SMA)	3,367,804,586	1.55%	5,696,061,505	2.90%
Sub-total	**207,017,739,650**		**187,539,175,138**	
Classified				
Substandard	96,297,819	0.04%	355,172,100	0.18%
Doubtful	36,771,435	0.02%	444,099,969	0.23%
Bad or Loss	9,435,775,095	4.36%	8,174,204,033	4.16%
Sub-total	**9,568,844,349**		**8,973,476,102**	
Grand Total	**216,586,583,999**	**100.00%**	**196,512,651,241**	**100.00%**

8a.9 Particulars of Provision for Investments

Status	Basis for Provision	Rate	31.12.2021 Taka	31.12.2020 Taka
Standard:				
Unclassified (excluding Staff Investments)	131,321,750,359	1% (ex. RSDL BB NOC)	1,313,217,504	1,123,984,380
Staff Investments	2,013,480,269	0%	-	-
Consumer Financing (other than HF & LP)	1,009,585,690	2%	20,191,714	15,337,831
Small & Medium Enterprise	64,132,040,277	0.25%	160,330,101	156,878,519
Housing Finance (HF)	2,672,678,146	1%	26,726,781	19,107,776
Loan for Professionals (LP)	2,161,837	2%	43,237	36,891
Share Business	2,241,924,513	2%	44,838,490	40,348,505
Short Term Agri Credit	103,211	1%	1,032	35,031
Islamic Credit Card	262,485,445	2%	5,249,709	2,284,973
SMA	3,367,804,586		18,985,432	38,449,401
Special General Provision for "COVID-19"			504,014,799	263,071,409
Special Reschedule & One Time Exit			324,518,201	562,497,776
			2,418,117,000	**2,222,032,492**
Sub-standard	24,685,684	20% & 5% (Agri, Cottage & Micro Credit)	2,262,714	7,352,179
Doubtful	6,485,183	50%; 20% (Cottage & Micro Credit) & 5% (Agri)	2,037,034	49,220,300
Bad or Loss	2,316,867,808	100%	2,316,867,808	2,812,032,962
Reschedule (BB NOC)			753,949,444	564,940,000
			3,075,117,000	**3,433,545,442**
Required Provision for Investments			**5,493,234,000**	**5,655,577,933**
Total Provision Maintained {note-15a.1(a) & (b)}			5,493,957,256	5,664,361,818
Surplus/(Shortfall) Provision			**723,256**	**8,783,884**

The Bank has maintained provision on unclassified investments amounting to Tk. 2,418,838,000 (note-15a.1.b) and for classified investments amounting to Tk. 3,075,119,256 (note-15a.1.a), totaling Tk. 5,493,957,256. These exist surplus of Tk. 723,256 against the required provision.

			31.12.2021 Taka	31.12.2020 Taka
8a.10	**Particulars of Provision for Off-balance Sheet Items**			
	Status	**Basis for Provision**	**Amount of provision @ 1%**	**Amount of provision @ 1%**
	Acceptances & endorsements	39,570,018,420	395,700,184	274,868,358
	Letters of Guarantee	31,904,128,585	319,041,286	310,920,598
	Irrevocable Letters of Credit	64,074,742,941	640,747,429	348,571,999
	Bills for collection	41,864,954	418,650	781,897
	Required provision for Off-balance Sheet Items	**135,590,754,900**	**1,355,907,549**	**935,142,853**
	Provision maintained {note-15a.1(c)}		1,356,200,000	935,200,000
	Surplus Provision		**292,451**	**57,147**
8a.11	**Particulars of Investments**			
(i)	Investments considered good in respect of which the banking company is fully secured		177,822,811,122	162,429,626,281
(ii)	Investments considered good for which the banking company holds no other security than the debtor's personal security		34,567,218,806	31,363,419,138
(iii)	Investments considered good and secured by personal security of one or more parties in addition to the personal security of the debtors		4,196,554,070	2,719,605,821
(iv)	Investments considered bad or doubtful not provided for		-	-
			216,586,583,999	**196,512,651,241**
(v)	Investments due by directors or officers of the banking company or any of them either severally or jointly with any other person		**2,013,480,269**	**1,881,187,195**
(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).		**2,684,321,800**	**2,422,671,777**
(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.		**2,013,480,269**	**1,881,187,195**
(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		**2,684,321,800**	**2,422,671,777**
(ix)	Investments due from other Banks		**-**	**-**
(x)	Classified Investment on which profit has not been charged		**9,568,844,349**	**8,973,476,102**
a.	Movement of Classified Investments:			
	Opening Balance		8,973,476,102	9,687,322,264
	Increase/(decrease) during the year		595,368,247	(713,846,161)
			9,568,844,349	**8,973,476,102**
	i) (Decrease)/increase of specific provision		**(364,942,562)**	**181,648,765**
	ii) Amount of written-off investment during the year against which fully provided		**1,136,704,769**	**-**
	iii) Amount recovered against the investment which was previously written-off		**31,809,277**	**24,654,765**
b.	Amount of provision kept against classified Investment as Bad or Loss on the reporting day of Balance Sheet		**3,075,119,256**	**3,440,061,818**
c.	Amount of profit charged in suspense account		**4,640,949,483**	**3,913,186,052**
(xi)	Cumulative amount of written-off Investments			
	Opening Balance		4,656,906,702	4,656,906,702
	Amount written-off during the year		1,136,704,769	**-**
	Total amount of written-off investment		**5,793,611,471**	**4,656,906,702**
9.	**Consolidated Fixed Assets including Premises, Furniture and Fixtures**			
	Cost			
	Shahjalal Islami Bank Ltd.	(Note- 9a)	7,206,268,611	6,388,016,160
	Shahjalal Islami Bank Securities Ltd.		232,886,248	204,925,593
			7,439,154,859	**6,592,941,753**

			31.12.2021 Taka	31.12.2020 Taka
	Accumulated Depreciation			
	Shahjalal Islami Bank Ltd	(Note- 9a)	2,128,942,552	1,647,365,915
	Shahjalal Islami Bank Securities Ltd		83,436,387	72,763,766
			2,212,378,939	**1,720,129,681**
	Written Down Value		**5,226,775,920**	**4,872,812,072**
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		1,132,828,486	1,108,875,244
	Office Equipment		756,215,635	748,190,288
	Computer & Network Equipment		658,021,418	609,210,291
	Vehicles		136,169,606	116,941,907
	Right of Use Assets as per IFRS-16*		1,589,518,428	884,017,237
	Books		1,042,667	1,042,667
			7,044,506,868	**6,238,988,262**
	Less:			
	Accumulated depreciation		1,955,275,677	1,500,711,525
	Adjustment of assets		29,965,139	19,783,161
	Written Down Value		**5,059,266,053**	**4,718,493,576**
	Intangible Assets:			
	Cost			
	Software-Core Banking		62,615,431	62,615,431
	Software-Others		99,146,312	86,412,468
			161,761,743	**149,027,899**
	Less:			
	Amortization		143,701,736	126,871,229
	Written Down Value		**18,060,006**	**22,156,670**
	Total Written Down Value		**5,077,326,059**	**4,740,650,245**

*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 Ltd	(Note- 10a)	20,141,811,136	18,018,050,356
	Shahjalal Islami Bank Securities Ltd		434,734,112	414,171,745
			20,576,545,248	**18,432,222,101**
	Less: Inter Company transaction		2,515,000,000	2,515,000,000
			18,061,545,248	**15,917,222,101**
10.1	**Consolidated Advance Tax**			
	Shahjalal Islami Bank Ltd	(Note- 10a.4)	16,597,308,766	14,797,808,219
	Shahjalal Islami Bank Securities Ltd		409,543,904	354,037,731
			17,006,852,670	**15,151,845,950**
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**

			31.12.2021 Taka	31.12.2020 Taka
	Non Income Generating:			
	Stock of Stationery, Stamps and printing materials etc. (valued at cost)		24,202,678	21,388,644
	Advance Rent and Security Deposit		36,005,658	84,983,375
	Suspense Account	(Note-10a.1)	121,326,408	112,787,431
	Profit Receivable	(Note-10a.2)	699,031,297	345,276,627
	Other Prepayments		100,954,213	90,173,713
	Advance Insurance Premium		17,851,680	19,821,018
	Advance for New Branches		-	-
	Advance Tax Paid	(Note-10a.4)	16,597,308,766	14,797,808,219
	Other Receivables		3,181,647	3,181,647
	SJIBL General Account-Net	(Note-10a.5)	26,948,790	27,629,682
	Balance with OBU		9,958,934,700	8,228,144,000
			27,585,745,836	23,731,194,356
	Less: Offshore Banking Unit		9,958,934,700	8,228,144,000
	Sub-total		**17,626,811,136**	**15,503,050,356**
	Grand Total		**20,141,811,136**	**18,018,050,356**

10a.1 Suspense Account

Sundry Debtors	31,817,912	8,831,043
Excise Duty on MTDR	24,772,141	27,491,651
Advance against TA/DA	1,000	-
Advance against Petty Cash	479,000	608,000
Law Charges	58,772,710	54,620,243
Stamp	534,220	467,350
Others	4,949,425	20,769,143
	121,326,408	**112,787,431**

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	11,487	12,975	1,600	1,856	3,900
2	Advance against TA/DA	1	-	-	-	-
3	Advance against Petty Cash	479	-	-	-	-
4	Legal Expenses	4,896	929	1,811	1,660	49,477
5	Others	24,595	2,206	1,324	495	1,635
	Grand Total	**41,458**	**16,110**	**4,735**	**4,011**	**55,012**

10a.2 Profit Receivable

Placement to Other Banks-MTDR	53,148,313	173,353,869
Placement to Financial Institutions-MTDR	40,980,972	61,020,625
Profit on Investment against MSD	376,118	376,118
On Investments	604,525,894	110,526,016
	699,031,297	**345,276,627**

10a.3 Shahjalal Islami Bank Limited invested Tk. 251.50 crore in its subsidiary company named 'Shahjalal Islami Bank Securities Limited' as per approval of competent authority. The subsidiary 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.

		31.12.2021 Taka	31.12.2020 Taka
10a.4	**Advance Tax Paid**		
	Balance at the beginning of the year	14,797,808,219	12,641,625,772
	Paid during the year	1,799,500,546	2,156,182,447
		16,597,308,766	**14,797,808,219**

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	569	33,054,713	96	6,105,923
Over 3 Months but within 6 months	-	-	-	-
Over 6 Months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
	569	**33,054,713**	**96**	**6,105,923**
Net unreconciled amount				**26,948,790**

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

11.	**Non-Banking Assets**		
	Shahjalal Islami Bank Ltd	**88,909,355**	**88,909,355**

The Bank was awarded absolute ownership on some mortgaged properties through the verdict of Honorable Court under Section 33(7) of the Artharin Adalat Act, 2003. These were recorded as non-banking assets as per valuation report of professional surveyor. Value of these assets was recorded in equivalent to the client's adjustable outstanding. Following are the details:

Sl. #	Name of Parties	Assets Details	31.12.2021 Taka	31.12.2020 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 Narayangonj, 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
iii)	M/s Khizir Trading	13.83 (thirteen point eight three) decimals land situated at Khulshi, Mouza: Pahatali. Carrying value of which was **BDT 356.81 Lac (Market Value).** Entitlement Date: 05 November 2017	31,468,345	31,468,345

Sl. #	Name of Parties	Assets Details	31.12.2021 Taka	31.12.2020 Taka
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 Ltd	(Note-12a)	32,436,452,822	19,730,962,466
Shahjalal Islami Bank Securities Ltd		2,506,519,665	2,137,336,443
		34,942,972,487	21,868,298,909
Less: Inter Company Transaction		2,241,959,513	2,011,859,181
		32,701,012,974	**19,856,439,728**

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

Export Development Fund - Bangladesh Bank		24,564,754,416	13,684,954,633
Financial Stimulus Fund - Bangladesh Bank		2,360,288,256	2,230,007,833
Foreign Currency Deposit (FSSP BB USD) - Bangladesh Bank		20,210,150	-
Mudaraba Term Deposit from other Banks	(Note-12a.1)	5,491,200,000	3,816,000,000
Borrowing from Offshore Banking Unit (OBU)		165,395	165,395
		32,436,618,217	19,731,127,861
Less: Offshore Banking Unit		165,395	165,395
		32,436,452,822	**19,730,962,466**

12a.1 Mudaraba Term Deposit from other Banks

Inside Bangladesh		
United Commercial Bank Limited	343,200,000	1,865,600,000
Southeast Bank Limited	343,200,000	339,200,000
Dhaka Bank Limited	858,000,000	678,400,000
Al-Arafah Islami Bank Limited	1,287,000,000	-
Mercantile Bank Limited	858,000,000	-
Bank Muscat SAOG	429,000,000	-
Mutual Trust Bank Limited	85,800,000	-
Prime Bank Limited	429,000,000	-
Social Islami Bank Limited	429,000,000	-
Standard Bank Limited	429,000,000	-
Agrani Bank Limited	-	424,000,000
Bank Alfalah Limited	-	254,400,000
Jamuna Bank Limited	-	254,400,000
Sub-total	**5,491,200,000**	**3,816,000,000**
Outside Bangladesh	-	-
Grand Total	**5,491,200,000**	**3,816,000,000**

			31.12.2021 Taka	31.12.2020 Taka
13.	**Consolidated Deposits and Other Accounts**			
	Al-Wadeeah Current Deposits & Other Accounts			
	Shahjalal Islami Bank Ltd	(Note-13a)	39,179,680,779	34,433,462,289
	Shahjalal Islami Bank Securities Ltd		-	-
			39,179,680,779	**34,433,462,289**
	Less: Inter Company Transaction		30,857	6,895
			39,179,649,922	**34,433,455,394**
	Bills Payable			
	Shahjalal Islami Bank Ltd	(Note-13a)	4,016,969,162	3,889,060,291
	Shahjalal Islami Bank Securities Ltd		-	-
			4,016,969,162	**3,889,060,291**
	Mudaraba Savings Deposits			
	Shahjalal Islami Bank Ltd	(Note-13a)	36,326,437,165	30,316,566,001
	Shahjalal Islami Bank Securities Ltd		-	-
			36,326,437,165	30,316,566,001
	Less: Inter Company Transaction		3,124	9,579
			36,326,434,041	**30,316,556,422**
	Mudaraba Term Deposits			
	Shahjalal Islami Bank Ltd	(Note-13a)	74,469,380,080	81,508,507,043
	Shahjalal Islami Bank Securities Ltd		-	-
			74,469,380,080	**81,508,507,043**
	Other Mudaraba Deposits			
	Shahjalal Islami Bank Ltd	(Note-13a)	63,296,520,951	68,295,354,091
	Shahjalal Islami Bank Securities Ltd		-	-
			63,296,520,951	68,295,354,091
	Less: Inter Company Transaction		478,016,781	388,122,723
			62,818,504,170	**67,907,231,368**
	Total		**216,810,937,375**	**218,054,810,518**
13a	**Deposits and Other Accounts of the Bank**			
	Al-Wadeeah Current Deposits & Other Accounts			
	Al-Wadeeah Current Deposits		13,898,996,579	11,670,968,808
	Deposits from Other Banks		13,791,692	11,619,252
	Foreign Currency Deposits		5,048,826,567	4,477,014,117
	Non-Resident Taka Account		25,147,302	17,480,771
	Profit Payable		595,541,458	1,295,790,027
	Sundry Deposits		19,628,353,924	16,948,661,590
	Unclaimed Dividend	(Note-13a.5)	14,504,103	33,666,439
			39,225,161,626	34,455,201,004
	Less: Offshore Banking Unit		45,480,846	21,738,715
			39,179,680,779	**34,433,462,289**
	Bills Payable			
	Payable inside Bangladesh			
	Payment Order Issued		4,012,866,134	3,884,585,899
	Demand Draft Payable		4,012,437	4,072,349
	Electronic Fund Transfer		90,591	402,043
			4,016,969,162	3,889,060,291
	Payable outside Bangladesh		-	-
			4,016,969,162	**3,889,060,291**

			31.12.2021 Taka	31.12.2020 Taka
	Mudaraba Savings Deposits			
	General Deposits		36,290,215,626	30,280,128,794
	Foreign Currency Deposits		36,221,540	36,437,207
			36,326,437,165	**30,316,566,001**
	Mudaraba Term Deposits			
	General Deposits		74,239,418,443	81,283,563,629
	Foreign Currency Deposits		229,961,637	224,943,414
			74,469,380,080	**81,508,507,043**
	Other Mudaraba Deposits			
	Mudaraba Special Notice Deposits		11,833,696,784	11,669,807,096
	Mudaraba Scheme Deposits	(Note-13a.1)	44,336,944,127	54,653,870,608
	Deposits from Other Banks (SND)	(Note-13a.3)	7,125,880,040	1,971,676,388
			63,296,520,951	**68,295,354,091**
			217,288,988,137	**218,442,949,715**
13a.1	**Mudaraba Scheme Deposits**			
	Millionaire Scheme		8,319,099,539	8,488,692,557
	Multiple Benefit Scheme		6,769,500,454	7,774,410,663
	Monthly Income Scheme		8,688,426,290	19,039,021,351
	Monthly Deposit Scheme		20,137,349,884	18,925,367,653
	Hajj Deposit Scheme		342,923,087	337,182,236
	Cash Waqf		9,164,301	10,630,288
	Housing Deposit Scheme		340,482	1,512,947
	Lakhpoti Deposit Scheme		199,592	1,091,557
	Mohor Deposit Scheme		132	132
	Education Deposit Scheme		43,248,903	44,180,960
	Marriage Deposit Scheme		26,691,464	31,780,264
			44,336,944,127	**54,653,870,608**
13a.2	**Deposits and Other Accounts**			
	General Deposits		210,163,108,097	216,471,273,327
	Deposits from Other Banks	(Note-13a.3)	7,125,880,040	1,971,676,388
			217,288,988,137	**218,442,949,715**
13a.3	**Deposits from Other Banks**			
	Mudaraba Special Notice Deposits			
	Export Import Bank of Bangladesh Limited		180,193,503	52,883,102
	AB Bank Limited		12,551	12,406
	Jamuna Bank Limited		636,798	630,424
	Al-Arafah Islami Bank Limited		1,908,054,640	1,885,392,966
	Social Islami Bank Limited		519,634,886	29,185,933
	National Credit and Commerce Bank Limited		649,682	643,169
	ICB Islamic Bank Limited		6,936	8,001
	Islami Bank Bangladesh Limited		4,505,547,761	2,626,001
	Sonali Bank Limited		199,159	195,082
	Mercantile Bank Limited		99,084	99,304
	Bangladesh Krishi Bank BD Ltd.		10,845,040	-
			7,125,880,040	**1,971,676,388**
13a.4	**Maturity-wise classification of Deposits is as under**			
	With a residual maturity of			
	Repayable on demand		10,864,449,407	17,475,435,977
	Within 01 month		37,203,813,878	17,344,370,207
	Over 01 month but not more than 06 months		65,186,696,441	58,979,596,423
	Over 06 months but not more than 01 year		77,098,875,984	69,617,768,074
	Over 01 year but not more than 05 years		23,073,926,038	19,550,643,999
	Over 05 years		3,861,226,389	35,475,135,034
			217,288,988,137	**218,442,949,715**

		31.12.2021 Taka	31.12.2020 Taka
13a.5	**Unclaimed Dividend Account**		
	Dividend remained unclaimed which were declared for the year:		
	Before 2014	-	3,598,565
	2014	876	8,604,706
	2015	1,095	9,240,732
	2016	933	6,027,456
	2017	-	81,383
	2018	67,536	67,536
	2019	5,753,167	6,046,061
	2020	8,680,495	-
		14,504,103	**33,666,439**

To comply with Bangladesh Securities and Exchange Commission Directive No. BSEC/CMRRCD/2021-386/3 dated 14 January 2021 and Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021, during the year 2021 Tk. 27,549,938.59 has been transferred to Capital Market Stabilization Fund (CMSF) from unclaimed dividend.

Subsequently in response to a Letter ref. no. DOS(RMMCMS)1154/161/2022-173 dated 13 January 2022, the Bank vide its letter ref. no. SJIBL/HO/Board/2022/28 dated 17 January 2022 has informed Bangladesh Bank about the transfer of the amount to Capital Market Stabilization Fund (CMSF) of Bangladesh Securities and Exchange Commission (BSEC).

14. Mudaraba Subordinated Bond

Mudaraba Subordinated Bond	(Note- 14.1)	7,200,000,000	9,200,000,000
Mudaraba Perpetual Bond	(Note- 14.2)	5,000,000,000	-
		12,200,000,000	**9,200,000,000**

14.1 Mudaraba Subordinated Bond

Mudaraba Subordinated Bond	**7,200,000,000**	**9,200,000,000**

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

List of Investors

Name of the Investor	1st Mudaraba Subordinated Bond		2nd Mudaraba Subordinated Bond	
	Bond Issued (Taka)	Outstanding (as at 31 December 2021)	Bond Issued (Taka)	Outstanding (as at 31 December 2021)
EXIM Bank Limited	1,750,000,000	1,050,000,000	1,000,000,000	800,000,000
Pubali Bank Limited	700,000,000	420,000,000	-	-
Rupali Bank Limited	700,000,000	420,000,000	750,000,000	600,000,000
Uttara Bank Limited	500,000,000	300,000,000	-	-
Southeast Bank Limited	350,000,000	210,000,000	500,000,000	400,000,000
Agrani Bank Limited	-	-	2,500,000,000	2,000,000,000
Sonali Bank Limited	-	-	750,000,000	600,000,000
Dhaka Bank Limited	-	-	500,000,000	400,000,000
Total	**4,000,000,000**	**2,400,000,000**	**6,000,000,000**	**4,800,000,000**

	31.12.2021 Taka	31.12.2020 Taka
14.2 Mudaraba Perpetual Bond		
Mudaraba Perpetual Bond	**5,000,000,000**	**-**

With due approval from competent authority, Shahjalal Islami Bank Limited 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 31 December 2021
Mercantile Bank Ltd.	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	250,000,000
The Premier Bank Limited	250,000,000
IPO-Eligible Investor	496,110,000
IPO-Individual Investor	3,890,000
Total	**5,000,000,000**

			31.12.2021 Taka	31.12.2020 Taka
15.	**Consolidated Other Liabilities**			
	Shahjalal Islami Bank Ltd	(Note-15a)	31,765,514,727	27,935,935,686
	Shahjalal Islami Bank Securities Ltd		2,787,654,567	2,467,300,332
			34,553,169,294	30,403,236,018
	Less: Inter Company Transaction		-	-
			34,553,169,294	**30,403,236,018**
15.1	**Consolidated Provision for Current Tax**			
	Shahjalal Islami Bank Ltd	(Note-15a.2)	17,290,140,619	14,949,163,422
	Shahjalal Islami Bank Securities Ltd		432,576,912	367,630,095
			17,722,717,531	**15,316,793,517**
15.2	**Consolidated Current Tax Expenses**			
	Shahjalal Islami Bank Ltd	(Note-15a.2)	2,273,525,795	1,664,048,258
	Shahjalal Islami Bank Securities Ltd		64,946,817	22,589,103
			2,338,472,612	**1,686,637,361**

15.3 Provision against Entries of Nostro Accounts

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

15a	**Other Liabilities of the Bank**			
	Profit Payable		134,591,473	22,080,954
	Provision for Investment	{Note-15a.1 (a) & (b)}	5,493,957,256	5,664,361,818
	Provision for Off-balance Sheet items	{Note-15a.1 (c)}	1,356,200,000	935,200,000
	Provision for Other Assets	{Note-15a.1(d)}	91,965,000	81,965,000
	Provisions for Investments in Securities	{Note-15a.1(e)}	658,560,000	658,560,000
	Provision for Taxation	(Note-15a.2)	17,290,140,619	14,949,163,422
	Profit Suspense Account	{Note-15(a).1 (f)}	3,732,643,784	3,218,459,970
	Compensation Realisable & Suspense Account		908,305,698	694,726,082
	Compensation Realised Account		436,011,476	466,704,500
	Other Payables		218,275,240	202,888,051
	Outstanding Expenses		108,996,505	279,571,450
	Unearned Income on Quard		30,939,867	35,643,836
	Lease Liabilities as per IFRS 16 Leases*	(Note-2.7.6)	1,259,993,453	726,610,603
	Provision for Start-up Fund	(Note-15a.3)	44,934,355	-
			31,765,514,727	**27,935,935,686**

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

15a.1	**Provision for Investment**		
	(a) Provision on Classified Investments		
	Provision held at the beginning of the year	3,440,061,818	3,258,413,053
	Written-off Recovery	31,809,277	24,654,765
	Net charge to Profit and Loss Account	541,490,000	156,994,000
	Fully provided investment written-off during the year	(938,241,839)	-
	Provision held at the end of the year	**3,075,119,256**	**3,440,061,818**
	(b) General Provision on Unclassified Investments		
	Provision held at the beginning of the year	2,224,300,000	1,900,800,000
	Provision transferred from Provision for Investments in Securities	-	95,000,000
	Addition during the year	194,538,000	228,500,000
	Balance at the end of the year	**2,418,838,000**	**2,224,300,000**
	Total Provision for Investments (a+b)	**5,493,957,256**	**5,664,361,818**

			31.12.2021 Taka	31.12.2020 Taka
	(c) General Provision on Off-balance Sheet Items			
	Provision held at the beginning of the year		935,200,000	869,300,000
	Addition during the year		421,000,000	65,900,000
	Balance at the end of the year		**1,356,200,000**	**935,200,000**
	Total Provision for Investments & Off-balance Sheet Items (a+b+c)		**6,850,157,256**	**6,599,561,818**
	(d) Provision for Other Assets			
	Provision held at the beginning of the year		81,965,000	37,765,000
	Transfer from Provision for Investments in Shares & Securities		-	44,200,000
	Addition during the year		10,000,000	-
	Balance at the end of the year		**91,965,000**	**81,965,000**
	(e) Provision for Investments in Shares & Securities			
	Provision held at the beginning of the year		658,560,000	797,760,000
	Transfer to Provision on Unclassified Investments		-	(95,000,000)
	Transfer to Provision for Other Assets		-	(44,200,000)
	Addition during the year		-	-
	Balance at the end of the year		**658,560,000**	**658,560,000**
	(f) Profit Suspense Account			
	Balance at the beginning of the year		3,218,459,970	1,913,003,426
	Amount transferred to suspense account during the year		1,896,047,739	3,119,752,786
	Amount recovered from suspense account during the year		(1,249,766,084)	(1,796,506,920)
	Amount waived/ written-off during the year		(132,097,841)	(17,789,322)
	Balance at the end of the year		**3,732,643,784**	**3,218,459,970**
15a.2	**Provision for Taxation**			
	Provision for Current Tax			
	Balance at the beginning of the year		14,949,163,422	13,224,746,710
	Add: Provision made during the year		2,273,525,795	1,664,048,258
	Add: Provision made on other during the year		67,451,402	60,368,453
	Balance at the end of the year		**17,290,140,619**	**14,949,163,422**
	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		2,004,832,788	1,711,526,097
	Income tax @ 20% on Dividend Income		59,055,468	9,266,236
	Income tax @ 10% on Capital Gain on Sale of Shares		31,443,684	3,624,378
	Adjustment for previous year		245,645,257	-
	Estimated Total Provision Required		**2,340,977,197**	**1,724,416,711**
	Computation of Taxable Business Profit			
	Profit before Taxes		4,836,665,656	3,643,419,997
	Add: Inadmissible expenditures		2,728,516,501	1,463,630,954
			7,565,182,156	5,107,050,951
	Less: Allowable Expenditure & Separate consideration		2,218,961,388	542,981,360
	Estimated Taxable Business Profit for the year		**5,346,220,769**	**4,564,069,591**
15a.2(b)	**Reconciliation of effective tax rate of the Bank**			
	Particulars	**Effective Rate**		
	Profit before income taxes as per profit and loss account		4,836,665,656	3,643,419,997
	Income taxes as per applicable tax rate	37.5%	1,813,749,621	1,366,282,499
	Factors affecting the tax charge for current year:			
	Inadmissible expenses	19.76%	955,742,286	488,493,155
	Admissible expenses in the current year (i.e. write-off etc.)	-12.48%	(603,467,703)	(172,652,399)
	Tax savings from reduced tax rates for dividend	-1.07%	(51,673,535)	(8,107,957)
	Tax loss/(savings) from reduced tax rates for capital gain	-1.79%	(86,470,130)	(9,967,040)
	Adjustment for previous year	5.08%	245,645,257	-
	Total Income Tax Expenses	**47.01%**	**2,273,525,795**	**1,664,048,258**

			31.12.2021 Taka	31.12.2020 Taka
15a.3	**Provision for Start-up Fund**			
	Provision held at the beginning of the year		-	-
	Addition for the year 2020		19,081,986	-
	Addition for the year 2021		25,852,369	-
	Balance at the end of the year		**44,934,355**	**-**

After finalization of the financial statements for the year ended 31 December 2020, 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 for the year 2020 in order to make disbursement to make new entrepreneurs and self-employment. In response to that, Shahjalal Islami Bank Limited started to build-up the Start-up Fund out of net profit for the year 2021.

16.	**Consolidated Deferred Tax Liabilities**			
	Shahjalal Islami Bank Ltd	(Note-16a)	237,151,866	259,248,945
	Shahjalal Islami Bank Securities Ltd		(1,601,224)	(2,571,206)
			235,550,642	**256,677,740**
16a	**Deferred Tax Liabilities of the Bank**			
	Balance at the beginning of the year		259,248,945	188,075,793
	Add: Provision made during the year		(22,097,080)	71,173,152
			237,151,866	**259,248,945**
16a.1	**Deferred Tax (assets)/liabilities**			
	Fixed Assets (as per Financial Statements)		5,077,326,059	4,740,650,245
	Less: Carrying amount of vehicles purchase over the allowable limit		20,926,395	15,689,567
			5,056,399,664	**4,724,960,679**
	Tax base carrying amount		4,423,994,688	4,033,630,158
			632,404,975	**691,330,521**
	Deferred Tax (assets)/liabilities		**237,151,866**	**259,248,945**
17.	**Capital**			
17.1	**Authorized Capital**			
	1,500,000,000 ordinary shares of Tk. 10 each		**15,000,000,000**	**15,000,000,000**
17.2	**Issued, Subscribed and Paid-up Capital**			
	1,029,096,951 ordinary shares of Tk. 10 each		**10,290,969,510**	**9,800,923,350**
	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
	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	-
			10,290,969,510	**9,800,923,350**

		31.12.2021 Taka	31.12.2020 Taka
Category	**Holding**		
Sponsor & Director Group	In year 2021: 48.22%; 2020: 48.77%	4,962,413,260	4,779,921,720
Institutes Group	In year 2021: 14.24%; 2020: 13.12%	1,465,882,450	1,285,929,520
General Shareholders Group	In year 2021: 37.39%; 2020: 37.96%	3,846,765,890	3,719,941,250
Foreign Group	In year 2021: 0.15%; 2020: 0.15%	15,907,910	15,130,860
		10,290,969,510	**9,800,923,350**

Classification of Shareholders by number of holding:

As at 31 December 2021

Range of Share Holding	No. of Shareholders	No. of Shares	Percentage of Holding Shares
Up to 500	12,118	1,772,305	0.17%
501-5,000	11,639	23,506,989	2.28%
5,001-10,000	1,124	7,779,606	0.76%
10,001-20,000	573	8,028,045	0.78%
20,001-30,000	172	4,267,157	0.41%
30,001-40,000	78	2,622,178	0.25%
40,001-50,000	54	2,479,633	0.24%
50,001-100,000	111	7,793,885	0.76%
100,001-1,000,000	108	34,645,398	3.37%
Over 1,000,000	83	936,201,755	90.97%
Total	**26,060**	**1,029,096,951**	**100.00%**

As at 31 December 2020

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

		31.12.2021 Taka	31.12.2020 Taka
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	10,290,969,510	9,800,923,350
	ii. Statutory Reserve (Note-18)	7,927,205,795	6,959,872,664
	iii. Retained Earnings (Note-19)	1,608,652,106	1,206,062,264
	iv. Capital Reserve	3,449,994	2,878,961
	v. Non-controlling Interest	227,440,923	226,877,106
		20,057,718,328	18,196,614,346
	Less: Shortfall in provisions required against investment	-	329,797,981
		20,057,718,328	**17,866,816,365**
	Additional Tier-I Capital (AT-I)	4,756,736,193	-
		24,814,454,521	**17,866,816,365**
	b) Gone Concern Capital (Tier-II):		
	i. General Provision	3,824,503,735	3,207,465,735
	ii. Mudaraba Subordinated Bond	5,200,000,000	7,200,000,000
	iii. Mudarabah Perpetual Bond (Excess over limit of AT-I)	243,263,807	-
		9,267,767,542	**10,407,465,735**
	c) Total Eligible Regulatory Capital (a+b)	**34,082,222,063**	**28,274,282,100**
	d) Consolidated Total Risk Weighted Assets	**231,484,974,887**	**202,620,251,158**
	e) Minimum Required Capital (10% of Risk Weighted Assets)	**23,148,497,489**	**20,262,025,116**
	f) Minimum Required Capital (12.50% of Risk Weighted Assets) including conservation buffer	**28,935,621,861**	**25,327,531,395**
	g) Total Capital Surplus (c-e)	**10,933,724,574**	**8,012,256,984**
	h) Total Capital Surplus considering conservation buffer (c-f)	**5,146,600,202**	**2,946,750,705**

Consolidated Capital to Risk Weighted Assets Ratio

Particulars	2021		2020	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	10.72%	6.00%	8.82%
Common Equity Tier-I Capital: (CET-I)	4.50%	8.66%	4.50%	8.82%
Tier-I Plus Conservation Buffer	8.50%	10.72%	8.50%	8.82%
CET-I Plus Conservation Buffer	7.00%	8.66%	7.00%	8.82%
Gone Concern Capital: (Tier-II)	-	4.00%	-	5.14%
CRAR	10.00%	14.72%	10.00%	13.95%
CRAR including Conservation Buffer	**12.50%**	**14.72%**	**12.50%**	**13.95%**

17.4	**Consolidated Risk Weighted Assets (RWA) for**		
	1. Investment (Credit) Risk		
	On-balance Sheet	159,511,584,117	146,493,176,391
	Off-balance Sheet	40,790,412,076	32,162,166,808
	2. Market Risk	10,234,092,293	5,884,024,959
	3. Operational Risk	20,948,886,400	18,080,883,001
	Consolidated Total Risk Weighted Assets (1+2+3)	**231,484,974,887**	**202,620,251,158**

			31.12.2021 Taka	31.12.2020 Taka
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		10,290,969,510	9,800,923,350
	ii. Statutory Reserve	(Note-18)	7,927,205,795	6,959,872,664
	iii. Retained Earnings	{Note-19(a)}	1,584,818,008	1,187,959,349
			19,802,993,313	**17,948,755,363**
	Additional Tier-I Capital (AT-I)		4,728,748,992	-
			24,531,742,305	**17,948,755,363**
	b) Gone Concern Capital (Tier-II):			
	i. General Provision	{Note-15.1(b+c)}	3,775,038,000	3,159,500,000
	ii. Mudaraba Subordinated Bond		5,200,000,000	7,200,000,000
	iii. Mudarabah Perpetual Bond (Excess over limit of AT-I)		271,251,008	-
			9,246,289,008	**10,359,500,000**
	c) Total Eligible Regulatory Capital (a+b)		**33,778,031,313**	**28,308,255,363**
	d) Total Risk Weighted Assets		**224,653,544,549**	**196,154,987,362**
	e) Minimum Required Capital (10% of Risk-Weighted Assets)		**22,465,354,455**	**19,615,498,736**
	f) Minimum Required Capital (12.50% of Risk-Weighted Assets) including conservation buffer		**28,081,693,069**	**24,519,373,420**
	g) Total Capital Surplus (c-e)		**11,312,676,858**	**8,692,756,627**
	h) Total Capital Surplus considering conservation buffer (c-f)		**5,696,338,244**	**3,788,881,943**

Capital Adequacy Ratio

Particulars	2021		2020	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	10.92%	6.00%	9.15%
Common Equity Tier-I Capital: (CET-I)	4.50%	8.81%	4.50%	9.15%
Tier-I Plus Conservation Buffer	8.50%	10.92%	8.50%	9.15%
CET-I Plus Conservation Buffer	7.00%	8.81%	7.00%	9.15%
Gone Concern Capital: (Tier-II)	-	4.12%	-	5.28%
CRAR	10.00%	15.04%	10.00%	14.43%
CRAR including Conservation Buffer	**12.50%**	**15.04%**	**12.50%**	**14.43%**

17.6	**Risk-Weighted Assets (RWA) for**			
	1. Investment (Credit) Risk			
	On-balance Sheet		156,054,970,488	143,018,801,812
	Off-balance Sheet		40,790,412,076	32,162,166,808
	2. Market Risk		8,270,009,861	4,135,709,903
	3. Operational Risk		19,538,152,125	16,838,308,839
	Total Risk-Weighted Assets (1+2+3)		**224,653,544,549**	**196,154,987,362**
17.7	**Non-controlling Interest**			
	Opening Balance		226,877,106	226,408,192
	Dividend paid to non-controlling shareholders		(20,250,000)	-
	Share of current year's profit		20,813,816	468,914
			227,440,923	**226,877,106**

			31.12.2021 Taka	31.12.2020 Taka
18.	**Statutory Reserve**			
	Opening balance		6,959,872,664	6,231,188,665
	Add: Addition during the year		967,333,131	728,684,000
			7,927,205,795	**6,959,872,664**
19.	**Consolidated Retained Earnings**			
	Shahjalal Islami Bank Ltd	(Note-19a)	1,584,818,008	1,187,959,349
	Shahjalal Islami Bank Securities Ltd		26,275,021	19,980,021
			1,611,093,028	1,207,939,370
	Less: Non-controlling Interest		2,440,923	1,877,106
			1,608,652,106	**1,206,062,264**
19.1	**Consolidated current year's Retained Earnings**			
	Shahjalal Islami Bank Ltd.		2,585,236,940	1,908,198,587
	Shahjalal Islami Bank Securities Ltd.	(Note-19a)	253,466,032	5,710,327
			2,838,702,972	1,913,908,914
	Less: Non-controlling Interest		20,813,816	468,914
			2,817,889,155	**1,913,440,000**
19a	**Retained Earnings of the Bank**			
	Opening Balance		1,187,959,349	941,866,028
	Less: Payment of Dividend		1,176,110,795	933,421,266
	Add: Transfer from Profit and Loss Account		2,585,236,940	1,908,198,587
	Less: Trnsfer to Statutory Reserve		967,333,131	728,684,000
	Less: Start-up Fund		44,934,355	-
			1,584,818,008	**1,187,959,349**
20.	**Letters of Guarantee**			
	Letters of Guarantee (Local)		31,275,856,419	30,289,472,406
	Letters of Guarantee (Foreign)		627,820,020	801,654,425
	Back to Back Usance		452,146	932,987
			31,904,128,585	**31,092,059,818**
	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		3,000,000	3,000,000
	Government		223,498,750	232,765,618
	Banks and Other Financial Institutions		-	-
	Others		31,677,629,834	30,856,294,200
			31,904,128,585	**31,092,059,818**
21.	**Irrevocable Letters of Credit**			
	Letters of credit		**64,074,742,941**	**34,857,199,890**

		2021 Taka	2020 Taka
22. Consolidated Profit and Loss Account			
Income:			
Profit on Investments	(Note-23)	13,792,776,608	16,986,601,742
Income from Investments in securities	(Note-25)	608,531,097	640,308,884
Dividend Income	(Note-25)	295,277,342	46,331,181
Commission, Exchange and Brokerage	(Note-26)	2,518,174,907	1,857,875,279
Gains less losses arising from Investments in Securities		314,436,837	36,243,782
Other Operating Income	(Note-27)	1,056,361,211	818,539,311
		18,585,558,003	**20,385,900,179**
Expenses:			
Profit paid on Deposits	(Note-24)	7,397,902,913	11,440,711,730
Administrative Expenses		3,752,785,314	3,814,411,877
Other operating Expenses		787,867,429	620,498,003
Depreciation on Banking Assets		532,775,860	387,983,538
		12,471,331,516	**16,263,605,148**
Profit/(Loss) before Provision		**6,114,226,487**	**4,122,295,031**
22a Profit and Loss Account of the Bank			
Income:			
Profit on Investments	(Note-23a)	13,805,194,923	17,033,748,679
Income from Investments in Securities	(Note-25a)	582,605,534	542,747,982
Dividend Income	(Note-25a)	295,277,342	46,331,181
Commission, Exchange and Brokerage	(Note-26a)	2,239,187,234	1,752,496,265
Gains less losses arising from Investments in Securities	(Note-25a)	314,436,837	36,243,782
Other Operating Income	(Note-27a)	1,045,664,738	812,353,493
		18,282,366,608	**20,223,921,381**
Expenses:			
Profit paid on Deposits	(Note-24a)	7,381,645,027	11,418,428,603
Administrative Expenses		3,690,292,642	3,749,616,591
Other Operating Expenses		695,193,509	591,894,537
Depreciation on Banking Assets		511,541,775	369,167,653
		12,278,672,953	**16,129,107,384**
Profit/(Loss) before Provision		**6,003,693,656**	**4,094,813,997**
23. Consolidated Profit on Investments			
Shahjalal Islami Bank Ltd	(Note-23a)	13,805,194,923	17,033,748,679
Shahjalal Islami Bank Securities Ltd		173,610,465	123,462,806
		13,978,805,388	17,157,211,485
Less: Inter Company Transaction		186,028,780	170,609,743
		13,792,776,608	**16,986,601,742**

			2021 Taka	2020 Taka
23a	**Profit on Investments of the Bank**			
	Profit on Investments*	(Note-23a.1)	12,640,778,286	15,843,375,369
	Profit on Placement with Other Banks & Financial Institutions		1,164,416,637	1,190,373,310
			13,805,194,923	**17,033,748,679**

The Government declared that all types of lending rates would be as high as 9% and it was implemented in early 2020. Due to Central Bank caps, the profit on investments reduced by 18.95% though investments increased by 10.22%.

23a.1	**Profit on Investments**		
	Profit on Murabaha	525,958,665	1,109,903,419
	Profit on Bi-Muazzal	6,926,932,305	9,104,442,339
	Profit on Hire-Purchase	2,890,839,993	3,455,609,394
	Profit on Ijara	173,967,520	222,743,348
	Profit on Bi-Salam	428,061,307	262,155,491
	Profit on Inland Document Bill Purchased	280,663,219	368,430,483
	Profit on Foreign Document Bill Purchased	30,117,337	15,072,467
	Profit on Investment against Scheme Deposit	59,050	62,344
	Profit on Investment against Mudaraba Savings Deposit	16,716	17,496
	Profit on Investment against EDF	217,659,069	230,756,959
	Profit on Mudaraba	678,404,000	761,976,531
	Profit Received From Resheduled Investment - Rent Mode	283,924,344	192,947,399
	Profit on Murabaha Import Bill (UPAS)	162,504,294	98,193,920
	Profit Received From HPSM	1,499,544	1,746,074
	Income from Islamic Credit Card	38,979,212	19,317,704
	Profit on Investment against Other Securities	1,191,712	-
		12,640,778,286	**15,843,375,369**

23a.2	**Investment Income derived from the fund deployed**		
	Inside Bangladesh		
	i) Mudaraba Deposits	8,136,868,983	10,201,549,400
	ii) Other Deposits/Fund	4,503,909,303	5,641,825,969
		12,640,778,286	**15,843,375,369**
	Outside Bangladesh	**-**	**-**
		12,640,778,286	**15,843,375,369**

23a.3 Geographical Location-wise Profit on Investments

Area	2021		2020	
	Amount in Taka	Composition	Amount in Taka	Composition
i. Inside Bangladesh (note-22a.3.1)				
a) In Rural Areas	714,439,115	5.65%	841,932,474	5.31%
b) In Urban Areas	11,926,339,171	94.35%	15,001,442,895	94.69%
Sub-total	**12,640,778,286**	**100.00%**	**15,843,375,369**	**100.00%**
ii. Outside Bangladesh	-	-	-	-
Total	12,640,778,286	100.00%	15,843,375,369	100.00%

23a.3.1 Inside Bangladesh

Area	2021		2020	
	Amount in Taka	Composition	Amount in Taka	Composition
i. Inside Bangladesh a) In Rural Areas				
Dhaka	498,885,862	3.95%	591,924,826	3.74%
Chattogram	62,839,327	0.50%	81,905,212	0.52%
Sylhet	17,208,593	0.14%	15,524,251	0.10%
Rajshahi	44,545,459	0.35%	54,069,181	0.34%
Khulna	54,823,186	0.43%	61,867,460	0.39%
Barishal	21,933,353	0.17%	19,515,118	0.12%
Mymensingh	14,203,335	0.11%	17,126,427	0.11%
Sub-total	**714,439,115**	**5.65%**	**841,932,474**	**5.31%**

Area	2021		2020	
	Amount in Taka	Composition	Amount in Taka	Composition
b) In Urban Areas				
Dhaka	9,011,097,214	71.29%	11,464,872,610	72.36%
Chattogram	1,839,028,823	14.55%	2,386,939,389	15.07%
Sylhet	86,756,015	0.69%	85,511,431	0.54%
Rajshahi	361,343,187	2.86%	401,845,274	2.54%
Rangpur	90,201,243	0.71%	102,541,153	0.65%
Khulna	412,257,237	3.26%	408,826,112	2.58%
Barishal	32,556,546	0.26%	47,407,122	0.30%
Mymensingh	93,098,908	0.74%	103,499,804	0.65%
Sub-total	**11,926,339,171**	**94.35%**	**15,001,442,895**	**94.69%**
ii) Outside Bangladesh	-	-	-	-
Total	**12,640,778,286**	**100%**	**15,843,375,369**	**100%**

			2021 Taka	2020 Taka
24.	**Consolidated Profit paid on Deposits**			
	Shahjalal Islami Bank Ltd	(Note-24a)	7,381,645,027	11,418,428,603
	Shahjalal Islami Bank Securities Ltd		203,313,347	200,279,831
			7,584,958,374	11,618,708,434
	Less: Inter Company Transaction		187,055,461	177,996,704
			7,397,902,913	**11,440,711,730**
24a	**Profit paid on Deposits of the Bank**			
	Profit on Deposits*		6,792,079,305	10,568,923,180
	Profit paid on Borrowings		589,565,722	849,505,423
			7,381,645,027	**11,418,428,603**

*In 2021 there was huge liquidity surplus in banking sector, as a result the Bank accepted deposits at reduced rate. The Bank also improved the deposit mix by increasing low and no cost deposit which underpined the reduction of profit paid on deposit by 35.35% though deposits reduced by 0.53%.

24a.1	**Profit paid on Borrowings**			
	Profit paid on Borrowings		523,875,046	807,945,865
	Profit Expenses of Lease Liabilities (as per IFRS 16 Leases)		65,690,677	41,559,558
			589,565,722	**849,505,423**
25.	**Consolidated Income from Investments in Shares/Securities**			
	Shahjalal Islami Bank Ltd	(Note-25a)	1,192,319,713	625,322,945
	Shahjalal Islami Bank Securities Ltd		252,275,563	97,560,902
			1,444,595,276	722,883,847
	Less: Dividend from Subsidiary		226,350,000	-
			1,218,245,276	**722,883,847**
25a	**Income from Investments in Shares/Securities of the Bank**			
	Income from Investments in Govt. Sukuk/Islamic Bond		306,248,483	362,992,407
	Income from Investments in Shares & Securities	(Note-25a.1)	314,436,837	36,243,782
	Dividend Income		295,277,342	46,331,181
	Income from Investments in Corporate Sukuk/Islamic Bond		276,357,051	179,755,574
			1,192,319,713	**625,322,945**

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 Ltd	(Note-26a)	2,239,187,234	1,752,496,265
	Shahjalal Islami Bank Securities Ltd		278,987,673	105,379,014
			2,518,174,907	**1,857,875,279**

			2021 Taka	2020 Taka
26a	**Commission, Exchange and Brokerage of the Bank**			
	Other commission		1,309,629,988	951,570,778
	Exchange earnings	(Note-26a.1)	929,557,246	800,925,486
			2,239,187,234	**1,752,496,265**
26a.1	**Exchange Earnings**			
	Gross exchange gain		1,851,413,050	1,447,471,501
	Less: Exchange loss		921,855,804	646,546,015
	Net Exchange Gain		**929,557,246**	**800,925,486**
27.	**Consolidated Other Operating Income**			
	Shahjalal Islami Bank Ltd	(Note-27a)	1,045,664,738	812,353,493
	Shahjalal Islami Bank Securities Ltd		11,723,154	13,572,779
			1,057,387,892	825,926,272
	Less: Inter Company Transaction		1,026,681	7,386,961
			1,056,361,211	**818,539,311**
27a	**Other Operating Income of the Bank**			
	Postage, Telex, SWIFT & REUTERS		150,519,834	124,486,149
	Incidental Charge		930	720
	Supervision & Monitoring Charge		12,839,796	7,906,201
	Other Charges	(Note-27a.1)	882,304,178	679,960,422
			1,045,664,738	**812,353,493**
27a.1	**Other Charges**			
	Rent receipts		6,273,844	5,159,057
	Charges on A/C closing		625,200	398,509
	Charges on clearing returned		1,870,110	1,955,700
	Cheque processing charge		3,839,622	2,768,329
	Service charges on Ijara		139,700	36,500
	Service charges on scheme investment		4,388,245	1,542,850
	Service charges on Quard		79,165,438	77,519,798
	Passport endorsement charge		30,500	21,650
	PO/DD cancellation charge		145,055	232,417
	Branch banking services		28,952,489	18,489,798
	Account maintenance fee		63,566,179	73,936,079
	Recoveries from cheque issue		5,344,154	5,063,941
	Income from sale of forms		8,910,175	5,423,201
	Service charge on SJIBL VISA Card		126,777,172	91,279,563
	Other Income From Islamic Credit Card		14,339,177	6,635,007
	Management Fees		2,987,821	521,421
	Notice pay earnings		4,860,496	3,872,662
	Rebate on Trade Finance		93,706,413	77,696,346
	Discrepency Fee		272,682,794	186,691,638
	Profit on sale of Bank's Assets		105,886	594,121
	Provident Fund Forfeiture Balance Refund		809,055	2,586,653
	Miscellaneous income		162,784,656	117,535,182
			882,304,178	**679,960,422**
28.	**Consolidated Salaries & Allowances**			
	Shahjalal Islami Bank Ltd	(Note- 28a)	2,981,217,178	2,980,281,717
	Shahjalal Islami Bank Securities Ltd		52,647,257	51,218,912
			3,033,864,435	**3,031,500,629**

			2021 Taka	2020 Taka
28a	**Salaries & Allowances of the Bank**			
	Basic Salary		1,279,485,607	1,272,172,148
	Allowances		1,161,185,099	1,148,434,703
	Bonus		387,830,382	424,347,754
	Bank's Contribution to Provident fund		126,579,003	115,661,817
	Leave Encashment		26,137,087	19,665,296
			2,981,217,178	**2,980,281,717**
29.	**Consolidated Rent, Taxes, Insurance, Electricity etc.**			
	Shahjalal Islami Bank Ltd	(Note- 29a)	334,690,238	429,749,211
	Shahjalal Islami Bank Securities Ltd		6,036,721	8,448,714
			340,726,959	**438,197,925**
29a	**Rent, Taxes, Insurance, Electricity etc. of the Bank**			
	Rent, Rates & Taxes		71,072,584	182,550,529
	Insurance		184,369,001	170,771,492
	Electricity & Lighting		79,248,653	76,427,190
			334,690,238	**429,749,211**
29a.1	**Rent, Rates & Taxes**			
	Rent, Rates & Taxes		292,195,828	285,445,961
	Transfer to depreciation and profit expenses under IFRS 16*		221,123,244	102,895,432
			71,072,584	**182,550,529**

*Due to the adoption of IFRS 16 Leases, rental expense of Tk. 221,123,244 was transferred to depreciation of Right of Use (RoU) Assets and profit expense of lease liabilities.

30.	**Consolidated Legal Expenses**			
	Shahjalal Islami Bank Ltd	(Note- 30a)	1,011,136	1,235,580
	Shahjalal Islami Bank Securities Ltd		28,750	874,000
			1,039,886	**2,109,580**
30a	**Legal Expenses of the Bank**			
	Legal Fees & Charge		182,486	409,390
	Other Legal Expenses		828,650	826,190
			1,011,136	**1,235,580**
31.	**Consolidated Postage, Stamps, Telecommunication etc.**			
	Shahjalal Islami Bank Ltd	(Note- 31a)	40,178,463	44,513,612
	Shahjalal Islami Bank Securities Ltd		2,425,692	2,445,832
			42,604,155	**46,959,444**
31a	**Postage, Stamps, Telecommunication etc. of the Bank**			
	Postage		1,341,822	1,771,481
	Leased line		23,208,482	23,680,495
	Telegram, Fax, Telex & Internet charge		4,890,349	5,494,991
	Telephone charges		2,821,732	2,375,989
	Mobile phone charges		7,916,079	11,190,657
			40,178,463	**44,513,612**
32.	**Consolidated Stationery, Printing, Advertisements etc.**			
	Shahjalal Islami Bank Ltd	(Note- 32a)	98,375,319	82,898,124
	Shahjalal Islami Bank Securities Ltd		1,287,010	1,767,577
			99,662,329	**84,665,701**

			2021 Taka	2020 Taka
32a	**Stationery, Printing, Advertisements etc. of the Bank**			
	Table Stationery		8,058,990	7,619,419
	Printing Stationery		10,448,359	10,832,812
	Security Stationery		5,846,484	5,223,749
	Computer Stationery		38,835,935	30,274,393
	Publicity and Advertisement		35,185,552	28,947,751
			98,375,319	**82,898,124**
33.	**Chief Executive's Salary & Fees of the Bank**			
	Basic Salary		13,394,700	12,177,000
	Allowances		4,800,000	5,000,000
	Bonus		3,395,800	3,178,000
	Bank's Contribution to Provident Fund		1,339,470	1,217,700
			22,929,970	**21,572,700**
34.	**Directors' Fees & Expenses of the Bank**			
	Directors' Fees		4,834,400	4,714,000
	Meeting Expenses		1,564,084	2,023,530
			6,398,484	**6,737,530**
35.	**Shariah Supervisory Committee's Fees & Expenses of the Bank**			
	Shariah Council Meeting Expenses		**743,851**	**295,512**
36.	**Consolidated Auditors' Fees**			
	Shahjalal Islami Bank Ltd	(Note-36a)	550,000	500,000
	Shahjalal Islami Bank Securities Ltd		67,242	40,250
			617,242	**540,250**
36a	**Auditor's Fees of the Bank**			
	Auditor's Fees		**550,000**	**500,000**
37.	**Consolidated Depreciation & Repairs of Assets**			
	Shahjalal Islami Bank Ltd	(Note-37a)	535,869,372	390,017,716
	Shahjalal Islami Bank Securities Ltd		21,234,085	18,815,885
			557,103,457	**408,833,601**
37a	**Depreciation & Repairs of Bank's Assets**			
	a) Depreciation of Bank's Assets (Annexure-B)			
	Land & Building		19,660,190	15,157,806
	Furniture & Fixtures		80,051,311	75,438,606
	Office Equipment		92,166,981	86,226,863
	Computer & Network Equipment		90,660,734	71,850,305
	Vehicles		11,836,748	13,034,194
	Right of use (ROU) Assets*		199,944,676	91,528,548
	Books		97,911	92,791
	b) Amortization of Bank's Assets (Annexure-B)			
	Software-Core Banking		5,150,818	5,164,930
	Software-Others		11,972,407	10,673,610
			511,541,775	**369,167,653**
	c) Repairs on Bank's Assets			
	Office Premises		2,622,888	628,596
	Office Equipment		9,852,816	9,710,840
	Office Furniture & Fixtures		1,340,324	997,691
	Vehicles		2,176,031	1,519,343
	Procurement of Parts, Spares & Others		8,335,538	7,993,594
			24,327,597	**20,850,063**
			535,869,372	**390,017,716**

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

			2021 Taka	2020 Taka
38.	**Zakat Expenses of the Bank**			
	Zakat Expenses		179,870,407	160,982,542
			179,870,407	**160,982,542**
39.	**Consolidated Other Expenses**			
	Shahjalal Islami Bank Ltd	(Note-39a)	695,193,509	591,894,537
	Shahjalal Islami Bank Securities Ltd		92,673,920	28,603,466
			787,867,429	**620,498,003**
39a	**Other Expenses of the Bank**			
	Petrol, Oil and Lubricants		5,639,068	4,529,028
	Entertainment		23,414,815	16,373,126
	Subscription		57,719,923	8,231,843
	Traveling and Conveyance		15,292,782	23,489,059
	Training Expenses		2,126,090	2,250,680
	Car expenses		176,925,022	180,780,892
	Gratuity expenses		128,400,000	128,400,000
	Papers & Periodicals		129,878	26,626
	Utility		6,358,152	6,685,880
	Uniform & Liveries		2,352,369	2,629,316
	Bank Charges		2,581,156	8,304,450
	Business development & promotion		24,962,377	31,225,954
	Upkeep and cleaning of office premises		40,817,481	36,634,511
	Security Service- outsourcing		83,453,813	81,711,566
	Branch Opening Expenses		-	390,034
	Credit Rating fee		268,750	270,000
	SJIBL Card expenses		36,134,381	25,395,557
	Islamic Credit Card Expenses		7,116,480	2,888,192
	AGM & meeting expenses		1,652,652	2,965,094
	Capital Enhancement Fees		37,796,448	8,917,773
	Contribution to Social Security Superannuation Fund		2,000,000	2,000,000
	Laundry and Washing		244,897	236,237
	Crockeries, Kettle and others		370,213	493,374
	Photograph and Photocopy		469,358	547,052
	Loss on Disposal of Fixed Assets		3,756,767	6,642,148
	Miscellaneous Expenses		16,110,637	9,876,145
	CSR Expense		19,100,000	-
			695,193,509	**591,894,537**
40.	**Consolidated Provision against Investments, Off-balance Sheet Items & Others**			
	Shahjalal Islami Bank Ltd	(Note-40a)	1,167,028,000	451,394,000
	Shahjalal Islami Bank Securities Ltd		17,500,000	-
			1,184,528,000	**451,394,000**
40a	**Provision against Investments, Off-balance Sheet Items & Others of the Bank**			
	Provision on Unclassified Investments		194,538,000	228,500,000
	Provision on Classified Investments		541,490,000	156,994,000
	Provision on Off-balance Sheet Items		421,000,000	65,900,000
	Provision on Other Assets		10,000,000	-
			1,167,028,000	**451,394,000**
41.	**Consolidated Deferred Tax Expenses/(Income)**			
	Shahjalal Islami Bank Ltd	(Note-41a)	(22,097,080)	71,173,152
	Shahjalal Islami Bank Securities Ltd		969,982	(818,396)
			(21,127,098)	**70,354,756**

			2021 Taka	2020 Taka
41a	**Deferred Tax Expenses/(Income) of the Bank**			
	Closing deferred tax liability		237,151,866	259,248,945
	Opening deferred tax liability		259,248,945	188,075,793
	Deferred tax expenses/(Income)		**(22,097,080)**	**71,173,152**
41b	**Consolidated Tax Expenses**			
	Current tax		2,338,472,612	1,686,637,361
	Deferred tax		(21,127,098)	70,354,756
			2,317,345,515	**1,756,992,117**
41c	**Tax Expenses of the Bank**			
	Current tax	(Note-15a.2)	2,273,525,795	1,664,048,258
	Deferred tax	(Note-41a)	(22,097,080)	71,173,152
			2,251,428,716	**1,735,221,410**
42.	**Consolidated Earnings per Share (EPS)**	(Note-2.19)		
	Net Profit after Tax		2,591,539,155	1,913,440,000
	Number of Ordinary Shares outstanding		1,029,096,951	1,029,096,951
			2.52	**1.86**
42a	**Earnings per Share (EPS) of the Bank**	(Note-2.19)		
	Net Profit after Tax		2,585,236,940	1,908,198,587
	Number of Ordinary Shares outstanding		1,029,096,951	1,029,096,951
			2.51	**1.85**

Earnings per share has been calculated in accordance with IAS 33 Earnings per Share.

Operating Income & Earnings per Share substantially increased compared to that of last year mainly due to the increase of Net Investment Income, Income from Investments in Shares & Securities, Commission, Exchange and Brokerage and Other Operating Income.

42(i)	**Net Asset Value (NAV) per Share:**		
	Net Asset Value (Consolidated)	19,830,277,405	17,969,737,239
	Net Asset Value (Bank's)	19,802,993,313	17,948,755,363
	No. of Outstanding Shares	1,029,096,951	1,029,096,951
	Net Asset Value (NAV) per Share (Consolidated) [previous year's figure restated]	**19.27**	**17.46**
	Net Asset Value (NAV) per Share (Bank's) [previous year's figure restated]	**19.24**	**17.44**

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)	1,044,531,076	16,849,979,622
	Net cash flow from operating activities (Bank's)	632,061,045	16,618,307,760
	No. of Outstanding Shares	1,029,096,951	1,029,096,951
	Net Operating Cash Flow per Share (NOCFPS) (Consolidated) [previous year's figure restated]	**1.01**	**16.37**
	Net Operating Cash Flow per Share (NOCFPS) (Bank's) [previous year's figure restated]	**0.61**	**16.15**

Net Operating Cash Flow per Share (NOCFPS) has decreased significantly compared to that of last year mainly due to the decrease in deposits from customers as well as increase of investments to customer during the year.

43.	**Consolidated Investment Income Receipt in Cash**			
	Shahjalal Islami Bank Ltd	(Note-43a)	14,348,482,625	17,580,956,079
	Shahjalal Islami Bank Securities Ltd		425,886,028	221,023,708
			14,774,368,653	**17,801,979,787**

			2021 Taka	2020 Taka
43a	**Investment Income Receipt of the Bank**			
	Investment income receipt (excluding Dividend Income)	(Note 23a & 25a)	14,702,237,294	17,612,740,443
	Add: Opening profit receivable	(Note-10a.2)	345,276,627	313,492,263
	Less: Closing profit receivable	(Note-10a.2)	699,031,297	345,276,627
			14,348,482,625	**17,580,956,079**
44.	**Consolidated Profit Paid on Deposits**			
	Shahjalal Islami Bank Ltd	(Note-44a)	8,081,893,596	12,093,678,875
	Shahjalal Islami Bank Securities Ltd		191,183,988	242,647,072
			8,273,077,584	**12,336,325,947**
44a	**Profit Paid on Deposits of the Bank**			
	Profit Paid on Deposits	(Note-24a)	7,381,645,027	11,418,428,603
	Add: Opening profit payable on deposit	(Note-13a)	1,295,790,027	1,971,040,298
	Less: Closing profit payable on deposit	(Note-13a)	595,541,458	1,295,790,027
			8,081,893,596	**12,093,678,875**
45.	**Consolidated Cash Receipt from other Operating activities**			
	Shahjalal Islami Bank Ltd	(Note-45a)	1,045,558,852	811,759,372
	Shahjalal Islami Bank Securities Ltd		11,723,154	13,572,779
			1,057,282,006	**825,332,151**
45a	**Cash Receipts from other Operating activities of the Bank**			
	Postage & Telex Charge Recovery		150,519,834	124,486,149
	Incidental Charge		930	720
	Supervision & Monitoring Charge		12,839,796	7,906,201
	Other charges (except income from sale of fixed assets)		882,198,293	679,366,302
			1,045,558,852	**811,759,372**
46.	**Consolidated Cash Payment for other Operating activities**			
	Shahjalal Islami Bank Ltd	(Note-46a)	1,279,206,916	1,250,116,440
	Shahjalal Islami Bank Securities Ltd		97,820,386	33,822,095
			1,377,027,302	**1,283,938,535**
46a	**Cash Payments for Other Operating activities of the Bank**			
	Rent, Taxes, Insurance, Lighting etc.	(Note-29a)	334,690,238	429,749,211
	Legal Expenses	(Note-30a)	1,011,136	1,235,580
	Postage, Stamp, Telegram & Telephone	(Note-31a)	40,178,463	44,513,612
	Directors' Fee & Expenses	(Note-34)	6,398,484	6,737,530
	Shariah Supervisory Committee's Fees & Expenses	(Note-35)	743,851	295,512
	Auditor's Fee	(Note-36a)	550,000	500,000
	Repairs & Maintenance of Bank's Assets	(Note-37a.c)	24,327,597	20,850,063
	Zakat Expenses	(Note-38)	179,870,407	160,982,542
	Other Expenses		691,436,741	585,252,390
			1,279,206,916	**1,250,116,440**
47.	**Cash Increase/Decrease in Consolidated Other Assets**			
	Shahjalal Islami Bank Ltd	(Note-47a)	2,845,471,073	2,874,965,509
	Shahjalal Islami Bank Securities Ltd		25,190,208	60,134,014
			2,870,661,281	2,935,099,523
	Less: Cash Increase/(Decrease) through Inter Company Transaction		2,515,000,000	2,515,000,000
			355,661,281	**420,099,523**
	Cash (Increase)/Decrease in Other Assets		**64,438,242**	**143,745,220**
47a	**Cash Increase/Decrease in Other Assets of the Bank**			
	Stock of Stationery and Stamps		24,202,678	21,388,644
	Advance deposits and rent		36,005,658	84,983,375
	Suspense Account		121,326,408	112,787,431
	Other Prepayments		100,954,213	90,173,713

			2021 Taka	2020 Taka
	Shahjalal Islami Bank Securities Ltd.	(Note 10a.3)	2,515,000,000	2,515,000,000
	Advance Insurance premium		17,851,680	19,821,018
	Other Receivables		3,181,647	3,181,647
	SJIBL General Account-Net		26,948,790	27,629,682
			2,845,471,073	**2,874,965,509**
	Cash (Increase)/Decrease in Other Assets		**29,494,436**	**153,312,500**
48.	**Cash Increase/Decrease in Consolidated Other Liabilities**			
	Shahjalal Islami Bank Ltd	(Note- 48a)	1,373,518,630	1,525,566,775
	Shahjalal Islami Bank Securities Ltd		1,855,020,759	1,617,113,341
			3,228,539,388	3,142,680,116
	Less: Cash Increase/(Decrease) through Inter Company transaction		-	-
			3,228,539,388	**3,142,680,116**
	Cash Increase/(Decrease) in Other Liabilities		**85,859,272**	**476,963,050**
48a	**Cash Increase/Decrease in Other Liabilities of the Bank**			
	Other Payables		352,866,713	224,969,005
	Taxation on other income & prior years		326,223,283	258,771,881
	Outstanding Expenses		108,996,505	279,571,450
	Unearned Income on Quard		30,939,867	35,643,836
	Leased Liabilities as per IFRS 16		554,492,262	726,610,603
			1,373,518,630	**1,525,566,775**
	Cash Increase/(Decrease) in Other Liabilities		**(152,048,146)**	**161,945,697**
49.	**Consolidated Cash and Cash Equivalents**			
	Shahjalal Islami Bank Ltd	(Note-49a)	17,054,274,937	22,901,161,618
	Shahjalal Islami Bank Securities Ltd		552,337,203	395,609,024
			17,606,612,140	**23,296,770,642**
	Less: Cash Increase/(Decrease) through Inter Company Transaction		478,050,762	388,139,197
			17,128,561,378	**22,908,631,445**
49a	**Cash and Cash Equivalent of the Bank**			
	Cash in Hand		1,943,331,636	1,814,745,636
	Balance with Bangladesh Bank & Sonali Bank Ltd. (as agent of Bangladesh Bank)		12,087,735,744	13,351,033,150
	Balance with Other Banks & Financial Institutions		3,023,207,557	7,735,382,832
			17,054,274,937	**22,901,161,618**
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		2,585,236,940	1,908,198,587
	Provision for taxation		2,251,428,716	1,735,221,410
	Provision for invstments, shares & contingent liabilities		1,167,028,000	451,394,000
	(Increase)/decrease profit receivable		(353,754,670)	(31,784,364)
	Increase/(decrease) profit payable on deposits		(700,248,569)	(675,250,272)
	Depreciation & amortization of fixed assets		511,541,775	369,167,653
	Recoveries on investment previously written-off		31,809,277	24,654,765
	Income tax paid		(1,799,500,546)	(2,156,182,447)
	Loss/profit on the sale of Bank's assets		3,650,882	6,048,027
	Effect of exchange rate changes on cash and cash equivalents		(11,326,932)	(2,121,500)
	Operating profit before changes in operating assets and liabilities		**3,685,864,873**	**1,629,345,858**

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 2,741.

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. 333 held on 05 January 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	BA
Mohammed Golam Quddus (Rep. of Anwer Khan Modern Hospital Ltd.)	Director	Member	Masters
K.A.M Majedur Rahman	Independent Director	Member	Masters
Nasir Uddin Ahmed, FCA, FCS	Independent Director	Member	Masters

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 31 December 2021, the Audit Committee of the Board conducted 10 (ten) meetings in which among others, the following issues were discussed:-

i) The duties and responsibilities of the Committee as stated in BRPD circular no. 11 dated 27 October 2013.

ii) Regular review of the Internal and External (including Bangladesh Bank) Inspection & Audit Report with a view to implementing the suggestion of Internal and External Auditors in respect of Internal Control structure and techniques.

iii) Minimization of expenditure in all operational activities where possible.

iv) Reviewing the Accounting procedures with a view to ascertain that the International Financial Reporting Standards (IFRSs) have been applied in maintaining books and records of the Bank.

53. Related Party Disclosures of the Bank

53.1 Name of the Directors and their Interest in different Entities

Name of Director	Status with the Bank	Name of the Firms/Companies in which they have Interest
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

Name of Director	Status with the Bank	Name of the Firms/Companies in which they have Interest
		xxix) Sonali IT
		xxx) Sonali Bazar Dot Com
		xxxi) United Traders
		xxxii) United Fisheries
		xxxiii) Long Lasting Coating
		xxxiv) Meghna Pipe Factory
		xxxv) Fly Galaxy Travel and Tours
		xxxvi) NRB Recruiting Agency
		xxxvii) Sonali Rubber Garden
		xxxviii) Sonali Abason Ltd.
		xxxix) Wordbridge School
		xxxx) Fareast International University
		xxxxi) 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.
Mohammed Golam Quddus (Rep. of Anwer Khan Modern Hospital Ltd.)	Vice Chairman	-
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) Modern Holdings Ltd.
		vi) Anwer Khan Modern Dredging Corporation
		vii) Anwer Khan Modern Printers & Publications
		viii) Anwer Khan Modern Medical College
		ix) Fareast Stocks & Bonds Ltd.
		x) Bangladesh Journal
		xi) Shahjalal Islami Bank Securities Ltd.
		xii) Anwer Khan Modern 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. Harun Miah (Rep. of Shamsuddin Khan & Harun Miah Ltd.)	Director	i) Shamsuddin Khan & Harun Miah Ltd. (UK)
		ii) Kushiara Travels Ltd.
		iii) Hotel Pritom
		iv) Shahjalal Islami Bank Securities Ltd.
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 Motors Ltd.
		iv) Islamic Insurance Bangladesh Ltd.
		v) Shahjalal Islami Bank Securities Ltd.
Akkas Uddin Mollah	Director	i) Russel Garments
		ii) Russel Apperals
		iii) Ekram Sweaters Ltd.
		iv) PNR Industries Ltd.
		v) Tania Cotton Mills Ltd.
		vi) Russel Washing Plant
		vii) Russel Spinning Mills Ltd.
		viii) Nurul Islam Spinning Mills Ltd.
		ix) Helal Textile Industries Ltd.
		x) Goodman Pharmaceuticals Ltd.
		xi) Alalpur Agro & Fisheries Ltd.
		xii) Tofaz Dresses Ltd.
		xiii) PNR Leather Products Ltd.
		xiv) Ekram Industries Ltd.
		xv) Akkas Uddin Mollah OPC
		xvi) Shahjalal Islami Bank Securities Ltd.

Name of Director	Status with the Bank	Name of the Firms/Companies in which they have Interest
Khandaker Sakib Ahmed	Director	i) Own The World Company Ltd.
		ii) AQUA Consultant & Associates Ltd.
		iii) Intech Limited (Listed Public Limited Company)
		iv) AIBL Capital Market Services Ltd.
		v) Shahjalal Islami Bank Securities Ltd.
Engr. Md. Towhidur Rahman	Director	i) Fresh Foods Ltd.
		ii) Fresh Export Import Ltd.
		iii) Sea Fresh Ltd.
		iv) Libas Textiles Ltd.
		v) Fresh Knitwear Ltd.
		vi) Moshiur Infrastructure Ltd.
		vii) Shahjalal Islami Bank Securities Ltd.
		viii) South Asian Scolars School and College
		ix) 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 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.
Md. Moshiur Rahman Chamak (Rep. of Fresh Export Import Ltd.)	Director	i) Fresh Export Import Ltd.
		ii) Libas Textiles Ltd.
		iii) Fresh Knitwear Ltd.
		iv) Moshiur Infrastructure Ltd.
Mrs. Tahera Faruque	Director	i) F & T Property Management Company
		ii) Star of India Restaurant
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	-
Nasir Uddin Ahmed	Independent Director	MABS & J Partners, Chartered Accountants

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

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

53.4 Lending Policies to Related Parties

Lending to related parties 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	299,000	-	Regular
ii)	Electra International Ltd.	Sanaullah Shahid	BMCTR-Rev	-	110,570,480	Regular
iii)	Own the World Company Limited	Khandaker Sakib Ahmed	BMCTR/BG	3,000,000	7,718,180	Regular
iv)	M/s. Rupsha Trading Corporation	Md. Mohiuddin Ahmed	L/C /MPI-TR/Bai-Muajjal	-	30,613,890	Regular
v)	Karnaphuli Motors	Abdul Halim	BMCTR-Rev	-	2,017,838	Regular
vi)	Abdul Hakim	Abdul Halim	HPSM-Real Estate	-	12,674,568	Regular
vii)	Shoyeb Ahmed	Abdul Halim	HPSM-Real Estate	-	12,717,007	Regular
viii)	Modern Diagnostic Center Limited	Dr. Anwer Hossain Khan	HPSM-Real Estate	-	165,761,992	Regular
ix)	Daffodilss Trading International	Mrs. Jabun Nahar	Bai-Muajjal/HPSM	-	100,288,333	Regular
x)	Shahjalal Islami Bank Securities Ltd.	Subsidiary	Bai-Muajjal/BG	600,000,000	2,241,959,513	Regular
				603,299,000	**2,684,321,800**	

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

i An unexpected incident has occurred in the Bank's Foreign Exchange Branch located at Modern Mansion (1st Floor), 53 Motijheel C/A, Dhaka-1000 on 06 March 2022. There has been a sudden fracture in the floor premises of the Branch. As a result, shifting process of properties and assets of the Branch is going on till date. However, the Bank has been providing customer services to its clients and processing regular transactions from the nearby Branches. The Bank has already obtained permission from Bangladesh Bank for the shifting process. As such no material impact has been found for the year 2021.

ii The Board of Directors of the Bank at its 337th meeting held on 16 March 2022 has recommended 5% stock & 10% cash dividend for the year 2021. This dividend is subject to the final approval by the shareholders at the forthcoming Annual General Meeting (AGM) of the Bank. The effect of the above stock & cash dividend will be accounted for in the period when shareholders' right to receive the payment will be established. The declared dividend is also in compliance with Section 16G of Income Tax Ordinance, 1984.

Chairman **Director** **Director** **Managing Director & CEO**

Dhaka,
16 March 2022

INVESTMENTS IN SHARES & SECURITIES (LISTED WITH STOCK EXCHANGES)

As at 31 December 2021

Sl. No.	Name of Company	No. of Shares/ Securities	Market Price per Share	Market Value as at 31 December 2021	Cost Price as at 31 December 2021	Unrealised Gain/ (loss)
	Quoted					
1	The ACME Laboratories Limited	250,000	86.50	21,625,000	22,850,371	(1,225,371)
2	Active Fine Chemicals Ltd.	1,700,000	25.60	43,520,000	50,768,200	(7,248,200)
3	Aftab Automobiles Limited	1,165,500	27.30	31,818,150	72,694,438	(40,876,288)
4	AIBL 1st Islamic Mutual Fund	8,099,050	8.50	68,841,925	72,760,670	(3,918,745)
5	Apex Footwear Limited	63,000	268.10	16,890,300	18,699,764	(1,809,464)
6	Bangladesh Steel Re-Rolling Mills Limited	400,000	71.10	28,440,000	25,845,335	2,594,665
7	Dhaka Electric Supply Company Ltd.	2,500,000	35.50	88,750,000	125,911,056	(37,161,056)
8	Eastern Housing Limited	2,800,000	46.80	131,040,000	205,738,580	(74,698,580)
9	Export Import Bank of Bangladesh Limited	9,500,000	12.70	120,650,000	132,329,640	(11,679,640)
10	Fareast Islami Life Insurance Co. Ltd.	958,000	53.70	51,444,600	65,297,782	(13,853,182)
11	Generation Next Fashions Limited	1,989,845	5.80	11,541,101	25,741,814	(14,200,713)
12	M.I. Cement Factory Ltd.	400,000	62.20	24,880,000	31,871,607	(6,991,607)
13	Meghna Petroleum Limited	500,000	196.80	98,400,000	101,861,109	(3,461,109)
14	Metro Spinning Mills Limited	1,000,000	23.40	23,400,000	54,315,162	(30,915,162)
15	RAK Ceramics (Bangladesh) Limited	1,200,000	44.40	53,280,000	52,821,755	458,245
16	Square Textile Ltd.	700,000	52.20	36,540,000	42,041,896	(5,501,896)
17	The Dacca Dyeing & Mfg. Co. Limited	3,018,140	24.10	72,737,174	110,968,750	(38,231,576)
18	Titas Gas Transmission and Distribution Co. Ltd	3,500,000	36.30	127,050,000	193,241,054	(66,191,054)
19	Unique Hotel and Resorts Ltd.	337,920	50.20	16,963,584	20,091,892	(3,128,308)
20	Prime Islami Life Insurance Ltd.	214,300	57.50	12,322,250	13,936,568	(1,614,318)
21	Singer Bangladesh Limited	400,000	169.90	67,960,000	72,735,184	(4,775,184)
22	Olympic Industries Ltd.	30,000	160.60	4,818,000	5,627,022	(809,022)
23	Square Pharmaceuticals Ltd.	600,000	214.30	128,580,000	128,941,716	(361,716)
24	Bashundhara Paper Mills Limited	500,000	43.10	21,550,000	26,119,683	(4,569,683)
25	The IBN SINA Pharmaceutical Industry Ltd.	150,000	271.30	40,695,000	38,087,484	2,607,516
26	MJL Bangladesh Limited	1,000,000	88.30	88,300,000	86,720,740	1,579,260
27	Silva Pharmaceuticals Limited	1,502,876	17.90	26,901,480	31,768,758	(4,867,278)
28	Robi Axiata Limited	3,000,000	34.60	103,800,000	142,756,117	(38,956,117)
29	Linde Bangladesh Ltd.	15,700	1,579.80	24,802,860	19,981,907	4,820,953
30	Power Grid Company of Bangladesh Ltd.	500,000	59.60	29,800,000	30,831,580	(1,031,580)
31	Lub-rref (Bangladesh) Limited	800,000	37.70	30,160,000	42,281,896	(12,121,896)
32	Mir Akhter Hossain Limited	600,000	62.00	37,200,000	55,081,388	(17,881,388)
33	Krishibid Feed Limited	86,526	10.00	865,260	865,260	-
34	ACI Limited	230,000	285.40	65,642,000	59,835,403	5,806,597
35	AL-Arafah Islami Bank Limited	1,200,000	26.60	31,920,000	29,602,959	2,317,042
36	Islami Bank Bangladesh Limited	1,500,000	32.00	48,000,000	44,936,869	3,063,131
	Un-Quoted					
1	Lanka Bangla Securiries Ltd.	-	-	5,000,000	5,000,000	-
2	Investment A/C - SWIFT Membership Share			9,443,636	9,443,636	
3	Union Bank Limited	-	-	21,403,000	21,403,000	
4	BD Thai Food & Beverage Limited	-	-	640,500	640,500	-
	Total			**1,867,615,820**	**2,292,448,546**	**(424,832,726)**

Shahjalal Islami Bank Limited

Annexure-B

SCHEDULE OF FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURES

As at 31 December 2021

(Amount in Taka)

Particulars	Cost				Depreciation & Amortization					Written Down Value as at 31.12.2021
	Balance as at 01.01.2021	Addition during the year	Adjustment during the year	Balance as at 31.12.2021	Rate	Balance as at 01.01.2021	Adjustment during the year	Charged during the year	Balance as at 31.12.2021	
Tangible Assets										
Land	1,876,724,350	-	-	1,876,724,350	-	-	-	-	-	1,876,724,350
Building	893,986,278	-	-	893,986,278	2.50%	126,631,127	-	19,660,190	146,291,316	747,694,961
Furniture & Fixtures	1,108,875,244	42,666,735	18,713,492	1,132,828,486	10% & 20%	431,926,712	13,586,955	80,051,311	498,391,068	634,437,418
Office Equipment	748,190,288	19,600,687	11,575,340	756,215,635	20%	381,547,381	10,917,217	92,166,981	462,797,145	293,418,491
Computer & Network Equipment	609,210,291	54,256,817	5,445,690	658,021,418	20%	351,263,915	5,168,248	90,660,734	436,756,401	221,265,016
Vehicles	116,941,907	19,227,699	-	136,169,606	20%	85,809,961	-	11,836,748	97,646,709	38,522,898
Right of Use Assets (ROU)	884,017,237	705,501,191	-	1,589,518,428	-	142,410,355	-	199,944,676	342,355,031	1,247,163,398
Books	1,042,667	-	-	1,042,667	20%	905,234	-	97,911	1,003,146	39,521
Sub-total	**6,238,988,262**	**841,253,129**	**35,734,522**	**7,044,506,868**		**1,520,494,686**	**29,672,421**	**494,418,550**	**1,985,240,815**	**5,059,266,053**
Intangible Assets										
Software-Core Banking	62,615,431	-	-	62,615,431	20%	57,450,499	-	5,150,818	62,601,317	14,114
Software-Others	86,412,468	13,033,844	300,000	99,146,312	20%	69,420,730	292,718	11,972,407	81,100,419	18,045,893
Sub-total	**149,027,899**	**13,033,844**	**300,000**	**161,761,743**		**126,871,229**	**292,718**	**17,123,225**	**143,701,736**	**18,060,006**
Grand Total	**6,388,016,160**	**854,286,973**	**36,034,522**	**7,206,268,611**		**1,647,365,915**	**29,965,139**	**511,541,775**	**2,128,942,552**	**5,077,326,059**

As at 31 December 2020

(Amount in Taka)

Particulars	Cost				Depreciation & Amortization					Written Down Value as at 31.12.2020
	Balance as at 01.01.2020	Addition during the year	Adjustment during the year	Balance as at 31.12.2020	Rate	Balance as at 01.01.2020	Adjustment during the year	Charged during the year	Balance as at 31.12.2020	
Tangible Assets										
Land	1,876,724,350	-	-	1,876,724,350	-	-	-	-	-	1,876,724,350
Building	893,925,316	4,548,105	4,487,144	893,986,278	2.50%	111,473,321	-	15,157,806	126,631,127	767,355,151
Head Office Building under construction	89,165,998	10,309,314	99,475,312	-		-	-	-	-	-
Furniture & Fixtures	1,022,397,154	99,359,093	12,881,003	1,108,875,244	10% & 20%	363,358,073	6,869,967	75,438,606	431,926,712	676,948,532
Office Equipment	660,138,562	93,598,807	5,547,081	748,190,288	20%	300,452,241	5,131,722	86,226,863	381,547,381	366,642,907
Computer & Network Equipment	476,948,775	135,948,446	3,686,930	609,210,291	20%	282,929,083	3,515,473	71,850,305	351,263,915	257,946,376
Vehicles	114,089,748	7,118,160	4,266,000	116,941,907	20%	77,041,766	4,265,999	13,034,194	85,809,961	31,131,946
Right of Use Assets (ROU)	523,964,749	360,052,488	-	884,017,237	-	50,881,807	-	91,528,548	142,410,355	741,606,882
Books	1,042,667	-	-	1,042,667	20%	812,443	-	92,791	905,234	137,433
Sub-total	**5,658,397,319**	**710,934,413**	**130,343,470**	**6,238,988,262**		**1,186,948,734**	**19,783,161**	**353,329,113**	**1,520,494,686**	**4,718,493,576**
Intangible Assets										
Software-Core Banking	62,615,431	-	-	62,615,431	20%	52,285,570	-	5,164,930	57,450,499	5,164,932
Software-Others	80,939,128	5,473,340	-	86,412,468	20%	58,747,119	-	10,673,610	69,420,730	16,991,738
Sub-total	**143,554,559**	**5,473,340**	-	**149,027,899**		**111,032,689**	-	**15,838,540**	**126,871,229**	**22,156,670**
Grand Total	**5,801,951,877**	**716,407,753**	**130,343,470**	**6,388,016,160**		**1,297,981,423**	**19,783,161**	**369,167,653**	**1,647,365,915**	**4,740,650,245**

Shahjalal Islami Bank Limited

Annexure-C

STATEMENT OF FOREIGN CURRENCY

As at 31 December 2021

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

Sl. No.	Name of the Bank	Currency Name	2021			2020		
			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	4,222,890.33	85.8000	362,323,990	49,195,869.17	84.8000	4,171,809,706
2	Mashreq Bank psc, NY	USD	1,383,308.45	85.8000	118,687,865	1,120,294.21	84.8000	95,000,949
3	Standard Chartered Bank, Mumbai	USD	222,198.53	85.8000	19,064,634	222,198.53	84.8000	18,842,435
4	Habib American Bank, USA	USD	732,230.33	85.8000	62,825,362	987,047.96	84.8000	83,701,667
5	ICICI Bank, Hong Kong	USD	290,441.65	85.8000	24,919,894	69,151.09	84.8000	5,864,012
6	WACHOVIA BANK, NY, USA	USD	668,366.00	85.8000	57,345,803	198,414.08	84.8000	16,825,514
7	Commerzbank AG Frankfrut	USD	79,082.15	85.8000	6,785,248	319,409.60	84.8000	27,085,934
8	Bank Aljazira	USD	64,700.58	85.8000	5,551,310	51,775.88	84.8000	4,390,595
9	JPMorgan Chase Bank N.A., NY, USA	USD	1,083,379.99	85.8000	92,954,003	165,884.65	84.8000	14,067,018
10	Citibank N.A., NY, USA	USD	173,390.88	85.8000	14,876,938	-	-	-
11	AB Bank Ltd. Mumbai	ACUD	314,047.62	85.8000	26,945,286	87,601.44	84.8000	7,428,602
12	Standard Chartered Bank, Mumbai	ACUD	63,156.19	85.8000	5,418,801	750,427.41	84.8000	63,636,244
13	Nepal Bangladesh Bank, Nepal	ACUD	51,424.69	85.8000	4,412,238	8,600.69	84.8000	729,339
14	Standard Chartered Bank, Colombo	ACUD	14,195.67	85.8000	1,217,988	17,763.89	84.8000	1,506,378
15	ICICI Bank, Mumbai	ACUD	940,221.69	85.8000	80,671,021	342,494.97	84.8000	29,043,573
16	Habib Metropoliton Bank Ltd.	ACUD	61,007.79	85.8000	5,234,468	38,911.64	84.8000	3,299,707
17	United Bank of India, Kolkata	ACUD	225,403.19	85.8000	19,339,594	226,914.35	84.8000	19,242,337
18	Sonali Bank Ltd. ACU, Kolkata	ACUD	67,955.25	85.8000	5,830,560	145,032.62	84.8000	12,298,766
19	Bank of Bhutan Ltd. Main Branch	ACUD	12,602.16	85.8000	1,081,265	16,268.90	84.8000	1,379,603
20	AXIS Bank Ltd. India	ACUD	272,112.23	85.8000	23,347,229	79,647.22	84.8000	6,754,084
21	MCB Bank Limited	ACUD	193,508.12	85.8000	16,602,997	148,485.82	84.8000	12,591,598
22	HDFC Bank Ltd., Mumbai	ACUD	207,696.40	85.8000	17,820,351	592,362.59	84.8000	50,232,348
23	Standard Chartered Bank, Frankfurt	EURO	17,789.23	97.3658	1,732,063	117,883.59	103.5832	12,210,759
24	COMMERZBANK AG	EURO	1,057.35	97.3658	102,950	38,612.42	103.5832	3,999,598
25	Wells Fargo Bank, N. A. London, UK	EURO	1,785.56	97.3658	173,852	602,362.16	103.5832	62,394,600
26	JPMorgan Chase AG, Frankfurt	EURO	68,840.91	97.3658	6,702,750	87,370.02	103.5832	9,050,066
27	Standard Chartered Bank,Tokyo	YEN	1,335,122.99	0.7467	996,936	966,228.99	0.8167	789,119
28	Habib Bank AG Zurich	CHF	8,222.91	93.8137	771,422	11,641.24	95.3773	1,110,310
29	ICICI Bank, Canada	CAD	4,976.48	67.0837	333,841	6,900.21	66.0488	455,751
30	Bank Aljazira, KSA	SAR	1,237,672.35	22.8660	28,300,616	266,929.35	22.5977	6,031,989
31	Riyad Bank, KSA	SAR	58,798.45	22.8660	1,344,485	101,648.45	22.5977	2,297,021
32	Standard Chartered Bank, London	GBP	3,420.31	115.7871	396,028	10,654.42	113.9797	1,214,388
33	JPMorgan Chase Bank N.A., London	GBP	4,989.68	115.7871	577,741	4,940.00	113.9797	563,060
34	MASHREQBANK PSC. UAE	AED	27,420.95	23.3622	640,614	314,372.25	23.0849	7,257,252
35	Emirates Islamic Bank PJSC, Dubai	AED	565,000.00	23.3622	13,199,643	235,000.00	23.0849	5,424,952
36	Standard Chartered Bank, China	CNY	71,648.42	13.4736	965,362	76,087.95	12.9771	987,401
	Total				**1,029,495,149**			**4,759,516,675**

Shahjalal Islami Bank Limited

Annexure-D

DETAILS OF INFORMATION ON INVESTMENTS EXCEEDING 10% OF BANK'S TOTAL REGULATORY CAPITAL (FUNDED & NON-FUNDED)

As at 31 December 2021

(Taka in Lac)

Sl. No.	Name of Client	Outstanding			% of Investments to Total Capital		
		Funded	Non-funded	Total	Funded	Non-Funded	Total
1	Reedisha Knitex Ltd.	655	31,638	32,293			
	Reedisha Textripe Ltd.	194	6,819	7,014			
	Reedisha Textiles Ltd.	-	72	72			
	Reedisha Glass Ltd.	-	-	-			
	Reedisha Trading & Distribution Co.	-	-	-			
	P.A. Knit Composite Ltd.	-	129	129			
	Group-total	**850**	**38,659**	**39,509**	**0.25%**	**11.44%**	**11.70%**
2	Logos Apparels Ltd.	13,681	20,940	34,621			
	Rahmat Sweater (BD) Ltd.	1,842	1,293	3,135			
	Belkuchi Spinning Mills Ltd.	8,416	156	8,573			
	M/s. Shahi Products	5,265	-	5,265			
	Mohammad Ali Spinning Mills Ltd.	-	-	-			
	Group-total	**29,204**	**22,389**	**51,593**	**8.65%**	**6.63%**	**15.27%**
3	Anwar Silk Mills Ltd.	1,054	1,092	2,146			
	A-One Polymer Ltd.	199	1,123	1,322			
	Anwar Cement Ltd.	-	2,222	2,222			
	Anwar Ispat Ltd.	4,304	2,989	7,293			
	Anwar Jute Spinning Mills Ltd.	-	34	34			
	A.G. Automobiles Ltd.	1,530	140	1,670			
	A.G. Motors Ltd.	429	1	430			
	Hossain Dyeing & Printing Mills Ltd.	3,991	2,396	6,388			
	Mehmud Ind (Pvt.) Ltd.	4,267	4,206	8,473			
	Anwar Cement Sheet Ltd.	20,762	7,636	28,399			
	Toledo Motors Limited	130	162	293			
	Eutocards Limited	-	4	4			
	Group-total	**36,666**	**22,007**	**58,673**	**10.86%**	**6.52%**	**17.37%**
4	Nassa Basics Ltd.	15,524	18,110	33,634			
	Nassa Spinning Ltd.	7,214	-	7,214			
	Nassa Basic Wash Ltd.	293	-	293			
	Nassa Hi Tech Wash Ltd.	805	4,623	5,428			
	Nassa Taipei Textile Mills Ltd.	9,066	11,681	20,747			
	Group-total	**32,903**	**34,414**	**67,317**	**9.74%**	**10.19%**	**19.93%**
5	Gazi Tanks (Unit-1,2,3,4),	7,175	356	7,531			
	Gazi Tyre	-	-	-			
	Gazi International	4,771	9,345	14,116			
	Gazi Pipes	1,051	7,950	9,001			
	Gazi Doors	-	-	-			
	Gazi Sinks	-	-	-			
	Gazi Communication Ltd.	-	3,305	3,305			
	Gazi Associates	-	-	-			
	Gazi Renewable Energy Company Ltd.	-	2,032	2,032			
	M G Internatioal	242	-	242			
	Group-total	**13,238**	**22,988**	**36,227**	**3.92%**	**6.81%**	**10.72%**

Sl. No.	Name of Client	Outstanding			% of Investments to Total Capital		
		Funded	Non-funded	Total	Funded	Non-Funded	Total
6	Chittagong Denim Mills Ltd.	9,116	5,111	14,227			
	Smart Jeans Ltd.	5,177	5,232	10,408			
	Smart Jacket Ltd.	2,295	5,975	8,270			
	Shehan Textile Ltd.	-	69	69			
	Smart Bio-Inception Ltd.	-	167	167			
	Apparel Promoters Limited	2,527	12,119	14,646			
	Al-Razi	7,482	5,091	12,573			
	BM Cotainer (BD)Ltd.	31	488	518			
	BM Energy (BD) Ltd.	-	10,167	10,167			
	Group-total	**26,627**	**44,419**	**71,046**	**7.88%**	**13.15%**	**21.03%**
7	Super Oil Refinery Ltd.	-	19,957	19,957			
	Multi Oil Refibnery Ltd.	-	-	-			
	Super Board Mills Limited	-	50	50			
	Super Formica & Lamination Ltd.	6,401	7,003	13,404			
	T.K. Chemical Complex Ltd.	2,979	515	3,494			
	Group-total	**9,380**	**27,524**	**36,904**	**2.78%**	**8.15%**	**10.93%**
8	Aswad Composite Mills Ltd.	554.26	62	616			
	Palmal Logistics	453.92	-	454			
	Aswad Composite Mills Limited	16,631.53	40,634	57,266			
	Group-total	**17,640**	**40,696**	**58,336**	**5.22%**	**12.05%**	**17.27%**
9	Alim Knit (BD) Ltd.	20,314	13,959	34,274			
	Mondol Intimates Ltd.	6,972	6,926	13,898			
	Mondol Knit Tex Ltd.	566	398	964			
	Appollo Knitwear BD Ltd.	1,349	2,510	3,859			
	Appollo Fashions Ltd.	537	1,094	1,631			
	Appollo Packaging (BD) Ltd.	-	25	25			
	Group-total	**29,739**	**24,912**	**54,651**	**8.80%**	**7.38%**	**16.18%**
10	Incepta Pharmacuticals Ltd.	10,035	7,807	17,842			
	Incepta Vaccine Ltd.	257	2,560	2,817			
	Incepta Hygiene and Hospicare Ltd.	229	24	253			
	Incepta Chemicals Ltd.	207	341	548			
	Incepta Herbal and Nutricare Ltd.	7	740	746			
	Maheen Dizayn Etiket (BD) Unit-2 Limited	4,501	984	5,484			
	Impress Fashion Limited	10,889	5,777	16,666			
	Impress Accessories Limited	4,442	485	4,926			
	Iport Logistics Ltd.	316	375	691			
	Impress Aviation Limited	1,676	147	1,823			
	Impress Aviation Limited	-	-	-			
	Next Spaces Ltd.	-	8,817	8,817			
	Infratrade Limited	54	48	102			
	Group-total	**32,612**	**28,103**	**60,715**	**9.65%**	**8.32%**	**17.97%**
11	Bengal Plastics Ltd.	3,070	4,301	7,371			
	Bengal Polymer Wares Ltd.	5,269	1,391	6,660			
	Bengal Polymer Wares Ltd. (Unit-2)	9,006	2,975	11,982			
	Bengal Concept and Holdings Ltd.	541	-	541			
	Euphoria Apparels Ltd.	5,970	3,156	9,126			
	Group-total	**23,855**	**11,823**	**35,679**	**7.06%**	**3.50%**	**10.56%**
12	Abdul Monem Ltd.	14,032	19,432	33,465			
	Tekken-Aml-Abenikko-JV	-	9,813	9,813			
	Group-total	**14,032**	**29,245**	**43,277**	**4.15%**	**8.66%**	**12.81%**
13	Mir Akhter Hossain Ltd.	-	11	11			
	Mir Cement Ltd.	9,020	12,685	21,705			
	Mir Concrete Products Ltd.	1,556	6,318	7,874			
	Mir Akhter Hossain Ltd.	12,403	22,528	34,932			
	Group-total	**22,980**	**41,543**	**64,522**	**6.80%**	**12.30%**	**19.10%**
14	Dhaly Construction Ltd.	38,473	10,038	48,512			
	RBS Construction Ltd.	1,991	-	1,991			
	Group-total	**40,464**	**10,038**	**50,502**	**11.98%**	**2.97%**	**14.95%**
15	Energypac Engineering Ltd.	4,520	17,781	22,301			
	Energypac Fashions Limited	18,934	5,262	24,196			
	Group-total	**23,454**	**23,043**	**46,497**	**6.94%**	**6.82%**	**13.77%**

Sl. No.	Name of Client	Outstanding			% of Investments to Total Capital		
		Funded	Non-funded	Total	Funded	Non-Funded	Total
16	BRAC	42,188	-	42,188			
	Group-total	**42,188**	**-**	**42,188**	**12.49%**	**0.00%**	**12.49%**
17	Trade International Industries Limited	4,267	23,648	27,915			
	Trade International Marketing Ltd. & its sister concerns	3,213	3,857	7,070			
	Md Nurul Amin and Others	181	-	181			
	Group-total	**7,661**	**27,505**	**35,166**	**2.27%**	**8.14%**	**10.41%**
18	Bangladesh Steel Re-Rolling Mills Ltd.	1,012	32,943	33,954			
	Bsrm Steels Limited	-	2,396	2,396			
	Bsrm Iron & Steel Co. Limited	-	-	-			
	H. Akberali & Co.	-	-	-			
	BSRM Steel Mills Limited	-	-	-			
	Group-total	**1,012**	**35,338**	**36,350**	**0.30%**	**10.46%**	**10.76%**
19	MAF Shoes Ltd.	22,907	17,468	40,375			
	Maf foot ware	-	-	-			
	Group-total	**22,907**	**17,468**	**40,375**	**6.78%**	**5.17%**	**11.95%**
20	Rose Sweaters Ltd.	3,176	1,257	4,433			
	Madinaple Fashions Craft Ltd.	3,945	1,912	5,857			
	Texeurop (BD) Ltd.	6,302	20,826	27,129			
	Scarlet Knitwears Ltd.	2,830	3,791	6,621			
	Pantex Dress Ltd.	1,814	5,203	7,017			
	T Shirt Printers Ltd.	-	71	71			
	Group-total	**18,067**	**33,060**	**51,127**	**5.35%**	**9.79%**	**15.14%**
Total		**445,479**	**535,176**	**980,655**			

Total Capital of the Bank as at 31 December 2021 is **Taka 337,780.31 lac.**

Shahjalal Islami Bank Limited

Annexure-E

HIGHLIGHTS OF PERFORMANCE OF THE BANK

As at and for the year ended 31 December 2021

(Amount in Taka)

Sl.	Particulars	2021	2020
1	Paid-up Capital	10,290,969,510	9,800,923,350
2	Total Capital (Tier-I + Tier-II)	33,778,031,313	28,308,255,363
3	Capital Surplus	11,312,676,858	8,692,756,627
4	Total Assets	313,731,100,865	293,517,852,175
5	Total Deposit	217,288,988,137	218,442,949,715
6	Total Investments (Loans & Advance)	216,586,583,999	196,512,651,241
7	Total Contingent Liabilities and Commitment	171,223,629,229	120,035,036,488
8	Investment Deposit Ratio (%)	84.48%	79.62%
9	Percentage of Classified Investments against Total Investments	4.42%	4.57%
10	Profit after Tax and Provision	2,585,236,940	1,908,198,587
11	Amount of Classified Investments	9,568,844,349	8,973,476,102
12	Provisions kept against Classified Investments	3,075,119,256	3,440,061,818
13	Provisions Surplus	723,256	8,783,884
14	Cost of Fund	5.28%	7.39%
15	Profit Earning Assets	266,235,178,638	244,232,030,384
16	Non-Profit Earning Assets	47,495,922,226	49,285,821,791
17	Return on Investments in Securities (ROI)	3.46%	2.59%
18	Return on Assets (ROA)	0.85%	0.68%
19	Income from Investment in Securities	1,192,319,713	625,322,945
20	Earnings per Share	2.51	1.85
21	Net Income per Share	2.51	1.85
22	Price Earning Ratio (Times)	8.68	12.35

Shahjalal Islami Bank Limited (Offshore Banking Unit)

BALANCE SHEET

As at 31 December 2021

	Note	31.12.2021		31.12.2020	
		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		532,007.48	45,646,242	258,303.19	21,904,111
Outside Bangladesh		-	-	-	-
	3	**532,007.48**	**45,646,242**	**258,303.19**	**21,904,111**
Investments					
General Investment etc.		17,788,253.12	1,526,232,118	10,997,570.45	932,593,974
Bills Purchased and Discounted		164,355,154.06	14,101,672,218	131,649,519.60	11,163,879,262
	4	**182,143,407.18**	**15,627,904,336**	**142,647,090.05**	**12,096,473,236**
Fixed Assets including Premises, Furniture and Fixtures	5	**5,162.69**	**442,959**	**6,434.37**	**545,635**
Other Assets		-	-	-	-
Non-Banking Assets		-	-	-	-
Total Property and Assets		**182,680,577.35**	**15,673,993,537**	**142,911,827.61**	**12,118,922,981**
Liabilities and Capital					
Liabilities					
Placement from other Banks & Financial Institutions	6	**180,071,500.00**	**15,450,134,700**	**142,030,000.00**	**12,044,144,000**
Deposits and Other Accounts					
Mudaraba Savings Deposits		700.00	60,060	45,091.50	3,823,759
Mudaraba Term Deposits		-	-	-	-
Other Mudaraba Deposits		-	-	-	-
Al-Wadeeah Current & Other Deposit Accounts		47,599.24	4,084,015	96,767.32	8,205,869
Bills Payable		-	-	-	-
	7	**48,299.24**	**4,144,075**	**141,858.82**	**12,029,628**
Other Liabilities	8	**2,560,778.11**	**219,714,762**	**739,968.79**	**62,749,353**
Total Liabilities		**182,680,577.35**	**15,673,993,537**	**142,911,827.61**	**12,118,922,981**
Capital/Shareholders' Equity					
Paid-up Capital		-	-	-	-
Statutory Reserve		-	-	-	-
Retained Earnings		-	-	-	-
Total Shareholders' Equity		-	-	-	-
Total Liabilities & Shareholders' Equity		**182,680,577.35**	**15,673,993,537**	**142,911,827.61**	**12,118,922,981**

Shahjalal Islami Bank Limited (Offshore Banking Unit)

OFF-BALANCE SHEET ITEMS

As at 31 December 2021

	Note	31.12.2021		31.12.2020	
		USD	Taka	USD	Taka
Contingent Liabilities					
Acceptances & endorsements		-	-	-	-
Letters of guarantee		-	-	-	-
Irrevocable letters of credit (including back to back bills)		-	-	58,646.16	4,973,194
Bills for collection		715,890.40	61,423,396	107,400.48	9,107,561
Other contingent liabilities		-	-	-	-
Total		**715,890.40**	**61,423,396**	**166,046.64**	**14,080,755**
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		**715,890.40**	**61,423,396**	**166,046.64**	**14,080,755**

Shahjalal Islami Bank Limited (Offshore Banking Unit)

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2021

	Note	2021		2020	
		USD	Taka	USD	Taka
Investment Income	9	6,662,905.25	571,677,270	7,357,248.95	623,894,711
Less: Profit paid on Deposits & Borrowing	10	1,999,059.82	171,519,333	2,533,546.64	214,844,755
Net Investment Income		**4,663,845.43**	**400,157,938**	**4,823,702.31**	**409,049,956**
Commission, Exchange and Brokerage	11	7,977.86	684,500	8,985.99	762,012
Other Operating Income	12	130,001.05	11,154,090	123,468.09	10,470,094
		137,978.91	**11,838,590**	**132,454.08**	**11,232,106**
Total Operating Income		**4,801,824.34**	**411,996,528**	**4,956,156.39**	**420,282,062**
Salaries and Allowances	13	123,016.51	10,554,817	114,359.58	9,697,692
Rent, Taxes, Insurances, Electricity etc.	14	195.41	16,766	233.86	19,831
Legal Expenses		-	-	2,739.74	232,330
Postage, Stamps, Telecommunication etc.	15	331.16	28,414	213.90	18,139
Stationery, Printings, Advertisements etc.	16	656.69	56,344	285.46	24,207
Auditor's Fees		-	-	-	-
Depreciation & Repairs of Bank's Assets	17	1,642.06	140,889	1,511.66	128,189
Other Expenses	18	7,979.68	684,657	8,758.39	742,711
Total Operating Expenses		**133,821.51**	**11,481,886**	**128,102.59**	**10,863,100**
Profit before Provision		**4,668,002.83**	**400,514,643**	**4,828,053.80**	**409,418,962**
Specific provision for Classified Investments		-	-	-	-
General provision for Unclassified Investments		1,829,836.83	157,000,000	-	-
Provision for Other Assets		-	-	-	-
Total Provision		1,829,836.83	157,000,000	-	-
Total Profit before Provisions for Taxation		**2,838,166.00**	**243,514,643**	**4,828,053.80**	**409,418,962**
Deferred Tax Expenses		-	-	-	-
Current Tax Expenses		-	-	-	-
		-	-	-	-
Net Profit after Taxation		**2,838,166.00**	**243,514,643**	**4,828,053.80**	**409,418,962**
Retained Earnings from previous year		-	-	-	-
Add: Retained Earnings of current year		2,838,166.00	243,514,643	4,828,053.80	409,418,962
Retained Earnings carried forward		**2,838,166.00**	**243,514,643**	**4,828,053.80**	**409,418,962**
Less: Retained earnings transferred to central operation		2,838,166.00	243,514,643	4,828,053.80	409,418,962
		-	-	-	-

Shahjalal Islami Bank Limited (Offshore Banking Unit)

CASH FLOW STATEMENT

For the year ended 31 December 2021

	2021		2020	
	USD	Taka	USD	Taka
Cash flows from operating activities				
Investment income receipt in cash	6,662,905.25	571,677,270	7,357,248.95	623,894,711
Profit paid on deposits & borrowings	(1,999,059.82)	(171,519,333)	(2,533,546.64)	(214,844,755)
Fees & commission receipt in cash	7,977.86	684,500	8,985.99	762,012
Cash payments to employees	(123,016.51)	(10,554,817)	(114,359.58)	(9,697,692)
Cash payments to suppliers	(656.69)	(56,344)	(285.46)	(24,207)
Receipts from other operating activities	130,001.05	11,154,090	123,468.09	10,470,094
Payments for other operating activities	(8,584.18)	(742,957)	(12,059.95)	(1,021,972)
(i) Operating profit before changes in operating assets & liabilites	**4,669,566.96**	**400,642,411**	**4,829,451.40**	**409,538,190**
Changes in operating assets and liabilities				
(Increase)/decrease of investments to customers	(39,496,317.13)	(3,531,431,100)	(6,440,966.55)	(532,573,351)
Increase/(decrease) of deposits received from customers	(93,559.58)	(7,885,553)	47,879.25	4,050,762
Increase/(decrease) of other liabilities	(9,027.51)	(34,592)	(397,382.34)	(33,811,758)
(ii) Cash flows from operating assets and liabilities	**(39,598,904.22)**	**(3,539,351,245)**	**(6,790,469.64)**	**(562,334,346)**
Net cash used in operating activities (A)=(i+ii)	**(34,929,337.26)**	**(3,138,708,834)**	**(1,961,018.24)**	**(152,796,156)**
Cash flows from investing activities				
Proceeds from sale of fixed assets	-	-	-	-
Purchases of fixed assets	(292.45)	(25,092)	(717.10)	(60,810)
Net cash used in investing activities (B)	**(292.45)**	**(25,092)**	**(717.10)**	**(60,810)**
Cash flows from financing activities				
Borrowings from Banks & Financial Institutions	38,041,500.00	3,405,990,700	6,736,700.00	557,742,830
Profit transferred to Shahjalal Islami Bank Ltd.	(2,838,166.00)	(243,514,643)	(4,828,053.80)	(409,418,962)
Net cash flow from financing activities (C)	**35,203,334.00**	**3,162,476,057**	**1,908,646.20**	**148,323,868**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**273,704.29**	**23,742,131**	**(53,089.14)**	**(4,533,098)**
Add: Cash and cash equivalents at the beginning of the year	258,303.19	21,904,111	311,392.33	26,437,209
Cash and cash equivalents at the end of the year	**532,007.48**	**45,646,242**	**258,303.19**	**21,904,111**

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021

1. Status of the Unit

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

1.1 Nature of Business/Principal Activities

The principal activities of 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) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act, 1994, the listing regulations of the Stock Exchanges, the Securities and Exchange Rule, 1987 and other laws and rules applicable in Bangladesh.

2.2 Common Expense

a. Expenditure for audit fees has not been separately accounted for in the Financial Statements of OBU.

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

2.3 General

a. These Financial Statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.

b. Assets, liabilities, income & expenses have been converted to BDT currency @ US$1 = Taka 85.80 (weighted average rate as at 31 December 2021).

	Note	31.12.2021		31.12.2020	
		USD	Taka	USD	Taka
3. Balance with Other Banks and Financial Institutions					
(other than Mudaraba Term Fund)					
Inside Bangladesh	(Note-3.1)	532,007.48	45,646,242	258,303.19	21,904,111
Outside Bangladesh		-	-	-	-
		532,007.48	**45,646,242**	**258,303.19**	**21,904,111**
3.1 Inside Bangladesh					
Shahjalal Islami Bank Ltd		532,007.48	45,646,242	258,303.19	21,904,111
		532,007.48	**45,646,242**	**258,303.19**	**21,904,111**
4. Investments (Loans and Advances)					
Country-wise Classification of Investments					
Inside Bangladesh					
Gross Murabaha, Bai-Muajjal etc.		17,788,253.12	1,526,232,118	10,997,570.45	932,593,974
Less: Profit receivable on Murabaha, Bai-Muajjal etc.		-	-	-	-
Net Murabaha, Bai-Muajjal etc.		**17,788,253.12**	**1,526,232,118**	**10,997,570.45**	**932,593,974**
Net Bills Purchased and Discounted	(Note- 4.1)	164,355,154.06	14,101,672,218	131,649,519.60	11,163,879,262
Outside Bangladesh		-	-	-	-
		182,143,407.18	**15,627,904,336**	**142,647,090.05**	**12,096,473,236**
4.1 Bills Purchased and Discounted					
Payable inside Bangladesh		6,245,813.00	535,890,755	5,681,044.00	481,752,531
Payable outside Bangladesh		158,306,652.83	13,582,710,813	126,160,275.00	10,698,391,320
Gross Bills Purchased and Discounted		**164,552,465.83**	**14,118,601,568**	**131,841,319.00**	**11,180,143,851**
Less: Profit receivable on Bills Purchased and Discounted		197,311.77	16,929,350	191,799.40	16,264,589
Net Bills Purchased and Discounted		**164,355,154.06**	**14,101,672,218**	**131,649,519.60**	**11,163,879,262**
5. Fixed Assets including Premises, Furniture & Fixtures					
Furniture & Fixture		2,513.43	215,652	3,316.41	281,232
Office Equipment		2,649.26	227,307	3,117.96	264,403
Carrying Value		**5,162.69**	**442,959**	**6,434.37**	**545,635**
6. Placement from other Banks & Financial Institutions					
Mudaraba Term Deposit from other Banks		64,000,000.00	5,491,200,000	45,000,000.00	3,816,000,000
Borrowing from Shahjalal Islami Bank Ltd		116,071,500.00	9,958,934,700	97,030,000.00	8,228,144,000
		180,071,500.00	**15,450,134,700**	**142,030,000.00**	**12,044,144,000**
7. Deposits and Other Accounts					
Al-Wadeeah Current Deposit		43,719.23	3,751,110	38,121.16	3,232,674
Sundry Deposits		3,880.01	332,905	58,646.16	4,973,194
		47,599.24	**4,084,015**	**96,767.32**	**8,205,869**
Mudaraba Savings Deposit		700.00	60,060	45,091.50	3,823,759
		700.00	**60,060**	**45,091.50**	**3,823,759**
Mudaraba Term Deposit		-	-	-	-
		-	-	-	-
		48,299.24	**4,144,075**	**141,858.82**	**12,029,628**
8. Other Liabilities					
Profit Payable		730,326.28	62,661,995	739,968.79	62,749,353
Provision for Investments		1,829,836.83	157,000,000		
Other Payables		-	-	-	-
Outstanding Expenses		615.00	52,767	-	-
		2,560,778.11	**219,714,762**	**739,968.79**	**62,749,353**
9. Profit on Investments					
Profit received from Mudaraba Import Bills (UPAS)		6,002,118.92	514,981,803	6,754,117.20	572,749,139
Profit received from Hire Purchase		660,786.33	56,695,467	603,131.75	51,145,572
		6,662,905.25	**571,677,270**	**7,357,248.95**	**623,894,711**

	Note	31.12.2021		31.12.2020	
		USD	Taka	USD	Taka
10. Profit paid on Deposits & Borrowings					
Profit paid on borrowings		**1,999,059.82**	**171,519,333**	**2,533,546.64**	**214,844,755**
11. Commission, Exchange & Brokerage					
Commission from LC		**7,977.86**	**684,500**	**8,985.99**	**762,012**
12. Other Operating Income					
SWIFT & REUTERS		24,378.64	2,091,687	20,699.23	1,755,295
Miscellaneous Earnings		105,535.46	9,054,942	102,594.97	8,700,053
Service & Charges Receipts		86.95	7,460	173.89	14,746
		130,001.05	**11,154,090**	**123,468.09**	**10,470,094**
13. Salary & Allowances					
Basic Salary		47,406.78	4,067,502	48,842.84	4,141,873
Allowances		47,226.08	4,051,998	41,602.36	3,527,880
Bonus		23,316.24	2,000,533	19,862.36	1,684,328
Bank's Contribution to Provident fund		5,067.41	434,784	4,052.02	343,611
		123,016.51	**10,554,817**	**114,359.58**	**9,697,692**
14. Rent, Taxes, Insurance, Electricity etc.					
Insurance		195.41	16,766	233.86	19,831
		195.41	**16,766**	**233.86**	**19,831**
15. Postage, Stamps, Telecommunication etc					
Telephone charges		331.16	28,414	213.90	18,139
		331.16	**28,414**	**213.90**	**18,139**
16. Stationery, Printing, Advertisement etc					
Computer Stationery		656.69	56,344	275.33	23,348
Advertisement		-	-	10.13	859
		656.69	**56,344**	**285.46**	**24,207**
17. Depreciation and Repairs of Fixed Assets					
Depreciation of Fixed Assets					
Furniture & Fixtures		802.98	68,896	805.22	68,283
Office Appliance & Equipment		761.15	65,307	592.38	50,234
		1,564.13	**134,202**	**1,397.60**	**118,516**
Repairs & Maintainance		77.93	6,686	114.06	9,672
		1,642.06	**140,889**	**1,511.66**	**128,189**
18. Other Expenses					
Entertainment Expense		12.62	1,083	558.20	47,335
Travelling Expense		-	-	-	-
Business Development & Promotion		173.10	14,852	381.23	32,328
Car Expense		7,793.96	668,722	7,818.96	663,048
		7,979.68	**684,657**	**8,758.39**	**742,711**

Independent Auditor's Report

TO THE SHAREHOLDERS OF SHAHJALAL ISLAMI BANK SECURITIES LTD.

Report on The Audit of The Financial Statements

Opinion

We have audited the financial statements of SHAHJALAL ISLAMI BANK SECURITIES LTD., which comprise the statement of financial position as at December 31, 2021, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules 2020, BSEC's Risk Based Capital Adequacy Rules, 2019 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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. We believe that the audit evidences we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 2020, BSEC's Risk Based Capital Adequacy Rules, 2019 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on

the Company'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 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Company' financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 2020 and the BSEC's Risk Based Capital Adequacy Rules, 2019 we also report the following:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books;

c) the statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns;

d) Capital to total risk requirement ratio as required by BSEC has been maintained by the company adequately; and

e) the expenditure incurred was for the purposes of the Company's business.

For K. M. HASAN & CO.
Chartered Accountants



MD. AMIRUL ISLAM FCA, FCS
Senior Partner, Enrol. No. 331
K. M. Hasan & Co.
Chartered Accountants
DVC No. 2103030331AS711172

Place : Dhaka.
Dated : 02 February 2022

Shahjalal Islami Bank Securities Limited

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	31.12.2021 Taka	31.12.2020 Taka
ASSETS			
Current assets			
Cash and bank balances	4	552,337,203	395,609,024
Receivables from securities trading	5	5,598,099	33,264,330
Receivable from others	6	19,372,444	25,484,817
Receivable from margin clients	7	4,855,276,931	4,635,667,599
Proprietary position in securities & other investments	8	1,642,124,315	1,358,654,957
Other advances	9	409,735,569	355,161,449
Other assets	10	403,600	920,549
		7,484,848,161	**6,804,762,725**
Non-current assets			
Fixed assets	11	145,011,311	123,275,056
Intangible assets	12	344,114	458,818
Capital work in progress		4,094,437	8,427,953
Investment in exchanges	13	428,000,000	428,000,000
Other long term assets	14	1,601,224	2,571,206
		579,051,086	562,733,033
Total assets		**8,063,899,247**	**7,367,495,758**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Payable to clients	15	469,414,857	362,998,470
Short term business liabilities	16	2,506,519,665	2,137,336,443
Payable to exchanges	17	26,069,846	9,832,580
Other liabilities and provisions	18	2,292,169,864	2,094,469,282
		5,294,174,232	**4,604,636,775**
Shareholders' equity			
Share capital	19	2,740,000,000	2,740,000,000
Capital Reserve	20	3,449,994	2,878,961
Retained earnings	21	26,275,021	19,980,022
		2,769,725,015	2,762,858,983
Total liabilities and Shareholders' Equity		**8,063,899,247**	**7,367,495,758**
Net asset value per share		**10.11**	**10.08**

The financial statements should be read in conjunction with the annexed notes.

Chief Executive Officer **Director** **Chairman**

Signed in terms of our separate report of even date annexed.

For K. M. HASAN & CO.
Chartered Accountants

MD. AMIRUL ISLAM FCA, FCS
Senior Partner, Enrol. No. 331
K. M. Hasan & Co.
Chartered Accountants
DVC No. 2202140331AS509807

Place : Dhaka.
Dated : 02 February 2022

Shahjalal Islami Bank Securities Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Notes	2021 Taka	2020 Taka
Brokerage commission	22	278,987,673	105,379,014
Income from margin investments		173,610,465	123,462,806
Income from investment in securities	23	252,275,563	97,560,902
Other operating income	24	9,163,585	5,987,672
Total operating income		**714,037,286**	**332,390,394**
Operating expenses	25	(42,954,438)	(12,871,785)
Income from operation		**671,082,848**	**319,518,609**
Other income	26	2,559,569	7,585,107
Administrative and general expenses	27	(133,446,239)	(99,342,851)
Financial expenses	28	(203,313,347)	(200,279,831)
Net profit before Provision and income tax		**336,882,831**	**27,481,034**
Provision for investment in securities		(16,000,000)	-
General provision		(1,500,000)	-
Net profit before income tax		319,382,831	27,481,034
Current tax		(64,946,817)	(22,589,103)
Deferred tax		**(969,982)**	**818,397**
		(65,916,799)	(21,770,706)
Net profit after income tax		**253,466,032**	**5,710,328**
Other comprehensive income		-	-
Total comprehensive income		**253,466,032**	**5,710,328**
Earnings Per Share (EPS)	**29**	**0.93**	**0.02**

The financial statements should be read in conjunction with the annexed notes.

Chief Executive Officer **Director** **Chairman**

Signed in terms of our separate report of even date annexed.

For K. M. HASAN & CO.
Chartered Accountants

MD. AMIRUL ISLAM FCA, FCS
Senior Partner, Enrol. No. 331
K. M. Hasan & Co.
Chartered Accountants
DVC No. 2202140331AS509807

Place : Dhaka.
Dated : 02 February 2022

Shahjalal Islami Bank Securities Limited

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

Amount in Taka

Particulars	Share capital	Capital Reserve	Retained earnings	Total
Balance as at 01 January 2021	2,740,000,000	2,878,961	19,980,022	2,762,858,983
Net profit for the year	-	-	253,466,032	253,466,032
Transferred to Capital Reserve	-	571,033	(571,033)	-
Interim dividend	-	-	(246,600,000)	(246,600,000)
Balance as at 31 December 2021	**2,740,000,000**	**3,449,994**	**26,275,021**	**2,769,725,015**

For the year ended 31 December 2020

Particulars	Share capital	Capital Reserve	Retained earnings	Total
Balance as at 01 January 2020	2,740,000,000	2,878,961	14,269,694	2,757,148,655
Transferred to Capital Reserve	-		-	-
Net profit for the year	-	-	5,710,328	5,710,328
Balance as at 31 December 2020	**2,740,000,000**	**2,878,961**	**19,980,022**	**2,762,858,983**

The financial statements should be read in conjunction with the annexed notes.

Chief Executive Officer **Director** **Chairman**

Signed in terms of our separate report of even date annexed.

For K. M. HASAN & CO.
Chartered Accountants

MD. AMIRUL ISLAM FCA, FCS
Senior Partner, Enrol. No. 331
K. M. Hasan & Co.
Chartered Accountants
DVC No. 2202140331AS509807

Place : Dhaka.
Dated : 02 February 2022

Shahjalal Islami Bank Securities Limited

STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

		Note	2021 Taka	2020 Taka
A.	**Cash flow from operating activities**			
	Cash received from commission and others		917,799,491	388,811,227
	Payment for operating expenses & others		(626,795,640)	194,552,159
	Finance expenses paid		(203,313,347)	(200,279,831)
	Income tax paid		(55,506,173)	(29,659,948)
	Net Cash flow from/(used in) operating activities	30	**32,184,331**	**353,423,607**
B.	**Cash flow from investing activities**			
	Investment to executive car finance scheme		283,800	283,800
	Cash receipt on sale of assets		447,200	305,100
	Purchase of fixed assets		(46,714,775)	(95,784,121)
	Net Cash flow from/(used in) investing activities		**(45,983,775)**	**(95,195,221)**
C.	**Cash flow from financing activities**			
	Short term business liabilities		369,183,222	(16,377,785)
	Dividend paid		(198,655,599)	-
	Net cash flow from/ (used) in financing activities		**170,527,623**	**(16,377,785)**
	Net Increase/(decrease) in cash and cash equivalents (A+B+C)		156,728,179	241,850,601
	Opening cash and cash equivalents		395,609,024	153,758,423
	Closing cash and cash equivalents		**552,337,203**	**395,609,024**

The financial statements should be read in conjunction with the annexed notes.

Chief Executive Officer **Director** **Chairman**

Signed in terms of our separate report of even date annexed.

For K. M. HASAN & CO.
Chartered Accountants

MD. AMIRUL ISLAM FCA, FCS
Senior Partner, Enrol. No. 331
K. M. Hasan & Co.
Chartered Accountants
DVC No. 2202140331AS509807

Place : Dhaka.
Dated : 02 February 2022

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2021

1. Introduction

1.1 Legal status of the company

SHAHJALAL ISLAMI BANK SECURITIES LTD. has been incorporated as a public company limited by shares under the Companies Act, 1994 vide certificate of incorporation no. C - 86917/10 dated September 06, 2010 and commenced its operation on the 25th day of May 2011. Presently the company is operating its business through Head Office with 02 (two) extension office and 08 (eight) branches with 74 employees all over Bangladesh. It has corporate membership of Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE).

1.2 Address of registered office and principal place of business

Its Corporate Head Office and Principal place of business is at DSL Building (3th floor),1/C DIT Avenue ,Motijheel C/A, Dhaka-1000.

2. Nature of business activities

The principal objectives of the company are to carry on the business of stock brokers/stock dealers and other related business in connection with the dealings of listed securities. Other objectives of the company are to buy, sell, hold shares, stocks and fixed income securities or otherwise acquire or invest the capital of the company in the same and other services as mentioned in the Memorandum and Articles of Association of the Company.

3. Significant accounting policies

3.1 Basis for preparation of financial statements

The financial statements have been prepared on a going concern concept basis under historical cost convention based on accrual basis in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), Companies Act, 1994, the Securities and Exchange Rules, 2020, BSEC Notification dated 22 May 2019 on Risk Based Capital Adequacy Rules, 2019.

3.2 Components of the financial statements

The financial statements of the Company include the following components:-

a. Statement of Financial Position as at 31 December 2021.

b. Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2021.

c. Statement of Changes in Equity for the year ended 31 December 2021.

d. Statement of Cash Flows for the year ended 31 December 2021.

e. Notes, comprising a summary of significant Accounting Policies and Other Explanatory Information.

3.3 Going Concern

The Company has adequate resources to continue its operation for foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the Company provide sufficient funds to meet the present requirements of its existing businesses and operations.

3.4 Risk and uncertainties for the use of estimates in preparing financial statements

Preparation of Financial Statements in conformity with the International Accounting Standards requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statement and revenues and expenses during the period reported. Actual result could differ from those estimates. Estimates are used for accounting of certain items such as depreciation and amortization, taxes, reserves and contingencies.

3.5 Fixed assets

i) All fixed assets are stated at cost less accumulated depreciation as per IAS -16 "Property, plant and equipment".

ii) For addition the depreciation has been charged for the remaining months of the accounting year and for disposal depreciation charged up to the date of disposal.

iii) Depreciation has been charged under reducing balance method at the following rates:

Asset Category	Rate (%)
Furniture and fixtures	10
Office equipment	20
Intangible assets	20

3.6 IFRS 16: Leases

Shahjalal Islami Bank Securities Limited has applied IFRS 16: "Leases" from 1 January 2020 using modified retrospective approach where the company measured the lease liability at the present value of the remaining lease payments and recognized a right-of-use asset at the date of 1 January 2020 on a lease by lease basis.

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

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

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

Upon lease commencement the company 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 company. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar. After lease commencement, the company 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.

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

3.7 Investments

a. Margin investment

Investments to clients include investment to margin customers and receivable there from.

b. Proprietary position in securities & other investment

Investment in marketable securities are initially recognized at cost and subsequently measured at fair value through profit or loss as per IFRS 9 "Financial Instrument".

c. Investment in exchange shares

Investment in exchange shares are recognized and subsequently measurement at cost due to not having active market for this kind of shares.

3.8 Cash and bank balances

Cash and bank balances include cash in hand and cash at bank which are available for use by the Company without any restriction. There is an insignificant risk of changes in value of these current assets.

3.9 Liabilities, provisions and disclosures

There are no other material liabilities or gains or loss contingencies that are required to be accrued or disclosed, other than those accrued or disclosed in the financial statements, nor there are any accruals for loss contingencies included in the statement of financial position that are not in conformity with the Company's existing practices.

The company follows shariah based rules, so the income from non shariah based Banking & financial institutions has not been recognized as income. Hence, this income has been mention as income suspense account in other liability.

3.10 Corporate income tax

Income tax withheld from the transactions of traded securities @ 0.05% as per section 53BBB is the final tax liability of the company under section 82C of Income Tax Ordinance 1984. Income tax provision is made on capital gains on sale of shares of listed securities @ 10% as per SRO No. 269/Law/Income Tax/2010 dated 1 July 2010 whereas it is payable @30% on other income as per income tax law.

3.11 Revenue recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the company and the amount of revenue can be measured reliably.

Revenue recognition policy on specific item is described as under:

(i) Brokerage commission is recognized as income when selling or buying order is executed.

(ii) Profit from margin investment is recognized on accrual basis except those account having negative equity.

(iii) Income from profit bearing Bank Account is recognized on accrual basis.

(iv) Capital gains on sale of marketable securities are recognized when these are realized.

(v) Dividend income against investment in securities is recognized when the right is established.

3.12 Distribution of interest income earned from consolidated customer accounts.

Net interest earned from consolidated customer accounts (CCA) has been kept in payble account for distribution among eligible customers and investor's protection fund of exchanges as per BSEC Directive dated 21 June 2021.

3.13 Earnings per share (EPS)

The Company calculates Earnings per Share (EPS) in accordance with IAS 33: Earnings per Share, which has been shown on the face of Statement of Profit or Loss and Other Comprehensive Income, and the computation of EPS is stated in related note.

3.14 Statement of cash flows

Statement of cash flows is prepared principally in accordance with IAS -7 " Statement of Cash Flows" and cash flows from operating activities have been presented under direct method.

3.15 Gratuity Fund (Defined Benefit Plan)

Gratuity benefits are given to the staff of the company 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 company. 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 company.

3.16 General

(i) The figures in the financial statements represent Bangladesh currency (Taka), which have been rounded off to the nearest Taka.

(ii) Previous year's figures have been rearranged/ reclassified/ regrouped, where necessary, to conform to current year's presentation.

3.17 Effect of COVID-19

On 11 March 2020, world health organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease commonly called as COVID-19.To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, social distancing, enforcement of lock down etc. As a result of these measures all business and economic activities were adversely affected and those also impacted the company as well Management considered COVID-19 .The business operation and profitability of the Company were affected due to COVID-19, the situation is constantly changing and there is no certainty at present as to how long the situation will prevail the potential impact of COVD19 related matters on the Company 's operation and financial results cannot be reasonably assessed. There is no impact of the stimulus packages declared by Government of Bangladesh for the industries in Bangladesh to the financial statements of the Company for the year ended 31 December 2021 regarding COVD 19.

		2021 Taka	2020 Taka
4.	**Cash and bank balances**		
	Cash at bank in company's accounts	3,211,786	3,100,729
	Cash at bank in trading accounts (dealer account)	15,781,369	2,953,049
	Cash at bank in consolidated customer accounts	533,344,048	373,697,600
	Cash at bank in IPO account	-	15,857,646
		552,337,203	**395,609,024**
	Details are shown in "Annexure-B"		
5.	**Receivables from securities trading**		
	Receivable from DSE (Note:5.1)	5,598,099	31,567,032
	Receivable from CSE (Note:5.2)	-	1,697,298
		5,598,099	**33,264,330**
5.1	**Receivable from DSE**		
	Receivable from DSE Broker Activities (note: 5.1.1)	5,598,099	14,632,891
	Receivable from DSE Dealer Activities (note: 5.1.2)	-	16,934,141
		5,598,099	**31,567,032**
5.1.1	**Receivable from DSE Broker Activities**		
	Receivable against A,B,G and N category	-	10,060,028
	Receivable against Z category	5,598,099	3,077,067
	Receivable against spot trading	-	1,495,796
		5,598,099	**14,632,891**
5.1.2	**Receivable from DSE Dealer Activities**		
	Receivable against A,B,G and N category	-	16,934,141
	Receivable against Z category	-	-
	Receivable against spot trading	-	-
		-	**16,934,141**
5.2	**Receivable from CSE**		
	Receivable from CSE Broker Activities (note: 5.2.1)	-	1,697,298
	Receivable from CSE Dealer Activities (note: 5.2.2)	-	-
		-	**1,697,298**
5.2.1	**Receivable from CSE Broker Activities**		
	Receivable against A,B,G and N category	-	1,603,820
	Receivable against Z category	-	93,478
		-	**1,697,298**
5.2.2	**Receivable from CSE Dealer Activities**		
	Receivable against A,B,G and N category	-	-
	Receivable against Z category	-	-
		-	-
6.	**Receivable from others**		
	Receivable from others	-	-
	Cash dividend receivables from investment in shares	19,372,444	25,484,817
		19,372,444	**25,484,817**
7.	**Receivable from clients**		
	Margin Investment (Note:7.1)	3,502,292,198	3,098,186,504
	Profit receivable from margin investment (Note:7.2)	1,351,394,541	1,536,318,573
	Due to CDBL-Charge/ BO renewal fees	1,590,192	1,162,522
		4,855,276,931	**4,635,667,599**

		2021 Taka	2020 Taka
7.1	**Margin Investment**		
	Receivable to clients having negative equity	2,205,754,471	2,276,726,156
	Receivable to clients fall under force sale condition(e.g. Equity is >DB but <125% of DB)	239,335,154	223,128,023
	Receivable to clients fall under margin call(e.g. Equity is >125% of DB but <150% of DB)	77,315,890	155,725,064
	Receivable to regular margin clients (e.g. Equity is >150% of DB)	979,886,683	442,607,261
		3,502,292,198	**3,098,186,504**
7.2	**Profit receivable from margin investment**		
	Receivable to clients having negative equity	1,037,945,760	1,118,318,953
	Receivable to clients fall under force sale condition(e.g. Equity is >DB but <125% of DB)	196,659,145	190,169,197
	Receivable to clients fall under margin call(e.g. Equity is >125% of DB but <150% of DB)	21,365,959	187,486,946
	Receivable to regular margin clients (e.g. Equity is >150% of DB)	95,423,677	40,343,477
		1,351,394,541	**1,536,318,573**
8.	**Proprietary position in securities & other investment**		
	Investment in securities Dealer Account (Note:8.1)	1,212,743,083	1,134,292,803
	Investment in securities Special Fund Account (Note:8.2)	130,381,231	145,824,101
	Investment in securities BB Special Fund Account (Note:8.3)	299,000,001	78,538,053
		1,642,124,315	**1,358,654,957**
8.1	**Investment in securities-Dealer Account**		
	Value of "A" category instruments	1,151,628,864	964,222,861
	Value of "N" category instruments	39,076,714	2,960,660
	Value of "Z" category instruments	-	152,108,381
		1,190,705,578	**1,119,291,902**
	Deposit for application of right shares/IPO	22,037,505	15,000,901
		1,212,743,083	**1,134,292,803**
	Investment in securities at cost	1,190,705,578	1,119,291,902
	Investment in securities at market value	982,041,216	795,014,528
	Diminution in value of investment in shares	**208,664,362**	**324,277,374**

Details of investment in marketable securities are shown in "Annexure- C.1".

8.2	**Investment in securities - ICB Special Fund Account**		
	Investment in securities	130,381,231	145,824,101
		130,381,231	**145,824,101**
	Investment in securities at cost	117,630,952	144,808,789
	Investment in securities at market value	92,360,149	142,211,770
	Diminution in value of investment in shares	**25,270,803**	**2,597,019**
	Value of "A" category instruments	117,630,952	144,808,789
	Value of "N" category instruments	-	-
	Value of "Z" category instruments	-	-
		117,630,952	**144,808,789**

Details of investment in marketable securities are shown in "Annexure- C.2 ".

		2021 Taka	2020 Taka
8.3	**Investment in securities BB - Special Fund Account**		
	Investment in securities	299,000,001	78,538,053
		299,000,001	**78,538,053**
	Investment in securities at cost	298,956,829	78,352,346
	Investment in securities at market value	319,372,000	79,143,000
	Unrealize gain in value of investment in shares	**20,415,171**	**790,654**
	Value of "A" category instruments	298,956,829	78,352,346
	Value of "N" category instruments	-	-
	Value of "Z" category instruments	-	-
		298,956,829	**78,352,346**
	Details of investment in marketable securities are shown in "Annexure- C.3 ".		
9.	**Other Advances**		
	Advance income tax (Note: 9.1)	409,543,904	354,037,731
	Advance office rent	-	1,085,385
	Advance commission for bank guarantee	191,665	38,333
		409,735,569	**355,161,449**
9.1	**Advance income tax**		
	Opening balance	354,037,731	324,377,783
	Add: Paid during the year	55,506,173	29,659,948
		409,543,904	354,037,731
	Less: Adjustment during the year	-	-
	Closing balance	**409,543,904**	**354,037,731**
9.1.1	**Advance tax paid during the year**		
	Tax on transaction (DSE)	43,780,835	15,724,606
	Tax on transaction (CSE)	757,183	474,239
	Advance tax on profit (SND)	108,170	751,734
	Advance income tax	-	6,291,174
	Advance tax on dividend income	10,859,985	6,418,195
		55,506,173	**29,659,948**
	Year wise payment for advance income tax are as follows:		
	Up to year 2012	30,250,963	30,250,963
	Year 2013	18,566,238	18,566,238
	Year 2014	26,606,796	26,606,796
	Year 2015	50,181,066	50,181,066
	Year 2016	57,954,718	57,954,718
	Year 2017	44,099,165	44,099,165
	Year 2018	69,045,319	69,045,319
	Year 2019	27,673,518	27,673,518
	Year 2020	29,659,948	29,659,948
	Year 2021	55,506,173	-
		409,543,904	**354,037,731**
10.	**Other assets**		
	Prepaid expenses	28,000	261,149
	Investment to executive car finance scheme	375,600	659,400
		403,600	**920,549**
11.	**Fixed assets net off depreciation**		
	Furniture and fixtures	38,567,334	29,906,123
	Office equipment	11,054,770	10,466,494
	Right of use Assets as per IFRS 16*	95,389,207	82,902,439
		145,011,311	**123,275,056**

	2021 Taka	2020 Taka

* Right of Use Assets are measured at cost less any accoumulated depreciation and adjusted for any measurment of lease liabilities.

Details are shown in "Annexure-D"

12. Intangible assets

Software	**344,114**	**458,818**

Details are shown in "Annexure-D"

13. Investment in exchanges

Investment in DSE shares (Note: 13.1)	271,500,000	271,500,000
Investment in CSE shares (Note: 13.2)	156,500,000	156,500,000
	428,000,000	**428,000,000**

13.1 Investment in DSE shares

As per the provision of the Exchange Demutualization Act, 2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange allotted 7,215,106 no. of ordinary Shares of Taka 10 each and Trading Right Entitlement Certificate (TREC) in favour of the Company against the membership of DSE. Out of the total 7,215,106 no. of Shares DSE transferred and credited 2,886,042 no. of shares directly to Company's Beneficiary Owners' (BO) Account and rest 25,25,287 no. of shares were credited to the "Demutualization Blocked Account" maintained by the DSE and sold 1,803,777 no. of shares to Shenzhen Stock Exchange and shanghai Stock exchange in 2018.

13.2 Investment in CSE shares

As per the provision of the Exchange Demutualization Act, 2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization Scheme, Chittagong Stock Exchange allotted 4,287,330 no. of ordinary Shares of Taka 10 each and Trading Right Entitlement Certificate (TREC) in favour of the company against the membership of CSE. Out of the total 4,287,330 no. of Shares CSE transferred and credited 1,714,932 no. of shares directly to Company's Beneficiary Owners' (BO) Account and rest 2,572,398 no. of shares were credited to the "Demutualization Blocked Account" maintained by the CSE.

14. Other long term assets/(Liabilities)

Deferred tax assets (note:14.1)	**1,601,224**	**2,571,206**

14.1 Deferred tax assets

Deferred tax on tangible assets

Deferred tax assets have been recognized and measured in accordance with the provisions of 'IAS 12: Income Taxes'. Related deferred tax expense/(income) & (assets)/liabilities has been provided for during the year as shown below:

Fixed Assets		
Accounting base written down value	145,355,425	123,733,874
Tax base written down value	150,692,835	131,645,276
Deductible Temporary difference on written down value	**(5,337,410)**	**(7,911,402)**
Applicable tax rate	30.00%	32.50%
Closing deferred tax (assets)/liabilities	(1,601,224)	(2,571,206)
Opening deferred tax (assets)/liabilities	(2,571,206)	(1,752,809)
Deferred tax (income)/expenses	**969,982**	**(818,397)**

15. Payable to clients

Payable to clients (IPO)	17,350,000	31,727,600
Payable to clients (Trading)	452,064,857	331,270,870
	469,414,857	**362,998,470**

16. Short term business liabilities

Shahjalal Islami Bank Ltd. (Note: 16.1)	2,241,959,513	2,011,859,181
Social Islami Bank Ltd. (Note: 16.2)	206,631,250	-
Investment Corporation of Bangladesh (Note: 16.3)	57,928,902	125,477,262
	2,506,519,665	**2,137,336,443**

		2021 Taka	2020 Taka
16.1	**Shahjalal Islami Bank Ltd.**		
	Bai Muajjal (Commercial) Investment (Note: 16.1.1)	1,925,589,750	1,931,301,125
	Bai Muajjal (Commercial) Inv. BB Special Fund (Note: 16.1.2)	316,369,763	80,558,056
		2,241,959,513	**2,011,859,181**
16.1.1	**Bai Muajjal (Commercial) Investment**		
	Principal business liabilities	1,859,000,000	1,855,500,000
	Profit payable on business liabilities	66,589,750	75,801,125
		1,925,589,750	**1,931,301,125**

Shahjalal Islami Bank Ltd., Bai-muajjal (Comm.)- investment limit of Tk.200.00 crore. Rate of return 9.00%. Validity up to 30.06.2022.

16.1.2	**Bai Muajjal (Commercial) Investment BB Special Fund**		
	Principal business liabilities	298,861,498	80,000,000
	Profit payable on business liabilities	17,508,265	558,056
		316,369,763	**80,558,056**

Shahjalal Islami Bank Ltd., Bai-muazzal Commercial TR revolving (Special Fund) of Tk.30.00 crore. Rate of return 7.00%. Validity up to 09.02.2025.

16.2	**Social Islami Bank Ltd.**		
	Principal business liabilities	200,000,000	-
	Profit payable on business liabilities	6,631,250	-
		206,631,250	-

Social Islami Bank Ltd., Bai- Muazzal (Revolving)- investment limit of Tk. 25.00 crore. Rate of return 9.00%. Validity up to 31.01.2022. Security covered by Corporate Guarantee.

16.3	**Investment Corporation of Bangladesh.**		
	Principal business liabilities	57,481,821	122,789,456
	Profit payable on business liabilities	447,081	2,687,806
		57,928,902	**125,477,262**

Investment Corporation of Bangladesh.- investment limit of Tk.13.33 crore. Rate of return 4.00%. Validity up to 31.12.2022. Security covered by Corporate Guarantee.

17.	**Payable to exchanges**		
	Payable to DSE (note:17.1)	24,873,801	1,251,233
	Payable to CSE (note:17.2)	1,196,045	8,581,347
		26,069,846	**9,832,580**
17.1	**Payable to DSE**		
	Payable to DSE for Broker activities	10,264,596	1,240,572
	Payable to DSE for Dealer activities	14,609,205	10,661
		24,873,801	**1,251,233**
17.2	**Payable to CSE**		
	Payable to CSE for Broker activities	1,196,045	8,581,347
	Payable to CSE for Dealer activities	-	-
		1,196,045	**8,581,347**
18.	**Other liabilities and provisions**		
	Provision for income tax (Note: 18.1)	432,576,912	367,630,095
	Provision for investment in marketable securities (Note: 18.2)	263,500,000	137,500,000
	Provision for margin investment (Note: 18.3)	194,526,123	303,155,165
	General Provision (Note: 18.4)	49,465,735	47,965,735
	Other liabilities (Note: 18.5)	1,352,101,094	1,238,218,287
		2,292,169,864	**2,094,469,282**

		2021 Taka	2020 Taka
18.1	**Provision for income tax**		
	Opening balance	367,630,095	345,040,992
	Add: Provision made during the year	64,946,817	22,589,103
		432,576,912	367,630,095
	Less: Adjustment during the year	-	-
	Closing balance	**432,576,912**	**367,630,095**
	Year wise provision for income tax:		
	Up to year 2012	52,993,240	52,993,240
	Year 2013	22,983,299	22,983,299
	Year 2014	36,384,865	36,384,865
	Year 2015	64,277,748	64,277,748
	Year 2016	34,407,336	34,407,336
	Year 2017	82,787,438	82,787,438
	Year 2018	23,136,288	23,136,288
	Year 2019	28,070,778	28,070,778
	Year 2020	22,589,103	22,589,103
	Year 2021	64,946,817	-
		432,576,912	**367,630,095**
	Income tax assessment status is shown in "Annexure- E"		
18.2	**Provision for investment in marketable securities**		
	Opening balance	137,500,000	137,500,000
	Add: Addition during the year	16,000,000	-
	Add: Transferred from provision for margin investment during the year	110,000,000	-
	Closing balance	**263,500,000**	**137,500,000**

As Per Bangladesh Securities and Exchange Commission's Directive No. BSEC/CMRRCD/2009-193/196 dated 28-12-2016 & Directive No. BSEC/SRI/POLICY/3/2020/68 dated 12-01-2020 (validity up to 31-12-2022).the company may keep 20% provision for unrealized loss against company's own investment in portfolio account.The total unrealized loss in company's own investment portfolio account stood at Tk. 233,935,165.00 as on 31 December 2021. The company has maintained provision of Tk. 263,500,000.00 as on December 31, 2021 leaving surplus of Tk.29,564,835

18.3	**Provision for margin investment**		
	Opening balance	303,155,165	303,155,165
	Add: Addition during the year	1,370,958	-
	Less: Transferred to provision for investment in marketable securities during the year	110,000,000	-
	Closing balance	**194,526,123**	**303,155,165**
18.3.1	**Specific Provision**		

As Per Bangladesh Securities and Exchange Commission's Directive No. BSEC/CMRRCD/2009-193/196 dated 28-12-2016 & Directive No. BSEC/SRI/POLICY/3/2020/68 dated 12-01-2020 (validity up to 31-12-2022) the company may keep 20% provision for negative equity in margin account. The market value of shares of the client account having negative equity stood at Tk. 2,229,724,835.00 as on December 31, 2021 against margin investment including profit receivable of Tk.3,243,700,231.00 thus arise negative equity of Tk. 1,087,289,553.00. If the market price of the shares against margin investment go up in future this equity erosion will be reduced. The Company maintained profit suspense on margin investment stood at Tk. 1,151,135,450.00 (note-18.5) up to 31.12.2021 and also maintained provision for margin investment Tk. 194,526,123.00 as on 31.12.2021 leaving total surplus of Tk.258,372,020.00

18.4	**General Provision**		
	Opening balance	47,965,735	47,965,735
	Add: Provision made during the year	1,500,000	-
	Closing balance	**49,465,735**	**47,965,735**

General provision made in the books of account stood at Tk. 49,465,735.00 as on December 31, 2021 against the required provision of Tk. 48,552,769.00 leaving surplus of Tk. 912,966.00 as mandatory provision 1% of outstanding margin exposures as prescribed by part B of schedule C rule 5(2) of BSEC notification no. BSEC/CMRRCD/2017-357/221/admin/89 dated May 22, 2019.

		2021 Taka	2020 Taka
18.5	**Other liabilities**		
	Accrued expenses	262,898	60,855
	VAT payable	506,047	292,783
	Office rent payable	121,408	77,280
	Withholding tax payable *	48,053,006	250,806
	Leave fare assistance payable	1,688,443	1,394,954
	Income suspense account	13,646,019	13,922,744
	Profit suspense account	1,151,135,450	1,148,024,175
	Profit Payable to Client for consolidated customer bank account	7,617,064	-
	Outstanding cheque	225,683	225,683
	Employees retirement obligation	37,357,500	-
	Untraced deposit accounts	787,836	742,836
	Lease liabilities as per IFRS-16 (Note. 18.5.1)	90,699,740	73,226,171
		1,352,101,094	**1,238,218,287**

* Withholding tax payable included Tk. 47,944,401 on account of dividend and has subsequently been paid.

18.5.1 As mentioned in note -3.6 the company has recognised the lease liabilities in accordance with IFRS-16 "Lease"

18.5.2 Maturity analysis of lease liabilities (as per para 58 of IFRS-16)

Not later than one month;	344,247	193,199
Later than one month and not later than three months;	696,259	390,755
Later than three months and not later than one year; and	4,013,012	2,123,404
Later than one year and not later than five years.	34,568,465	29,403,595
Later than five year and not later than five years.	51,077,757	41,115,218
	90,699,740	**73,226,171**

19. Share capital

Authorized:

500,000,000 ordinary shares of Tk. 10 each	**5,000,000,000**	**5,000,000,000**
Issued, Subscribed and Paid up:		
274,000,000 ordinary shares of Tk. 10 each	**2,740,000,000**	**2,740,000,000**

Shareholding Position:

Sl. No.	Name of Shareholders	No. of Shares		
1	Shahjalal Islami Bank Limited	251,500,000	2,515,000,000	2,515,000,000
2	Alhaj Sajjatuz Jumma	1,250,000	12,500,000	12,500,000
3	Alhaj Anwer Hossain Khan	1,250,000	12,500,000	12,500,000
4	Alhaj Tofazzal Hossain	1,250,000	12,500,000	12,500,000
5	Electra International Ltd. (Represented by : Alhaj Md. Sanaullah Shahid)	1,250,000	12,500,000	12,500,000
6	Shams Uddin Khan And Harun Miah Ltd. (Represented by : Alhaj Shams Uddin Khan)	1,250,000	12,500,000	12,500,000
7	Alhaj Mohammed Hasan	1,614,583	16,145,830	16,145,830
8	Alhaj Md. Abdul Barek	1,250,000	12,500,000	12,500,000
9	Azim Uddin Mollah	1,250,000	12,500,000	12,500,000
10	Anwer Khan Modern Hospital Ltd. (Represented by: Mr. M. Shamsul Huq)	1,250,000	12,500,000	12,500,000
11	Alhaj Abdul Halim	1,250,000	12,500,000	12,500,000
12	Alhaj Mohiuddin Ahmed	1,250,000	12,500,000	12,500,000
13	Alhaj Akkas Uddin Mollah	1,250,000	12,500,000	12,500,000
14	Alhaj Khandaker Sakib Ahmed	1,250,000	12,500,000	12,500,000
15	Alhaj Engr.Md.Towhidur Rahman	1,250,000	12,500,000	12,500,000
16	Alhaj A. K. Azad	1,250,000	12,500,000	12,500,000
17	Alhaj Mohammed Younus	1,250,000	12,500,000	12,500,000
18	Sanawar Bano	156,251	1,562,510	1,562,510

			2021 Taka	2020 Taka
19	Mohammed Yakub	364,583	3,645,830	3,645,830
20	Mohammad Nawaz	364,583	3,645,830	3,645,830
21	Tahera Faruque	156,250	1,562,500	1,562,500
22	Mohammed Parvej Faruque	243,056	2,430,560	2,430,560
23	Mohammed Forhad Faruque	243,056	2,430,560	2,430,560
24	Fuad Mohammed Faruque	243,055	2,430,550	2,430,550
25	Mohammed Nishad Faruque	243,055	2,430,550	2,430,550
26	Thanea Farah Faruque	121,528	1,215,280	1,215,280
		274,000,000	**2,740,000,000**	**2,740,000,000**

19.1 Capital to regulatiory capital requirement

A. Eligible Capital		
(i) Core capital		
Paid up capital	2,740,000,000	2,740,000,000
Capital Reserve	3,449,994	2,878,961
Retained earnings	26,275,021	19,980,022
	2,769,725,015	**2,762,858,983**
(ii) Supplementary Capital		
General provision	39,572,588	38,372,588
Specific provision	320,618,286	308,458,616
	360,190,874	**346,831,204**
B.Total Eligible capital (i+ii)	**3,129,915,889**	**3,109,690,187**
C. Total risk requirement (Annexure-A)	**565,902,390**	**534,173,170**
D. Required capital (120% of total risk requirement)	**679,082,868**	**641,007,804**
E. Capital surplus (B-D)	**2,450,833,021**	**2,468,682,383**
F. Capital adequacy ratio	**553%**	**581%**
Core capital to total risk requirement	489%	517%
Supplementary to total risk requirement	64%	65%
G. Operational risk requirement	**15,969,365**	**21,409,826**
H. Core capital to operational risk requirement (minimum 100%)	**173**	**129**
	times	**times**

19.2 Net Capital to aggregate liabilities Ratio

A. Liquid Assets		
Cash in hand or in Bank	552,337,203	395,609,024
Cash Surrender Value of life insurance policy	-	-
Customer's Debit Balances receivable within 3 days	3,503,882,390	3,098,186,504
Interest, dividend or commission receivable within 30 days	201,160,022	388,294,398
Clearing House Deposits	400,000,000	300,000,000
Amounts Receivable in the ordnary course of business,but excluding amounts which are due to be settled against delivery of security and remain outstanding for more than five banking days.	5,598,099	33,264,330
Investment in Treasury bills,bonds or certificates issued by the Government of Bangladesh	-	-
Market Value of Investment in Securities traded in an exchange.	1,393,773,365	937,226,298
Market value of Investment in Mutual fund	-	-
Market value of Investment in collective investment scheme with haircurt of 15%	-	-
Value of Investment in Scurities no traded in the Exchange with haircurt of 30% of its face value.	67,890,613	-
Total Liquid Assets (A)	**6,124,641,692**	**5,152,580,554**

		2021 Taka	2020 Taka
	Designated Liabilities:		
	Amount payable in the ordinery course of dealing in securities	11,460,641	372,831,050
	Overdraft & Loan from banks	2,415,343,319	2,137,336,443
	Accrued Expenses	238,276	60,855
	Tax payable, net of advance taxes	19,078,741	13,843,170
	All other liabilities that are regarded as liabilities under generally accepted accounting principles in Bangladesh which are payable (within 30 days)	542,275,024	-
	Total Designated Liabilities (B)	**2,988,396,001**	**2,524,071,518**
	C. Net Capital Balance (A-B)	**3,136,245,691**	**2,628,509,036**
	D. Net Capital to aggregate Liabilities	**1:1.69**	**1:1.68**
	E. Maximum permissible Ratio	**1 : 20**	**1 : 20**
20.	**Capital Reserve**		
	Opening Balance	2,878,961	2,878,961
	Add: Addition during the year	571,033	-
	Closing Balance	**3,449,994**	**2,878,961**

The above Capital Reserve has been maintained for as prescribed by Part 'B' of Schedule 'C' rule 5(2) of BSEC's Risk Based Capital Adequacy Rules, 2019.

21.	**Retained Earnings**		
	Opening Balance	19,980,022	14,269,694
	Add: Net Profit after tax during the year	253,466,032	5,710,328
	Less: Amount transferred to Capital Reserve (Note: 20)	(571,033)	-
	Less: Interim dividend paid	(246,600,000)	-
	Closing Balance	**26,275,021**	**19,980,022**
22.	**Brokerage commission**		
	Commission income through DSE	275,493,082	103,304,051
	Commission income through CSE	3,494,591	2,074,963
		278,987,673	**105,379,014**
23.	**Income from investment in shares**		
	Capital gain on sale of shares	204,087,992	63,902,577
	Dividend income (Note: 23.1)	48,187,571	33,658,325
		252,275,563	**97,560,902**
23.1	**Dividend income**		
	Cash dividend from DSE & CSE	3,767,064	4,849,330
	Cash dividend from investment in shares	42,563,007	24,773,100
	Cash dividend from investment in shares (ICB Fund)	1,857,500	4,035,895
		48,187,571	**33,658,325**
24.	**Other operating income**		
	Margin documentation fee	51,000	32,000
	BO account opening fee	926,000	894,500
	Income from CDBL	2,617,437	872,708
	BO account maintenance charge	5,119,650	3,991,050
	BO account closing fee	111,173	65,729
	Income from IPO process	338,325	131,685
		9,163,585	**5,987,672**
25.	**Operating expenses**		
	Howla charge	50	2,100
	Laga charge	22,295,787	8,277,448
	BO A/C maintenance fee	7,654,150	532,700
	CDBL transaction fee	12,392,636	3,699,837
	Service charge	611,815	359,700
		42,954,438	**12,871,785**

		2021 Taka	2020 Taka
26.	**Other income**		
	Cheque dishonour fee	27,000	28,000
	Profit on special notice deposit	1,073,253	7,489,803
	Notice pay earning	205,200	61,050
	Miscellaneous income	1,254,116	6,254
		2,559,569	**7,585,107**
27.	**Administrative and general expenses**		
	Rent, taxes, insurance, electricity etc. (Note: 27.1)	6,036,721	8,448,714
	Salaries and allowances (Note: 27.2)	52,647,257	51,218,912
	Legal and professional expenses	28,750	874,000
	Postage, stamp, telecommunication etc. (Note: 27.3)	2,425,692	2,445,832
	Stationery, printing & advertisement (Note: 27.4)	1,287,010	1,767,577
	Depreciation, repairs & maintenance (Note: 27.5)	21,234,085	18,815,885
	Other expenses (Note: 27.6)	49,786,724	15,771,931
		133,446,239	**99,342,851**
27.1	**Rent, taxes, insurance, electricity etc.**		
	Office rent (Note:27.1.1)	3,247,813	6,565,678
	Electricity and generator	2,551,002	1,712,183
	Insurance for motor vehicle	50,081	47,298
	Fuel	187,825	123,555
		6,036,721	**8,448,714**
27.1.1	**Office rent**		
	Office rent	20,023,587	20,860,744
	Transfer to depreciation and profit expenses under IFRS 16*	16,775,774	14,295,066
		3,247,813	**6,565,678**
27.2	**Salaries and allowances**		
	Basic salary	21,249,219	19,247,946
	Casual salary	2,121,456	3,339,679
	Allowances	20,150,187	19,671,957
	Other allowance	678,600	759,200
	Consolidated salary	2,239,807	2,558,378
	Bonus	4,084,706	3,758,845
	Contribution to provident fund	2,123,282	1,882,907
		52,647,257	**51,218,912**
27.3	**Postage, stamp, telecommunication etc.**		
	Revenue stamp	35,251	38,740
	Telephone & mobile	582,656	524,338
	Networking	1,762,611	1,838,479
	Postage and courier	45,174	44,275
		2,425,692	**2,445,832**
27.4	**Stationery, printing & advertisement**		
	Office stationery	99,650	203,181
	Other stationery	149,372	125,592
	Paper expenses	263,891	229,335
	Advertisement	185,000	248,000
	Printing	555,962	917,527
	Computer accessories	33,135	43,942
		1,287,010	**1,767,577**
27.5	**Depreciation, repairs & maintenance**		
	Depreciation	7,841,621	6,314,701
	Depreciation on Right of Use Assets	12,790,807	12,096,807
	Repairs & maintenance	601,657	404,377
		21,234,085	**18,815,885**

		2021 Taka	2020 Taka
27.6	**Other expenses**		
	Commission expenses	1,226,668	685,017
	Conveyance	234,021	205,540
	Travelling and conveyance	47,870	60,065
	Uniform	64,190	55,220
	Water bill	698,477	165,601
	Trade license renewal fee	337,822	1,443,891
	Training expense	3,000	6,520
	Bank charge	39,356	39,992
	Excise duty	272,556	399,573
	Entertainment	2,164,674	1,286,157
	Audit fee	67,242	40,250
	Utility bill	21,846	23,796
	Directors fee	451,000	403,000
	Software expenses	389,896	1,480,587
	Car maintenance	32,022	102,852
	Office maintenance	1,823,605	1,657,826
	Business promotional expenses	57,720	101,008
	Miscellaneous expenses	483,663	620,492
	Gratuity expenses	37,357,500	-
	Loss on sales of Assets	4,013,596	6,994,544
		49,786,724	**15,771,931**
28.	**Financial expenses**		
	Profit paid on Bai-muazzal (Commercial) TR investment, SIBL	6,918,750	18,547,254
	Profit paid on Bai-muazzal (Commercial) TR investment, SJIBL	159,901,377	170,609,743
	Profit paid on Bai-muazzal (Comm.) BB. Special Fund, SJIBL	26,127,403	558,056
	Profit paid on Bai-muazzal TR investment, Prime Bank Ltd.	-	591,324
	Profit paid to Investment Corporation of Bangladesh	3,512,904	4,020,808
	Profit expenses of lease liabilities as per IFRS-16*	6,852,913	5,952,646
		203,313,347	**200,279,831**

* As per note-3.6 in accordance with IFRS-16 the company has recognised the lease liabilities and related profit expenses is shown above.

29.	**Earnings per share**		
	Net profit attributable to ordinary shareholders	253,466,032	5,710,328
	Number of ordinary shares outstanding	274,000,000	274,000,000
		0.93	**0.02**
30.	**Cash flow from operating activities under indirect method**		
	Net profit before tax	319,382,831	27,481,034
	Adjustment for non-cash items:		
	Depreciation	20,632,428	18,411,508
	Loss on sale of Assets	4,013,596	6,994,544
		344,028,855	**52,887,086**
	Adjustment for changes in working capital:		
	Decrease in accounts receivables	218,702,636	48,835,726
	(Increase) in advance deposits and prepayments	5,498,718	7,236,685
	Increase in provision for investment in marketable securities	126,000,000	-
	Increase in General provision for all outstanding margin	1,500,000	-
	(Increase)/Decrease in margin investment	(404,533,364)	86,738,255
	(Increase)/Decrease in investment in marketable securities	(283,469,358)	(127,631,550)
	(Decrease) in provision for margin investment	(108,629,042)	-
	(Decrease) in trade and other payables	188,592,059	315,017,353
		(256,338,351)	**330,196,469**
		87,690,504	383,083,555
	Less: Income tax paid	(55,506,173)	(29,659,948)
	Net cash flows used in operating activities	**32,184,331**	**353,423,607**

31. Transactions with related parties (IAS-24)

The Company has carried out following transactions with related parties in the normal course of business.

Name of related parties	Relationship	Nature of Transaction	Balance as on 01.01.2021	Transaction during the year		Balance as on 31.12.2021
			Cr.	Dr.	Cr.	Cr.
Shahjalal Islami Bank Ltd.	Parent company	Short-term borrowing with Profit payble	2,011,859,181	-	230,100,332	2,241,959,513

32. Financial risk management

The risk of an organization is defined as the possibility of losses, financial or otherwise. The prime objective of the Risk Management is that the Organization takes well calculative Business Risk Policy for safeguarding the Organization's capital, its financial resources and profitability from various risks.

a) Investment (credit) risk

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.

The Company pays adequate emphasis on managing the business risk following a pragmatic program of regular monitoring and follow-up.

b) Liquidity risk

Liquidity Risk is the risk that the organization cannot promptly fulfil its payment obligations due to unforeseen factors or be forced to placement funds on unfavourable terms.

The organization is carefully maintaining it Asset and Liability to mitigate the liquidity risk.

c) Market risk

Market risk is the risk that either the fair value or future cash flows from financial assets or financial liabilities will fluctuate due to changes in market prices.

There are approved limits for Investment (credit) to equity ratio, liquid assets to total assets ratio, maturity mismatch and borrowing from money market . The limits are monitored and enforced on a regular basis to protect the market risks.

33. Interim cash Dividend paid

The Board of Directors in its 68th meeting held on 08.12.2021 has decided to declare and disburse 9% interim cash dividend for the year-2021.

34 Event after the reporting period

(a) The Board of Directors in its meeting held on 02 February 2022 approved the financial statements of the Company for the year ended 31 December 2021 and authorized the same for issue. The Board of Directors also approved the interim 9% cash dividend as final dividend.

(b) Except above, no other significant event had occurred till date of signing the financial statements.

Chief Executive Officer **Director** **Chairman**

Signed in terms of our separate report of even date annexed.

For K. M. HASAN & CO.
Chartered Accountants

Place : Dhaka.
Dated : 02 February 2022

Shahjalal Islami Bank Securities Limited

STATEMENT SHOWING COMPUTATION OF CAPITAL ADEQUACY

As at 31 December 2021

Annexure-A

A. Eligible Capital

Amount in Taka

Components	Amount	Haircut %	Haircut Amount	2021	2020
				Eligible Amount	Eligible Amount
Paid-up-capital	2,740,000,000	0		2,740,000,000	2,740,000,000
Capital Reserve	3,449,994	0		3,449,994	2,878,961
Retained Earnings	26,275,021	0		26,275,021	19,980,022
Sum of core capital				**2,769,725,015**	**2,762,858,983**
General Provision	49,465,735	20%	9,893,147	39,572,588	38,372,588
Specific Provision:					
Margin investment	194,526,123	30%	58,357,837	136,168,286	212,208,616
Investment in marketable securities	263,500,000	30%	79,050,000	184,450,000	96,250,000
Sum of supplementary capital				**360,190,874**	**346,831,204**
	Total Capital			**3,129,915,889**	**3,109,690,187**

B. Total risk requirement

Particulars	Risk Factor	Applicable Amount	Applicable Amount
Operation Risk Requirement (ORR):			
Based on Average Annual Gross Income (see clause (b) of sub-rule (7.1) of rule 7)	5%	15,969,365	21,409,826
Position Risk Requirement (PRR):			
i. Proprietary positions in Equity securities:		-	
Value of "A" category securities	10%	156,821,665	118,738,400
Value of "B/G/N/." category securities	12%	4,689,206	355,279
Value of "Z" category instruments	15%	-	22,816,257
ii. Proprietary positions in MFs & CISs:			
Value of listed funds	10%	-	-
Counterparty Risk Requirement (CPRR):			
i. Exposure of credit facilities to Clients	8%	388,422,154	370,853,408
Total risk requirement		**565,902,390**	**534,173,170**

C. Capital Adequacy Ratio (CAR)= $\frac{\text{Total Capital (TC)}}{\text{Total Risk Requirement(TRR)}} \times 100$ — 553% i.e.5.53 times | 581% i.e. 5.81 times

Chief Executive Officer | **Director** | **Chairman**

Signed in terms of our separate report of even date annexed.

For K. M. HASAN & CO.
Chartered Accountants

MD. AMIRUL ISLAM FCA, FCS
Senior Partner, Enrol. No. 331
K. M. Hasan & Co.
Chartered Accountants
DVC No. 2202140331AS509807

Place : Dhaka.
Dated : 02 February 2022

Shahjalal Islami Bank Securities Limited

CASH AND BANK BALANCE

As at 31 December 2021

Annexure-B

Amount in Taka

Particulars	Name of Bank Account	Name of the Bank name	Branch name	Account Number	Balance as on 31 December 2021	Balance as on 31 December 2020
Cash at bank in Company's accounts	SJIBSL Revenue A/C (DSE) A/C	Shahjalal Islami Bank Ltd.	Motijheel Branch	001310000301	1,318,756	495,983
	Shahjalal Islami Bank Securities Ltd. A/C	Shahjalal Islami Bank Ltd.	Motijheel Branch	001310000900	423,558	772,465
	Shahjalal Islami Bank Securities Ltd. A/C	Shahjalal Islami Bank Ltd.	Motijheel Branch	001310004205	297,427	56,288
	SJIBSL Special Fund Portfolio A/C	Shahjalal Islami Bank Ltd.	Motijheel Branch	0013100004231	190,409	1,489,206
	Shahjalal Islami Bank Securities Ltd. A/C,	Shahjalal Islami Bank Ltd.	GSA Branch.	0013100000011	1,662	1,644
	SJIBSL Gulshan Branch A/C	Shahjalal Islami Bank Ltd.	GSA Branch.	0012100003280	3,124	9,579
	SJIBSL Uttara Branch A/C	Shahjalal Islami Bank Ltd.	Uttara Branch.	0011100009766	2,892	4,077
	SJIBSL Collegegate Branch A/C	Shahjalal Islami Bank Ltd.	Collegegate Branch.	0013100000082	5,027	16,317
	SJIBSL Eskaton Branch A/C	Shahjalal Islami Bank Ltd.	Eskaton Branch	0011100000381	10,117	-
	SJIBSL Savar Branch A/C	Shahjalal Islami Bank Ltd.	Savar Branch.	0013100000501	8,837	4,266
	SJIBSL Agrabad Branch A/C	Shahjalal Islami Bank Ltd.	Agrabad Branch	0013100001096	4,460	4
	SJIBSL Chawkbazar Branch A/C	Shahjalal Islami Bank Ltd.	Chawkbazar Branch	0011100006045	17,848	2,818
	SJIBSL Sylhet Branch A/C	Shahjalal Islami Bank Ltd.	Sylhet Branch.	0013100003668	4,792	1,658
	SJIBSL Investment A/C	Shahjalal Islami Bank Ltd.	Motijheel Branch	0013100004235	668,295	-
	Shahjalal Islami Bank Securities Ltd. A/C	Social Islami Bank Ltd.	Principal Branch	002360002026	227,725	227,506
	Shahjalal Islami Bank Securities Ltd. A/C	Al-Arafah Islami Bank Ltd.	Motijheel Branch	000020042768	8,775	10,155
	SJIBSL Special Fund Portfolio A/C	Al-Arafah Islami Bank Ltd.	HO Corporate	1431220000813	9,319	-
	Shahjalal Islami Bank Securities Ltd. A/C	Prime Bank Ltd.	Dilkusha Branch	3108312001426	8,763	8,763
Total Cash at bank Company's account					**3,211,786**	**3,100,729**

Shahjalal Islami Bank Securities Limited

CASH AND BANK BALANCE

As at 31 December 2021

Annexure-B

Amount in Taka

Particulars	Name of Bank Account	Name of the Bank name	Branch name	Account Number	Balance as on 31 December 2021	Balance as on 31 December 2020
Cash at bank in trading accounts (Stock dealer account)	SJIBSL Dealer A/C DSE	Shahjalal Islami Bank Ltd.	Motijheel Branch	001310000324	642,539	647,780
	SJIBSL Dealer A/C DSE	Social Islami Bank Ltd.	Principal Branch	0021360003253	15,138,830	2,305,269
Total Cash at bank in Stock dealer account					**15,781,369**	**2,953,049**
Cash at bank in Consolidated customer accounts	SJIBSL Consolidated customer A/C DSE	Shahjalal Islami Bank Ltd.	Motijheel Branch	001310000290	474,451,019	368,764,957
	SJIBSL Consolidated customer A/C CSE	Shahjalal Islami Bank Ltd.	Motijheel Branch	001310000278	-	14,509
	SJIBSL Consolidated customer A/C DSE	Social Islami Bank Ltd.	Principal Branch	0021360003242	58,800,239	4,824,654
	SJIBSL Consolidated customer A/C	Commercial bank of ceylon	Panthapath Branch	002809006966	92,790	93,480
Total Cash at bank in Consolidated customer account					**533,344,048**	**373,697,600**
Cash at bank in IPO account	SJIBSL IPO Process A/C	Shahjalal Islami Bank Ltd.	Motijheel Branch	001310004096	-	15,857,646
Total Cash at bank in IPO account					**-**	**15,857,646**
Grand total cash at bank balance					**552,337,203**	**395,609,024**

Shahjalal Islami Bank Securities Limited

INVESTMENT IN MARKETABLE SECURITIES-DEALER ACCOUNT

As at 31 December 2021

Annexure-C.1

Amount in Taka

Sl. No.	Name of the company	Category	No of shares	Cost value	Market value
1	The ACME Laboratories Limited	A	627,372	58,402,938	54,267,678
2	Beximco Pharmaceuticals Ltd	A	210,100	43,639,754	40,486,270
3	Dhaka Electric Supply Company Limited	A	2,178,208	100,570,252	77,326,384
4	Envoy Textiles Limited	A	578,116	24,291,677	28,269,872
5	Esquire Knit Composite Limited	A	41,780	1,880,100	1,462,300
6	Fareast Islami Life Insurance Company Limited	A	817,000	61,966,842	43,872,900
7	MJL Bangladesh Limited	A	420,000	43,920,819	37,086,000
8	Prime Islami Life Insurance Ltd.	A	313,000	23,065,802	17,997,500
9	Quasem Industries Ltd.	A	198,765	9,516,723	9,004,055
10	RAK Ceramics (Bangladesh) Ltd.	A	750,220	39,701,949	33,309,768
11	Shasha Denims Limited	A	6,141,228	189,120,609	150,460,086
12	Silco Pharmaceuticals Limited	A	1,000,000	29,017,720	24,100,000
13	Standard Bank Limited	A	11,480,854	121,103,739	122,845,138
14	Summit Alliance Port Limited	A	20,000,000	70,893,322	49,000,000
15	Takaful Islami Insurance Limited	A	650,718	34,360,673	36,375,136
16	Titas Gas Transmission & Dist. Co. Ltd.	A	3,150,000	186,836,702	114,345,000
17	Heidelberg Cement Bangladesh Limited	A	2,300	968,898	626,520
Total Value of "A" category instruments				**1,039,258,518**	**840,834,607**
1	Energypac Power Generation Limited	N	150,000	8,429,890	5,940,000
2	Krishibid Feed Limited	N	86,525	865,250	865,250
3	Master Feed Agrotec Ltd.	N	26,648	266,480	255,821
4	Mostafa Metal Industries Limited	N	26,959	269,590	288,461
5	Oryza Agro Industries Limited	N	27,243	272,430	283,327
6	Robi Axiata Limited	N	700,000	28,973,074	24,220,000
Total Value of "N" category instruments				**39,076,714**	**31,852,859**
1	The Dacca Dyeing & Manufacturing Co.Ltd.	B	4,537,500	112,370,346	109,353,750
Total Value of "B" category instruments				**112,370,346**	**109,353,750**
Grand Total				**1,190,705,578**	**982,041,216**

Shahjalal Islami Bank Securities Limited

INVESTMENT IN MARKETABLE SECURITIES- ICB SPECIAL FUND ACCOUNT

As at 31 December 2021

Annexure-C.2

Amount in Taka

Sl. No.	Name of the company	Category	No of shares	Cost value	Market value
1	Associated Oxygen Limited	A	184,732	9,355,803	7,740,271
2	Eastern Housing Limited	A	141,085	7,658,149	6,602,778
3	Silva Pharmaceuticals Limited	A	2,120,000	41,806,222	37,948,000
4	Standard Bank Limited	A	163,000	1,751,076	1,744,100
Total Value of "A" category instruments				**60,571,250**	**54,035,149**
1	AFC Agro Biotech LTD.	B	150,000	5,341,280	4,215,000
2	Fu-Wang Foods Limited	B	500,000	10,472,976	7,650,000
3	Fu-Wang Ceramic Industry Limited	B	600,000	16,420,420	9,720,000
4	Intech Limited	B	600,000	24,825,026	16,740,000
Total Value of "B" category instruments				**57,059,702**	**38,325,000**
Grand Total				**117,630,952**	**92,360,149**

Shahjalal Islami Bank Securities Limited

INVESTMENT IN MARKETABLE SECURITIES- BANGLADESH BANK SPECIAL FUND ACCOUNT

As at 31 December 2021

Annexure-C.3

Amount in Taka

Sl. No.	Name of the company	Category	No of shares	Cost value	Market value
1	Al Arafah Bank Limited	A	1,700,000	38,347,237	45,220,000
2	Beximco Pharmaceuticals Limited	A	400,000	78,265,987	77,080,000
3	EXIM Bank Limited	A	5,000,000	59,699,745	63,500,000
4	Islami Bank Bangladesh Limited	A	2,000,000	55,584,906	64,000,000
5	Jamuna Oil Company Limited	A	100,000	18,529,172	17,110,000
6	Meghna Petroleum Limited	A	100,000	20,252,702	19,680,000
7	Social Islami Bank Limited	A	2,215,000	28,277,080	32,782,000
Total Value of "A" category instruments				**298,956,829**	**319,372,000**

Shahjalal Islami Bank Securities Limited

SCHEDULE OF FIXED ASSETS

As at 31 December 2021

Annexure-D

Amount in taka

Particulars	COST				Rate (%)	DEPRECIATION				Written Down value as at 31.12.2021
	Balance as at 01.01.2021	Addition during the year	Adjustments /disposal during the year	Balance as at 31.12.2021		Balance as at 01.01.2021	Charged during the year	Adjustments /disposal during the year	Balance as at 31.12.2021	
Tangible assets										
Furniture and fixtures	56,375,903	17,244,618	9,713,143	63,907,378	10%	26,469,780	4,708,623	5,838,359	25,340,044	38,567,334
Office equipment	42,438,112	4,192,582	4,707,461	41,923,233	20%	31,971,618	3,018,294	4,121,449	30,868,463	11,054,770
Sub-Total	**98,814,015**	**21,437,200**	**14,420,604**	**105,830,611**		**58,441,398**	**7,726,917**	**9,959,808**	**56,208,507**	**49,622,104**
Intangible assets										
Software	2,684,379	-	-	2,684,379	20%	2,225,561	114,704	-	2,340,265	344,114
Total tangible & intangible assets	**101,498,394**	**21,437,200**	**14,420,604**	**108,514,990**		**60,666,959**	**7,841,621**	**9,959,808**	**58,548,772**	**49,966,218**
Right of use Assets	94,999,246	25,277,575	-	120,276,821		12,096,807	12,790,807	-	24,887,614	95,389,207
Total as at December 31, 2021	**196,497,640**	**46,714,775**	**14,420,604**	**228,791,811**		**72,763,766**	**20,632,428**	**9,959,808**	**83,436,386**	**145,355,425**
Total as at December 31, 2020	**112,373,698**	**95,784,121**	**11,660,179**	**196,497,640**		**58,712,793**	**18,411,508**	**4,360,535**	**72,763,766**	**123,733,874**

Shahjalal Islami Bank Securities Limited

INCOME TAX ASSESSMENT STATUS

As at 31 December 2021

Annexure- E

Amount in Taka

Assessment year(s)	Provision made as per accounts	Tax liability as per return	Total payment	Remarks
2012-2013	19,976,268	39,058,553	62,441,553	Appeal pending with High Court.
2013-2014	33,011,983	21,260,860	30,446,003	Appeal pending with Appellate Tribunal.
2014-2015	22,983,299	22,983,982	30,443,282	Appeal pending with Appellate Tribunal.
2015-2016	36,389,854	32,244,498	32,244,498	Return filed U/S- 82BB
2016-2017	64,277,748	49,295,197	49,295,197	Return filed U/S- 82BB
2017-2018	34,407,336	26,457,738	30,541,832	Return filed U/S- 82BB
2018-2019	82,787,438	82,786,711	82,786,711	Return filed U/S- 82BB
2019-2020	23,136,288	23,136,288	23,136,288	Return filed U/S- 82BB
2020-2021	28,070,778	27,458,336	27,458,336	Return filed U/S- 82BB
2021-2022	22,589,103	22,917,752	23,368,774	Return filed U/S- 82BB
2022-2023	64,946,817	-	54,176,115	Return to be submitted
Total	**432,576,912**	**347,599,915**	**446,338,589**	

Shahjalal Islami Bank Securities Limited

COMPUTATION OF TOTAL INCOME & TAX LIABILITY

Income year ended 31st December-2021
Assessment Year 2022-2023

Annexure- F

Particulars	Amount	Amount	Amount
1. Short term borrowing (Tk.1,859,000,000+298,861,498+ 200,00,000+57,481,521)	2,415,343,319		
2. Financial expenses	203,313,347		
3. Operating expense, Office and administrative expense	176,400,674		
4. Receivable from margin clients (Investment to client)	3,502,292,198		
5. Investment in securities	1,642,124,315		
Income calculation for provission for taxation			
1) Brokerage commission final settlement u/s 82c	44,538,018*100	148,460,060	
	30		
2) Capital gain on sale of shares	204,087,992		
Not adjusted with Financial expenses here	-	204,087,992	
3) Investment income, Dividend Income & Other Income	233,521,190		
Less: Financial Expenses	203,313,347		
	30,207,843		
Less: Operating expense, Office and administrative, Financial expense 32.59%	62,951,426		
	(32,743,583)		
4)Accounting depreciation on Fixed Assets	7,841,622		
Accounting depreciation Right of use Assets As Per IFRS 16	12,790,807		
Expenses of Lease Liabilities As per IFRS-16 Note:28	6,852,913		
	27,485,342		
	(5,258,241)		
Less: Depreciation as per 3rd Schedule	7,819,661		
	(13,077,902)	-	
Less:Rental Expenses (As per IFRS 16)	16,775,774		
	(29,853,676)		
Add: Excess Perquisite		-	
Loss for the year	(29,853,676)		
Add: Carried forward of previous year loss (2021-2022)	(102,450,875)		
Add: Carried forward of previous year loss (2020-2021)	(86,028,333)		
Add: Carried forward of previous year loss (2019-2020)	(50,270,991)		
Total loss	**(268,603,875)**	-	
	Total Income	**352,548,052**	
Tax Calculation			
Tax on Brokerage commission final settltement u/s 82c	148,460,060	30%	44,538,018
Tax on Capital gain on sale of shares	204,087,992	10%	20,408,799
Total Income	**352,548,052**	**Tax Liability**	**64,946,817**



OTHER INFORMATION

BRANCH NETWORK

Dhaka Zone	
Dhaka Main Branch 58 Dilkusha C/A, Dhaka-1000 Phone: 02 223390795-8, 02 223390805 e-mail: dhakamain@sjiblbd.com	Moulvi Bazar Branch, Dhaka Moulvi Bazar Tower 69, 70 No. Moulvi Bazar, Dhaka-1100 Phone: 57315533, 57313788, 57319114 Fax: 02-7315534 e-mail: mitford@sjiblbd.com
Dhanmondi Branch Momtaz Plaza (1st Floor), House # 07, Road # 04 Dhanmondi R/A, Dhaka-1205 Phone: 58615138, 02 223365766, Fax: 02-57315534 e-mail: dhanmondi@sjiblbd.com	Gulshan Branch Baro Bhuiyan, Holding No-3/A, Block- CWN(A), Kamal Ataturk Avenue, Gulshan-2, Dhaka Phone: 02 222290322, 02 222293008, 02 222290520 Fax: 02-9893008 e-mail: gulshan@sjiblbd.com
Foreign Exchange Branch Modern Mansion (1st & 2nd Foor) 53 Motijheel C/A, Dhaka-1000 Phone: 02 223380480, 02223354726-8, Fax: 02-9574729 e-mail: fex@sjiblbd.com	Joydevpur Chowrasta Branch Khaleque Complex (1st Foor) Joydevpur Chowrasta, Gazipur Phone: 49262393-4 Fax: 02-9262393 e-mail: jcb@sjiblbd.com
Kawran Bazar Branch T K Bhaban, 13 KaziNazrul Islam Avenue Kawran Bazar, Dhaka Phone: 55011949, 55011947-8, 55011950 Fax: 02-9126604 e-mail: kawran@sjiblbd.com	Uttara Branch Anwar Complex (1st Foor), House # 12 Road # 14/C, Sector # 4, Uttara Model Town Dhaka-1230 Phone: 02-8932084, 48953553, 7912660 Fax: 02-8953586 e-mail: uttara@sjiblbd.com
Bangshal Branch 215/1 Bangshal Road, Dhaka-1100 Phone: 02 223350937 Fax: 02-7172910 e-mail: bangshal@sjiblbd.com	Baipail (Dhaka EPZ) Branch Swapneel Tower (1st Floor), Baipail DEPZ, Savar, Dhaka Phone: 996688717, 996688292, Fax: 02-7790517 e-mail: baipail@sjiblbd.com
Narayanganj Branch Osman Tower 56/1, S. M. Maleh Road, Narayanganj Phone: 02-7635172, Fax: 02-7635173 e-mail: narayanganj@sjiblbd.com	Satmasjid Road Branch KhudaBuksh Foundation (1st Floor) Road # 11/A, House # 99, Dhanmondi, Dhaka-1209 Phone: 48123028, 48115812, Fax: 02-9129848 e-mail: satmasjid@sjiblbd.com
Banani Branch Ataturk Tower (1st Floor), 22 Kamal Ataturk Avenue, Road # 17, Banani, Dhaka-1213 Phone: 02-9820627-8, 9820625 Fax: 02-9820626 e-mail: banani@sjiblbd.com	Joypara Branch Monowara Mansion (1st Floor), Joypara Dohar, Dhaka Phone: 02 7768155 (PABX), 01755556120, Fax: 02-7768155 e-mail: joypara@sjiblbd.com
Motijheel Branch 1/C RAJUK Avenue, Dainak Bangla Moor Motijheel C/A, Dhaka-1000 Phone: 02 223353591,02 223353587, 02 223384029(cash), Fax: 02-9564029 e-mail: motijheel@sjiblbd.com	Mirpur Branch Saleha Complex 142/1 Begum Rokeya Sarani, Ward-14, Mirpur-10, Dhaka-1216 Phone: 58051941-4, Fax: 02-9012857 e-mail: mirpur@sjiblbd.com

Savar Branch Bismillah Super Market (1st Floor) B-71/1 & B-72/1 Bazar Road, Savar, Dhaka Phone: 02-224442894-5, Fax: 02-7742893 e-mail: savar@sjiblbd.com	Bijoynagar Branch MCT Ally's Center (1st Floor) 40 Bijoynagar, Kakrail, Dhaka-1000 Phone: 58310069, Fax: 02-9344867 e-mail: bijoy@sjiblbd.com
Progati Sarani Branch Confidence Center (1st Floor), Kha-9, Progati Sarani Gulshan, Dhaka-1229 Phone: 55048332, Fax: 02- 9852247 e-mail: progati@sjiblbd.com	Keranigonj Branch Ma Plaza (1st Floor), Shahid Nagar Keranigonj, Dhaka Phone: 02-7762293-4, 7762291 Fax: 02-7762292 e-mail: keranigonj@sjiblbd.com
Mymensingh Branch Noor Fatema Tower (1st Floor) 25 Shawdeshi Bazar, Mymensingh Phone: 091-64397, 091-62617 Fax: 091-62370 e-mail: mymensingh@sjiblbd.com	Panthapath Branch ENA Tower, Di-Olie (1st Floor) 57/3, 57/4 Lake Circus Road Kolabagan, Dhanmondi, Dhaka-1212 Phone: 48114571, 48113540, 48113776 Fax: 02-9133745 e-mail: panthapath@sjiblbd.com
College Gate Branch Union Center (1st Floor) 1/5 Mohammadpur Housing Estate Mirpur Road, Dhaka Phone: 02-9136291, 8150232, Fax: 02-9136197 e-mail: collegegate@sjiblbd.com	Baruakhali Branch Baruakhali High School Market (1st Floor) P.S.: Nababganj, P.O.: Baruakhali, Dhaka Mobile: 01755556136 e-mail: baruakhali@sjiblbd.com
Madhabdi Branch M. B. Tower (1st floor), Holding no.-256, Par Kashipur Road, Madhabdi Bazar, Madhabdi, Narsingdi Phone: 01755556137, 01755556237, 02 224457017, 02 224457167 Fax: 9446167 e-mail: madhabdi@sjiblbd.com	Ashkona Branch City Port, 398 Ashkona Bazar Road (Haji Camp), Dhaka Phone: 48952137-8, Fax: 02-7911606 e-mail: ashkona@sjiblbd.com
Barachowna Bazar Branch Surjo Jyoti Shopping Complex, Dag No- 45, Khatian No- 994, Mouja- Barachowna, Union- Kalia, P.S.- Sakhipur, Dist: Tangail, Bangladesh Phone: 0755556145 e-mail: barachowna@sjiblbd.com	Shafipur Branch A-62 Haji Osman Market, Shafipur Bazar Kaliakair, Gazipur Phone: 49271203-5, Fax- 06822-51867 e-mail: shafipur@sjiblbd.com
Gulshan South Avenue Branch NASSA Heights, Hoding No. 47, Gulshan Avenue, Gulshan-1, Dhaka-1212 Phone: 02 222287406, 02 222287427 02222299104 Fax: 02-9847406 e-mail: gsa@sjiblbd.com	Tongi SME/Agri Branch Rupali Plaza (1st Floor), Holding No. 24 Anarkoli Road, Tongi Bazar, Tongi, Gazipur Phone: 02-9817391-3 Fax: 02-9817394 e-mail: tongi@sjiblbd.com
Bhaluka SME/Agri Branch Masud Market (1st Floor), Holding No. 58 Bhaluka, Mymensingh Phone: 09022-56175, 01755556154 Fax- 09022- 56237 e-mail: bhaluka@sjiblbd.com	Eskaton Branch Eskaton Fantasia (2nd Floor) 122 & 123 New Eskaton, Dhaka Phone: 48318645, 48316973,48316848 Fax: 02-9355672 e-mail: eskaton@sjiblbd.com
Mawna Branch Bhai Bhai City Complex Sreepur Road, Mawna, Gazipur Phone: 06825-55026, 01755556156, Fax: 06825-53905 e-mail: mawna@sjiblbd.com	Faridpur Branch 110 Thana Road (1st & 2nd Floor), Faridpur Phone: 0631-67156, 0631-67155, Fax: 0631-67154 e-mail: faridpur@sjiblbd.com

Tangail Branch Nirala Complex (1st & 2nd Floor) Nirala More, Main Road, Tangail Phone: 0921-62434, Fax- 0921-62435 e-mail: tangail@sjiblbd.com	Shikarpur Nimtola Branch Eajuddin Mollah Super Market (1st Floor) 573 Shirajdikhan, Keyan, Munshigonj Cell: 01755556165 e-mail: nimtola@sjiblbd.com
Mohakhali Branch Venture Tower (1st & 2nd Floor), Plot-03, BirUttam A.K. Khandaker Road; Mohakhali C/A, Dhaka-1213 Phone: 01755556169, 01755556269, 02 222284782-4, Fax: 02 9881103 e-mail: mohakhali@sjiblbd.com	Nawabpur Road Branch Fazlur Rahman Plaza (1st Floor) 218 Nawabpur Road, Dhaka Phone: 47114377, 57164212, Fax: 02-7125982 e-mail: nawabpur@sjiblbd.com
Uttara Ladies Branch Solar Trade Center (1st & 2nd Floor) Plot #16, Sector #11 Garib-E-Newaz Avenue, Uttara, Dhaka-1230 Phone: 48952231-2, Fax: 02-8991902 e-mail: uttaraladies@sjiblbd.com	Malibagh Chowdhurypara Branch Holding # 34-B (1st Floor), DIT Road Malibagh Chowdhurypara, Khilgaon, Dhaka-1219 Phone: 02-9357317, 48319725, 48317930, 48319725, Fax: 02-9334356 e-mail: malibagh@sjiblbd.com
Haluaghat Branch Uttar Bazar, Haluaghat Sadar Haluaghat, Mymensingh Phone: 090 2656136, Mob: 01755556177 e-mail: haluaghat@sjiblbd.com	Karatia Branch Karatia Bazar (Karatia Bus Stand), Karatia, Tangail Mob: 01755556178 e-mail: karatia@sjiblbd.com
Nawabgonj Branch Isamoti Plaza (1st Floor), Baghmara Bazar, Kolakopa, Nawabgonj, Dhaka Phone: 02-7765286, 7765289, 01755556179, Fax: 02-7765287 e-mail: nawabgonj@sjiblbd.com	Sarulia Branch Khandaker Super Market (1st & 2nd floor) Khandaker Moor, Tengra Road, Sarulia Bazar Demra, Dhaka Phone: 7500985 (Dir.), 02-7501002 (PABX) Fax: 88-02-7500654 e-mail: sarulia@sjiblbd.com
Donia Branch Fatema Monjil(1st Floor) 436 Donia, Zia Sarani Moor Kadamtoli, Dhaka Phone: 02-7549878, 02-7549873, Fax: 02-7549878 e-mail: donia@sjiblbd.com	Jamalpur Branch Haji Market (1st floor), 84-85 Jam-e-Masjid Road Jamalpur Sadar, Jamalpur Phone: 09816-4990, 09816-4978, 01755556184 Fax: 09816-5022 e-mail: jamalpur@sjiblbd.com
Nagarpur Branch Refaz Uddin Plaza (1st Floor), 369 Sadar Road Nagarpur, Tangail Phone: 02 997756844, 02997756846 Mobile: 01755556186, Fax: 09233-73213 e-mail: nagarpur@sjiblbd.com	Bandura Branch Roksana Shopping Complex and Pawl & Elizabeth Holy Garden (1st Floor), 592 Old Bandura Bazar Bandura, Nawabgonj, Dhaka Phone: 01755-556187 e-mail: bandura@sjiblbd.com
Elephant Road Branch Fahim Mansion (1st Floor), 23 Elephant Road New Market, Dhaka-1205 Phone: 02 223367710, 02 223363385 Mobile: 01755-556190 e-mail: elephantrd@sjiblbd.com	Manikgonj Branch Salam Tower (1st Floor), 168 Shaheed Rafique Road, Manikgonj Sadar, Manikgonj Phone: 7711211, 7711620 Fax: 7711783, Mobile: 01755556192 e-mail: manikgonj@sjiblbd.com
Dighirpar Branch Dighirpar Bus Stand, Mulchor Tongibari, Munshigonj Mobile: 01755556193 e-mail: dighirpar@sjiblbd.com	Charbhadrasan Branch Charbhadrasan Bazar, Charbhadrasan, Faridpur Phone: 01755556196, 06325-56012 (Direct), 06325-56013 (PABX), Fax: 06325-56014 e-mail: charbhadrasan@sjiblbd.com
Jurain Branch Rezia Alam Shopping Complex (1st Floor), Holding No.-414/2, New Jurain, Alambagh Road, Kadamtoli Dhaka-1204 Phone: +88 01755556199 e-mail: jurain@sjiblbd.com	Chalakchar Branch Chalakchar Bus Stand, Chalakchar Monohardi, Narsingdi Phone: 01755556402, 01755556452 e-mail: chalakchar@sjiblbd.com

Chinishpur Branch Kafil Uddin Mansion (1st Floor), Nandipara Velanagar, NarsingdiSadar, Narsingdi Phone: 01755556403, 029451960(PABX), 029451957(Direct) Fax: 029451959 e-mail: chinishpur@sjiblbd.com	Shahjalal Islami Bank Tower Branch Shahjalal Islami Bank Tower, Plot No: 4, CWN(C)Gulshan Avenue, Dhaka-1212. Phone:9895059, 01755556404 e-mail: towerbranch@sjiblbd.com
Ati Bazar Branch Shah Alam Tower, 65 Ati Bazar Main Road Keraniganj, Dhaka, Phone: 01755556405, 01755556455 e-mail: atibazar@sjiblbd.com	Panchabati Branch Mirbaksh Plaza, Panchabati, Fatulla Narayanganj, Bangladesh Phone: 01755556406, 01755556456 e-mail: panchabati@sjiblbd.com
Kalihati Branch Haji Samad Shopping Complex 116, Kalihati Bus Stand, Kalihati, Tangail Phone: 01755556408, 09227-74625, 09227-74016 e-mail: kalihati@sjiblbd.com	Sherpur Branch Bhasha Sainik Shafiuddin Bhaban 187, C&B Road, Sherpur Phone:0931-61194,0931-61191, 01755556409, 01755556459 e-mail: sherpur@sjiblbd.com
Baraikhali Branch Islam Super Market, Baraikhali Bazar Srinagar, Munsigonj Phone: 01755556415, 01755556465 e-mail: baraikhali@sjiblbd.com	Vararia Bazar Branch Vararia Bazar, Vararia Manikgonj Phone: 01755556416 , 01755556466 e-mail: vararia@sjiblbd.com
Sheikhpur Bazar Branch Molla Bhaban, Sheikhpur Bazar Shibchar, Madaripur Phone: 01755556417,01755556467 e-mail: sheikhpur@sjiblbd.com	Takterchala Bazar Branch Takterchala Bazar, Takterchala Shakhipur, Tangail Phone: 01755556419, 01755556469 e-mail: takterchala@sjiblbd.com
Sadarpur Branch Jomjom Tower, Sadarpur Main Road Hospital Moor, Sadarpur, Faridpur Phone: 01755556420 , 01755556470 e-mail: sadarpur@sjiblbd.com	Basail Branch Doctor Wazed Ali Super Market, 901 Upzilla Road Bashail, Tangail Phone: 01755556422, 01755556472 e-mail: basail@sjiblbd.com
Uttarkhan Branch Shah Tower, 2294/A, Shah Kabir Road, Uttarkhan, Dhaka-1230 Phone: 02 48956445-6, 01755556423, 01755556473 e-mail: uttarkhan@sjiblbd.com	Gharishar Branch Italy Plaza, Gharishar Main Road, Gharishar, Naria, Shariatpur, Bangladesh. Phone: 01755556426, 01755556476 e-mail: gharishar@sjiblbd.com
Gafargaon Branch Hekim Tower, M-396, Station Road, Gafargaon, Mymensingh, Bangladesh. Phone: 01755556428 e-mail: gafargaon@sjiblbd.com	Karimganj Branch Euro Super Market, 19, Thana Road, Karimganj, Kishoreganj, Bangladesh. Phone: 01755556429, 01755556479 e-mail: karimganj@sjiblbd.com
Pallabi Branch Holding No.-23, Road No.-8, Block-A, Section-12, Pallabi, Mirpur, Dhaka-1216. Phone: 01755556430, 58070450-2 e-mail: pallabi@sjiblbd.com	Saturia Branch Muktijoddha Complex Bhaban, Bangladesh Muktijoddha Sangsad, Saturia, Manikganj. Phone: 01755556432, 01755556482 e-mail: saturia@sjiblbd.com
Chattogram Zone	
Agrabad Branch Delwar Building, 104 Agrabad C/A, Chattogram Phone: 02 333323050-3, 031-728294 Fax: 031-716960 e-mail: agra@sjiblbd.com	Khatungonj Branch 398/A Khatungonj (1st & 2nd Floor), Chattogram Phone: 02 222290322, 02 222293008, 02 222290520 Fax: 031-637281 e-mail: khatungonj@sjiblbd.com

Jubilee Road Branch Haque Tower (1st Floor) 610/11 Jubilee Road, Chattogram Phone: 02 333353151-2, Fax: 031-2853153 e-mail: jubilee@sjiblbd.com	Muradpur Branch Shiraj Shopping Complex (1st Floor) 85 Muradpur, Chattogram Phone: 02 334451413,02 334455431,02 334451414, 02 334451415, Fax: 031-2552592 e-mail: muradpur@sjiblbd.com
Cumilla Branch Salahuddin Complex (1st & 2nd Floor) MonohorpurChowmuhoni, Laksam Road, Cumilla Phone: 081-61655, Fax: 081-61545 e-mail: comilla@sjiblbd.com	Ashugonj Branch Doctor Plaza (1st Floor), Kachari Road, Ashugonj Phone: 02 334431803-4 Fax- 08528-74104 e-mail: ashugonj@sjiblbd.com
Nazirhat Branch B. A. Center (1st Floor), Nazirhat Fatikchhari, Chattogram Mobile: 01755556147 e-mail: nazirhat@sjiblbd.com	Chawkbazar Branch Holding no.- 13, Chawkbazar, Kapashgola Road, Ward No.-16, Chattogram City Corporation, PS- Kotwali, District- Chattogram, Bangladesh. Phone: 02 333365281-4, , Fax: 0312-865284 e-mail: chawkbazar@sjiblbd.com
Ramgonj Branch Islam Plaza (1st Floor), 85 Sonapur Bazar Ramgonj, Laksmipur Phone: 0382-475405, 03824-75079 Fax: 0382-475072 e-mail: ramgonj@sjiblbd.com	Cox's Bazar Branch A. B. Super Market (1st Floor) 145 Laldighirpar, Cox's Bazar Phone: 0341-52030-31, Fax: 0341-52032 e-mail: coxsbazar@sjiblbd.com
Brahmanbaria Branch City Center Shopping Complex (2nd Floor) 1072 Court Road, Brahmanbaria Phone: 0851-61170, 0851-61270, Fax: 0851-61370 e-mail: bbaria@sjiblbd.com	Bandartila Branch Zalal Plaza (1st Floor), 311 Bandartila Sailor's Colony, Chattogram Phone:, 02 333341174,02 333341195, 02 33331214, Fax: 031-741195 e-mail: bandartila@sjiblbd.com
Chowmuhani Branch Bhuiyan Center, Holding No- 65/1, D.B Road, Ward No-6, Pouroshova- Chowmuhani, P.S.- Begumganj, District- Noakhali Phone: 02 334494026, Fax: 0321-56645 e-mail: chowmuhani@sjiblbd.com	Hajigonj Branch Maa Mansion (1st & 2nd Floor) 622 Hajigonj, Chandpur Phone: 08424-75138, 01755556164, Fax: 08424-75139 e-mail: hajigonj@sjiblbd.com
Laxmipur Branch Shafique Chowdhury Mansion (1st Floor), Holding No.- 1028, College Road, Banchanagar, Ward no.- 7, Laxmipur Sadar, Laxmipur. Phone: 02 334441303, 02 334494026, Fax: 0381-61360 e-mail: laxmipur@sjiblbd.com	Feni Branch Maisa A. M Ahmed Tower, Holding No: 192, S.S.K Road, Ward No-17, Pouroshova- Feni, P.S.-Feni Sadar, District- Feni, Bangladesh. Phone: 02 334473833, Fax: 0331-73372 e-mail: feni@sjiblbd.com
Madunaghat Branch Abul Farah Market (1st Floor) Madunaghat Bazar Road, Madarsha, Hathazari, Chattogram Phone: 031-2573261-3, Fax: 031-2573264 e-mail: modunaghat@sjiblbd.com	WASA Moor Branch Moze Roze Heights H#521/522, R#42, M M Ali Road CDA Avenue, WASA Moor, Lalkhan Bazar, Chattogram Phone: 031-633060-1,031-633063 e-mail: wmoor@sjiblbd.com
Anderkilla Branch Pubali Art Press Bhaban (1st Floor) 320 Anderkilla, Chattogram Phone: 02 333369701-4, Fax: 031-2869704 e-mail: anderkilla@sjiblbd.com	Dattapara Branch Chowdhury Bhaban (1st Floor), 549, Dattapara Road Dattapara Bazar, Laxmipur Sadar, Laxmipur Mobile: 01755556188 e-mail: dattapara@sjiblbd.com
Gunabati Branch Faraiji Shopping Complex (1st Floor), College Road Gunabati, Chouddagram, Cumilla Mobile: 01755556189 e-mail: gunabati@sjiblbd.com	Pahartoli Branch Nazir Saleh Complex (1st Floor) 612/544 D. T. Road, Pahartoli, Chattogram Phone: 031-2773872-4, 02 43150872, FAX- 03127-73875 e-mail: pahartoli@sjiblbd.com

Dashgharia Branch Nur Shopping Complex, Paniwala Road, Dashgharia Bazar, Chatkhil, Noakhali, Bangladesh Phone:01755556410 e-mail: dashgharia@sjiblbd.com	Mainamati Branch A.M. Haji Market, Nishchintapur Mainamati Cantonment, Cumilla Phone:081-74267-8, 01755556411 e-mail: mainamati@sjiblbd.com
Halishahar Branch Shahidullah Bhaban, 1764/1/2221 North Agrabad, Doublemuring, Chattogram Phone: 02 333318236, 01755556412 e-mail: halishahar@sjiblbd.com	Rajapur Branch Shenu Member Market, Dhagonbhuiya Road RajapurBazar, Dhagonbhuiya, Feni Phone: 01755556414 e-mail: rajapur@sjiblbd.com
Samitir Bazar Branch Samitir Bazar, Ramgonj, Laxmipur Phone: 01755556418 e-mail: samitir@sjiblbd.com	Brahmanpara Branch Yousuf Miaji Plaza, Upazilla Sarak, Brahmanpara, Cumilla Phone: 01755556424 e-mail: brahmanpara@sjiblbd.com
Mirsharai Branch Lucky Rozy Market, Holding No.-NHB-88, Dhaka-Chattogram Highway, Mirsharai, Chattogram. Phone: 01755556431 e-mail: mirsharai@sjiblbd.com	
Khulna Zone	
Khulna Branch 4 KDA Avenue, Khulna Phone: 04777-28458-60 Fax: 041-2830457 e-mail: khulna@sjiblbd.com	Jashore Branch Sadhinata Castle (1st & 2nd Floor) 91 M.K. Road, Kotowali, Jashore Phone: 0421-64640-1, 0421-65385, Fax: 0421-65386 e-mail: jessore@sjiblbd.com
Kaligonj Branch Munsur Plaza (1st Floor), 162 Madhugonj Bazar, Kaligonj, Jhenaidah Phone: 02 477748515, 02 477748518, Fax: 04523-56678 e-mail: kaligonj@sjiblbd.com	Kushtia Branch 7 N. S. Road (1st & 2nd Floor) Kushtia Sadar, Kushtia Phone: 02 477782645-6, 071-63094, 071-63103, Fax: 071-63095 e-mail: kustia@sjiblbd.com
Chuadanga Branch Malik Tower (1st & 2nd Floor) 43 & 107 Shaheed AK Road, Chuadanga Phone: 02 477787580, 0761-81013-4, Fax: 0761-81016 e-mail: chuadanga@sjiblbd.com	Chuknagar Branch Azad Plaza (1st floor), Chuknagar Bazar, Atlia, Dumuria, Khulna Phone: 01755556197 e-mail: chuknagar@sjiblbd.com
Hat Gopalpur Branch Shahjalal Shopping Complex, Padmakar, Jhenaidah Sadar, Jhenaidah Phone: +88 01755556400 e-mail: hatgopalpur@sjiblbd.com	Moheshpur Branch Royal Plaza, 770, Moheshpur, Jhenaidah, Bangladesh. Phone: +88 01755556427 e-mail: moheshpur@sjiblbd.com
Sylhet Zone	
Beani Bazar Branch City Centre Bhaban (1st Floor) Beani Bazar Market, Beani Bazar, Sylhet Phone: 02 2996646429-30, Fax: 08223-56133 e-mail: beani@sjiblbd.com	Sylhet Branch Al-Falah Tower (1st Floor) Dhupadighir Purbopar, Kotowali, Sylhet Phone: 02 996635815 Fax: 0821-725225 e-mail: sylhet@sjiblbd.com

Dargah Gate Branch 297 Amberkhana, Dargah Gate, Airport Road, Sylhet Phone: 0821-727234, 0821-727239, Mobile: 01755556112, Fax: 0821-814277 e-mail: dargah@sjiblbd.com	Moulvibazar Branch 286/300 Ahmed Mansion (1st Floor) Saifur Rahman Road, Moulvibazar-3200 Phone: 0861-62874,0861- 62876, Fax- 0861-62875 e-mail: moulvi@sjiblbd.com
Goalabazar Branch Afzal Mansion (1st Floor), Goala Bazar P.O.: Goala Bazar, P.S.: Osmani Nagor, Sylhet Phone: 08242-56304,08242-56307, Fax: 08242-56238 e-mail: goalabazar@sjiblbd.com	Subidbazar Branch Merlin Tower, Holding No: 7746, Sunamganj Road, Sylhet Phone: 0821- 727407-8 (PABX), 0821- 727462 01755556194 e-mail: subidbazar@sjiblbd.com
Habiganj Branch Harun Tower, 3679-01 B Zaman Khan Road, Habiganj, Bangladesh Phone: 01755556413, 0831-54331-2 e-mail: habiganj@sjiblbd.com	
Rajshahi Zone	
Saidpur Branch Saidpur Plaza (1st Floor), Sher-e-Bangla Road Saidpur, Nilphamari Phone: 02 589956929, Fax: 02 589957199 e-mail: saidpur@sjiblbd.com	Rajshahi Branch Habib Plaza (1st Floor), 111 Shaheb Bazar Zero Point, Rajshahi Phone: 02588857401-2, Fax: 0721-772427 e-mail: rajshahi@sjiblbd.com
Bogura Branch Bitu Tower (1st Floor), Holding No.- 791, Rangpur Road, Bogura Phone: 051-67206, 051-67646,051-67656, Fax: 051-67205 e-mail: bogra@sjiblbd.com	Naogaon Branch Holding # 3366 (1st Floor) Naogaon Main Road, Chawkdev, Naogaon Phone: 02 588882174, 02 588881496, Fax: 0741-61496 e-mail: naogaon@sjiblbd.com
Dinajpur Branch Holding No. 887/848 (1st Floor) GoneshTola, Kotowali, Dinajpur Phone: 0531-52052-3, 02 589922052-3 Fax: 0531-52054 e-mail: dinajpur@sjiblbd.com	Rangpur Branch Motahar Commercial Complex H#8, GL Rai Road, Rangpur Phone: 0521-63012, 0521-67901, Fax: 0521-63082 e-mail: rangpur@sjiblbd.com
Sirajgonj Branch Siddique Plaza (1st Floor), 122 S. S. Road, Sirajgonj Phone: 0751-64722 (Dir.), 0751-64720 (PABX) Fax: 0751-64733 e-mail: sirajgonj@sjiblbd.com	Chapainawabganj Branch G. R. Bhaban (1st Floor), 62 Godagari Road BaroIndara Moor, Chapainawabganj Sadar Chapainawabganj Phone:02 588893571-2, Fax: 02 588893573 e-mail: chapainganj@sjiblbd.com
Thakurgaon Branch Galary Complex, 722 Bangabandhu Road, Thakurgaon, Bangladesh Phone: 0561-53805-6, 01755556195 e-mail: thakurgaon@sjiblbd.com	Pabna Branch J. P. Super Market (1st floor), 985 M. M. Ali Road, Delalpur, Pabna Phone:02 588843972, 02 588843975, 02 588843960, 02 588843970, 01755556198 e-mail: pabna@sjiblbd.com
Joypurhat Branch Tofayel Complex, 173/1 & 203 Sadar Road, Joypurhat, Bangladesh Phone: 01755556407, 02 589915721-2 e-mail: joypurhat@sjiblbd.com	Arani Bazar Branch Bhutto Super Market, 519, Arani Bazar, Phone: 01755556425 e-mail: aranibazar@sjiblbd.com

Barishal Zone	
Khepupara Branch 128(1st floor), Ismail Talukder Road, Lumarpatti, Khepupara, Kolapara, Patuakhali Phone: 04425-56506-7, Fax: 04425-56508 e-mail: khepupara@sjiblbd.com	Barishal Branch Hawladar Plaza (1st & 2nd Floor) 475 K. B. Hemayet Uddin Road, Barishal Phone: 0431-2177504-5,0431-62138, Fax: 0431-62262 e-mail: barisal@sjiblbd.com
Amtali Branch N Islam Mansion, Holding No-189/1, New Bazar Hospital Road, Amtali, Barguna Phone: 01755556401, 04452-56116-7, 04452-56114 (Direct), Fax: 0445256115 e-mail: amtali@sjiblbd.com	Bangla Bazar Branch S. Alam Super Market, Bangla Bazar, Doulatkhan, Bhola Phone: 01755556421 e-mail: banglabazar@sjiblbd.com
Offshore Banking Unit	
Shahjalal Islami Bank Tower (6th floor), Plot-4, Block-CWN (C), Gulshan Avenue, Dhaka-1212 Phone: 02 222283457	
Sub-Branch	
Bokshirhat Sub-Branch Ahsan Market, Holding No-466, Bokshirhat, Bizbag, Senbag, Noakhali Phone: 01755556350 e-mail: bokshirhat@sjiblbd.com	DSE Annex Building Sub-Branch DSE Annex Building, Holding No.- 9/E, Motijheel C/A, Dhaka-1000 Phone: 01755556351 e-mail: dsenxb@sjiblbd.com
Shahjalal Islami Bank Securities Limited	
Main Office DSL Building (3rd &4th floor)1/C DIT Avenue, Motijheel Commercial Area, Dhaka-1000 Phone: 02-223355826, 47116583, 02-223357564, Fax: 02 9514550	Extension of Main Office DSE Annex Building 9/E, Motijheel C/A, Dhaka 1000 Phone: 02-89513964, 47113059, Fax: 02-7161877
Dhaka Zone	
Gulshan Unit Jabbar Tower (4th Floor), 42 Gulshan Avenue Road No. 135, Gulshan-1, Dhaka-1212 Phone: 02-22229861338, 02-222260423, Fax: 02-222260950	College Gate Unit Union Center (1st Floor), 1/5 Mohammadpur Housing Estate, Mirpur Road, Dhaka Phone: 02-48119186, Fax: 02-48120398
Savar Unit Sk. Purnima View, House No. 87/A (1st Floor) Bazar Road, Savar, Dhaka Phone: 02-7744107-8, Fax: 02-58956248	Uttara Unit Anwar Complex (3rd Floor) House No. 12, Road No. 14/C, Sector- 4, Uttara, Dhaka Phone: 02-58956912, 58956978, Fax: 02-58956248
Nikunja Unit DSE Tower (Level- 10), Room-195, Plot-46, Road-21, Nikunja-2, Dhaka-1229 Phone: 01704129047	Eskaton Unit Standard Center, (3rd floor),27/1/1, Rashed Khan Menon Sarak,Ramna Dhaka-1000. Phone:02-8331973-4, Fax:02-8322696
Chattogram Zone	
Agrabad Unit Delwar Building, 104 Agrabad C/A, Chittagong Tel: 031-2528352, Fax: 031-2528352	Chawkbazar Unit 13, Ridma Tower (2nd Floor) Kapashgola Road, Chawkbazar, Chittagong. Tel: 031-626402-3
Sylhet Zone	
Sylhet Unit Al-Falah Tower (1st Floor), East Dhopa Dighir Paar, Sylhet Phone: 0821-720966, Fax: 0821-720711	

ATM NETWORK

Dhaka Zone		
01.	Gulshan Branch ATM	40/5, North Avenue, Gulshan-2, Dhaka-1212
02.	Dhanmondi Branch ATM	Momtaz Plaza, House # 07, Road # 04, Dhanmondi R/A, Dhaka
03.	Dhaka Main Branch ATM	58 Dilkusha C/A, Dhaka-1000
04.	Motijheel Branch ATM	1/C Rajuk Avenue, Dainik Bangla Moor, Motijheel C/A, Dhaka-1000
05.	Anwer Khan Mordern Hospital ATM	Road No.-08, Dhanmondi, Near Mirpur Road, Dhaka
06.	Gulshan South Avenue ATM	Nasa Heights, Holding No-47, Gulshan Avenue, Gulshan-1, Dhaka-1212
07.	Tangail Branch ATM	Nirala Complex, Par Dihgulia, Tangail
08.	Savar Branch ATM	Bismillah Super Market, Holding no.:71/1&72/1, Savar
09.	Shafipur Branch ATM	A-62 Haji Osman Market,Shafipur Bazar,Kaliakair, Gazipur
10.	Uttara Branch ATM	Anwer Complex, House#12,Road#14/C, Sec#04, Uttara Model Town, Dhaka
11.	Uttara (Ladies Branch) ATM	Solar Trade Center, Plot No.:16, Sector:11, Gorobi Nayoaz Avenue, Uttara Residential Area , Uttara, Dhaka
12.	Malibag Chowdhury Para ATM	34/B, DIT Road, Malibag Chowdhury Para, Dhaka
13.	Karatia Branch ATM	Plot-584/587,Karatia Bazar, Tangail
14.	Sarulia Branch ATM	Khandaker Super Market, Khandar Moor, Tanra Road, Ward-05, Union- Sarulia, PO- Sarulia Bazar, Demra, Dhaka
15.	Joypara Branch ATM	Monowara Mansion, Joypara, Dohar, Dhaka
16.	Haluaghat Branch ATM	Kamar Potti, Halua Ghat, Halua Ghat Sadar, Mymensing
17.	Baruakhali Branch ATM	Baruakhali high school market, Baruakahli, Nobabgong, Dhaka
18.	Shikarpur Nimtola ATM	Eajuddin Mollah Super Market, 573 Shirajdikhan, Keyan, Munshigonj
19.	Mymensingh Branch ATM	Mymensingh College Super Market, Holding: 42/2, Rambabu Road, Mymensingh Sadar, Mymensingh
20.	Nagarpur Branch ATM	Refaz Uddin Plaza, 369 Sadar Road, Nagarpur, Tangail
21.	Baipail Branch ATM	Swapneel Tower, Baipail, Ashulia, Dhaka EPZ, Savar, Dhaka
22.	Ha-Meem Group ATM 01	407 Tejgoan Industrial Area, Dhaka-1208
23.	Ha-Meem Group ATM 02	407 Tejgoan Industrial Area, Dhaka-1208
24.	Banani Branch ATM	Ataturk Tower (1st floor) 22 Kamal Ataturk Avenue, Banani Dhaka-1213
25.	Narayangonj ATM	Osman Tower, 56/1 SM Maleh Road, Narayangonj
26.	Incepta HO ATM	Incepta Pharmaceuticals Ltd. Head Office, 40, Shahid Tajuddin Ahmed Sarani, Tejgaon, I/A, Dhaka
27.	Aswad Mawna 1 ATM	Aswad Composit Mills, 1317, Beraider Chala, Sreepur, Gazipur
28.	Aswad Mawna 2 ATM	Aswad Composit Mills, 1317, Beraider Chala, Sreepur, Gazipur
29.	Incepta Manikgong ATM	Incepta Pharmaceuticals Ltd. Factory: Krishnapura, Shahabelishwar, Dhanrai, Dhaka
30.	Al-Razzak Bangshal ATM	Hotel Al-Razzak (Pvt) Ltd, 29/1, North South Road, Bangshal, Dhaka
31.	Charbhadrasan Branch ATM	Charbhadrasan Bazar, Charbhadrasan, Faridpur
32.	Joydevpur Chowrasta Branch ATM	Khaleque Complex ,Joydevpur Chowrasta, Gazipur
33.	SJIBL Incepta Savar 01 ATM	Incepta Pharmaceuticals Ltd, Boro Rangamati, Jirabo, Savar, Dhaka
34.	SJIBL Incepta Savar 02 ATM	Incepta Pharmaceuticals Ltd, Boro Rangamati, Jirabo, Savar, Dhaka
35.	SJIBL Tower Branch ATM	Shahjalal Islami Bank Tower, Plot No: 4, CWN(C), Gulshan Avenue, Dhaka
36.	Elephant Road Branch ATM	Fahim Mansion,23 Elephant Road, New Market, Dhaka-1205
37.	Ati Bazar Branch ATM	Shah Alam Tower, 65 Ati Bazar Main Road, Keraniganj, Dhaka
38.	Kalihati Branch ATM	Haji Samad Shopping Complex, 116 Kalihati Bus Stand, Kalihati, Tangail
39.	Anowara ATM 01	Anowara Knit Composite Limited, Mulayed, Mawna, Sreepur, Gazipur
40.	Anowara ATM 02	Anowara Knit Composite Limited, Mulayed, Mawna, Sreepur, Gazipur
41.	Jurain Branch ATM	Rezia Alam Shopping Complex, Holding No.-414/2, New Jurain, Alambagh Road, Kadamtoli, Dhaka-1204
42.	Dighirpar Branch ATM	Dighirpar (Bus Stand), Union: Mulchor, PS: Tongibari, District: Munshiganj
43.	Mondol Mawna 1 ATM	Mondol Intimates Ltd. Bagher Bazar, Mawna, Gazipur

44.	Mondol Mawna 2 ATM	Mondol Intimates Ltd. Bagher Bazar, Mawna, Gazipur
45.	Tangil Sristy ATM	Sristy Complex, 3109, Mymensigh Road, Tangail Sadar, Tangil-1900
46.	Baraikhali Branch ATM	Islam Super Market, Baraikhali Bazar, Srinagar, Munsigonj
47.	Taktarchala Bazar Branch ATM	Taktarchala Bazar, Taktarchala, Shokhipur, Tangail
48.	Sadarpur Branch ATM	Jamjam Tower, Sadarpur Main Road, Hospital Mor, Sadarpur, Faridpur
49.	Libas Textile Shafipur NCR ATM 01	Libas Textile Ltd. Nishchintapur, Mouchak, Kaliakoir GAZIPUR
50.	Libas Textile Shafipur NCR ATM 02	Libas Textile Ltd. Nishchintapur, Mouchak, Kaliakoir GAZIPUR
51.	Q Pail Limited Tongi NCR ATM	Plot # B 196, BSCIC Industrial Area, Tongi, Gazipur
52.	Bandura Branch ATM	Nuruddin Plaza, Bandura bus stand, Hashnabad, Nawabgonj, Dhaka.
53.	Ekram Sweaters Bhaluka ATM	Ekram Sweaters Ltd. Kathali, Bhaluka, Mymensingh
54.	Narayanganj Branch ATM 2	Osman Tower, 56/1 SM Maleh Road, Narayangonj
55.	Silken Sewing JCB ATM 01	Silken Sewing ltd., Baniar Chala, PO-Bhabanipur union, Mirzapur, Gazipur
56.	Silken Sewing JCB ATM 02	Silken Sewing ltd., Baniar Chala, PO-Bhabanipur union, Mirzapur, Gazipur
57.	Sheikhpur Bazar Branch ATM	Sheikhpur Bazar, Shibchor, Madaripur
58.	Gharishar Branch ATM	Italy Plaza, Gharishar Main Road, Gharishar, Naria, Shariatpur
59.	Vararia Bazar Branch ATM	Vararia Bazar, Vararia, Manikgonj
60.	Gafargaon Branch ATM	Hekim Tower, M-396, Station Road, Gafargaon, Mymensingh
61.	Barachowna Bazar Branch ATM	Barachowna Bazar PS:Shakhipur Dist.: Tangail
62.	Ekram Sweaters Bhaluka ATM-2	Ekram Sweaters Ltd. Kathali, Bhaluka, Mymensingh
63.	Satmasjid Road Branch ATM	Khuda Buksh Foundation, Road No. 11/A, House No. 99, Dhanmondi, Dhaka
64.	Saturia Branch ATM	Upazilla Muktijodda Complex Bhaban, Upazilla Sadar, Saturia, Manikgonj
65.	Mondol Mawna 3 ATM	Mondol Intimates Ltd. Bagher Bazar, Mawna, Gazipur
66.	Anwer Khan Modern Hospital ATM2	Road No.-08, Dhanmondi, Near Mirpur Road, Dhaka
67.	Faridpur Branch ATM	Gour Gopal Bigroha Estate Biponi Bitan Complex-2,Thana Road, Faridpur
68.	Progati Sarani Branch ATM	Confidence Center, Kha-9, Progati Sarani, Gulshan, Dhaka-1229
Chattogram Zone		
69.	Agrabad Branch ATM	104, Agrabad C/A, Chattogram
70.	Chawkbazar Branch ATM	2 Chawkbazar, Kapashgola Road, Chattogram
71.	Bandartila Branch ATM	Zalal Plaza, 311 Bandartila, Sailor's Colony, Chattogram
72.	Laxmipur Branch ATM	Ali-Haidar Shopping Complex, Holding No.#339, Hospital Road, P.O+P.S: Laxmipur, Ward No#07, Dist-Laxmipur
73.	Hajigong Branch ATM	Holding No.-622,P.O+P.S-Hajigong, Ward No.-06, Chadpur
74.	Brahmanbaria Branch ATM	City Center Shopping Complex, 1072 Court Road
75.	Chowmuhuni Branch ATM	Ali Bhaban, 1523 katimpur Road, Chowmuhuni, Begumganj, Noakhali
76.	Cumilla Branch ATM	Cumilla Tower, Lakxam Road, Cumilla
77.	Gunabati Branch ATM	Faraiji Shopping Complex, College Road, Gunabati, Chouddagram, Cumilla
78.	Feni Branch ATM	Star Line Complex, 314/1, S.S.K Road, Feni
79.	Dashgharia Branch ATM	Nur Shopping Complex, Paniwala Road, Dashgharia Bazar, Chatkhil, Noakhali
80.	Rajapur Branch ATM	Shenu Member Market, RajapurBazar, Dhagonbhuiya, Feni
81.	Samitir Bazar Branch ATM	Samitir Bazar, Ramganj, Lazmipur
82.	Halishahar Branch ATM	Shahidullah Bhaban, 1764/1/2221 North Agrabad, Doublemuring, Chattogram.
83.	Brahmanpara Branch ATM	Yousuf Miaji Plaza, Upazilla Sarak, Brahmanpara, Cumilla
84.	Baxirhat ATM	Baxirhat,Senbag, Noakhali
85.	Mirsharai Branch ATM	Lucky Rosey Market, Holding No-NHB-88, Dhaka-Chattogram Highway, Mirsharai, Chattogram
86.	Mainamati Branch ATM	A.M. Haji Market, Nishchintapur, Mainamati Cantonment, Cumilla
87.	WASA Moor Branch ATM	MOJ-Rose Heights, Holding-521/522, Road-42, M. M. Ali Road (CDA Avenue), ward-14, Lal Khan Bazar, Khulshi
88.	Anderkilla Branch ATM	Anderkilla Branch, Pubali Art Press Bhaban, 320 Anderkilla, Chattogram
89.	Ramgonj Branch ATM	Anowar Khan Tower, 283, Kalabagan Road , Ramgonj, Laxmipur
90.	Dattapara Branch ATM	399, Dattapara Road, Dattapara Bazar, Laxmipur Sadar, Laxmipur

Sylhet Zone		
91.	Sylhet Branch ATM	Star view Tower, Sylhet
92.	Al-Falah Branch ATM	Dhopa Dighirpar, Sylhet
93.	Darghagate Branch ATM	Amin Complex, 80/A-1, Waves, Airport Road, Amberkhana, Sylhet
94.	Habiganj Branch ATM	Harun Tower, 3679-01 B Zaman Khan Road, Habiganj
95.	Moulvibazar Branch ATM	286/300 Ahmed Mansion, Saifur Rahman Road, Moulvibazar-3200
96.	Subidbazar Branch ATM	Merlin Tower, Holding No: 7746, Sunamganj Road, Sylhet
97.	Mirboxtula ATM	Jamiah Islamiah Hussainia Mirboxtula Market Bhaban, Nayaroad, Sylhet
Khulna Zone		
98.	Khulna Branch ATM	Moon Mansion, 10 KDA Avenue Moylapota More, Khulna
99.	Jashore Branch ATM	Sadhinata Bhaban, Holding no:91, M.K. Road. Kotawaly, Jashore
100.	Kushtia Branch ATM	Shop No.#09, Chowdhury Super Market, 1-Sir Sayed Ahammed Road, Panch Raster more/Sapla more, Thana para, Kushtia
101.	Chuadanga Branch ATM	Malik Tower, Holding No-43 & 107, Chuadanga
102.	Chuknagar Branch ATM	Azad Plaza, Chuknagar Bazar, Atlia, Dumuria, Khulna
103.	Hat Gopalpur Branch ATM	Shahjalal Shopping Complex, Padmakar, Jhenaidah Sadar, Jhenaidah
104.	Jashore Pouroshova ATM	Jashore Pouroshova Bhaban, Munshi Meherullah Road, Ward no.- 5, P.S.- Kotowali, Pouroshova- Jashore
105.	Moheshpur Branch ATM	Royal Plaza, 770, Moheshpur, Jhenaidah
Rajshahi Zone		
106.	Bogura Branch ATM	Nurul Haque Tower, 357/395, Boro Gola Mor, Bogura
107.	Rajshahi Branch ATM	Al-Helal Super Market, shop No.-02, Sahebbazar, P.S- Blia, Rajshahi
108.	Naogaon Branch ATM	3366 Chawkdeb, Naogaon, Dist: Naogaon
109.	Saidpur Branch ATM	Saidpur Plaza, Sere Bangla Road Saidpur, Nilphamari
110.	Dinajpur Branch ATM	T&T Road, South Munshi para, Bahadur Bazar, Dinajpur
111.	Chapainawabgonj Branch ATM	Monsur Mansion, Boro Indra Mor, Chapinawabgonj sador, Chapinawabgonj
112.	Rangpur ATM	Shalek Pump, Station Road, Rangpur
113.	Thakurgaon Branch ATM	Galary Complex, Bango Bando Road, Thakurgaon
114.	Pabna Branch ATM	J. P. Super Market ,985 M. M. Ali Road, Delalpur, Pabna
115.	Bogura ATM 2	House No. 511/579, Khandar Mor, Carmichael Road, Bogura Sadar, Bogura
116.	Arani Bazar Branch ATM	Bhutto Super Market, 519, Arani Bazar, Arani, Bagha, Rajshahi
117.	Joypurhat Branch ATM	Bari Trade Centre, Sadar Road, Joypurhat, Bangladesh
Barishal Zone		
118.	Amtali Branch ATM	N Islam Mansion, Holding No-189/1, New Bazar Hospital Road, Amtali, Barguna
119.	Khepupara Branch ATM	128 Ismail Talukder Road, Lumarpatti, Khepupara, Kolapara, Patuakhali

Notes

Notes

Notes

Shahjalal Islami Bank LIMITED
Committed to Cordial Service

Registered Office: Shahjalal Islami Bank Tower
Plot No.- 4, Block- CWN(C), Gulshan Avenue, Gulshan, Dhaka-1212

PROXY FORM

I/We _____ of (address) _____
_____ being the Member of Shahjalal Islami Bank Limited do hereby appoint Mr./Mrs. _____ of (address) _____ as my/our proxy on my/our behalf to attend and vote for me/us at the 21st Annual General Meeting of the Bank to be held on **Thursday, the 28th April 2022 at 11:00 a.m. through Digital Platform** at any adjournment thereof.

Signed this _____ day of _____ 2022.

(Signature of the Member)

(Signature of the Proxy)

BO ID No. | | | | | | | | | | | | | | | |

Affix Revenue Stamp of Tk.20.00

Number of Shares held on record date: _____

Notes:

- Scanned copy of the proxy form duly signed, with revenue stamped of Tk.20.00 (Taka Twenty) must be mailed to **sblshare@sjiblbd.com** not later than 48 (Forty-eight) hours before the AGM.
- Signature of the Members should match with the specimen signature registered with the Company/Depository Participant(s).

Shahjalal Islami Bank LIMITED
Committed to Cordial Service

Registered Office: Shahjalal Islami Bank Tower
Plot No.- 4, Block- CWN(C), Gulshan Avenue, Gulshan, Dhaka-1212

ATTENDANCE SLIP

I do hereby record my attendance at the 21st Annual General Meeting to be held on Thursday, the 28th April 2022 at 11:00 a.m. through Digital Platform.

Name of the Member/Proxy (in Block Letter): _____

BO ID No. of Member | | | | | | | | | | | | | | | |

Signature Verified by

(Signature of the Member/Proxy)

Authorized Signatory of the Bank

Scan to view digital version
of the annual report

CORPORATE HEAD OFFICE
Shahjalal Islami Bank Tower
Plot No: 4, CWN(C)
Gulshan Avenue, Dhaka-1212, Bangladesh
Phone: +88-02-222283457
Fax: +88-02-222297607
Email: sjiblho@sjiblbd.com
Web: www.sjiblbd.com

24/7 Call Center
Committed to Cordial Service
16302

nymphea | www.nymphea-bd.com