ANNUAL REPORT
2022

Facing challenges with GRIT AND GRACE



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.

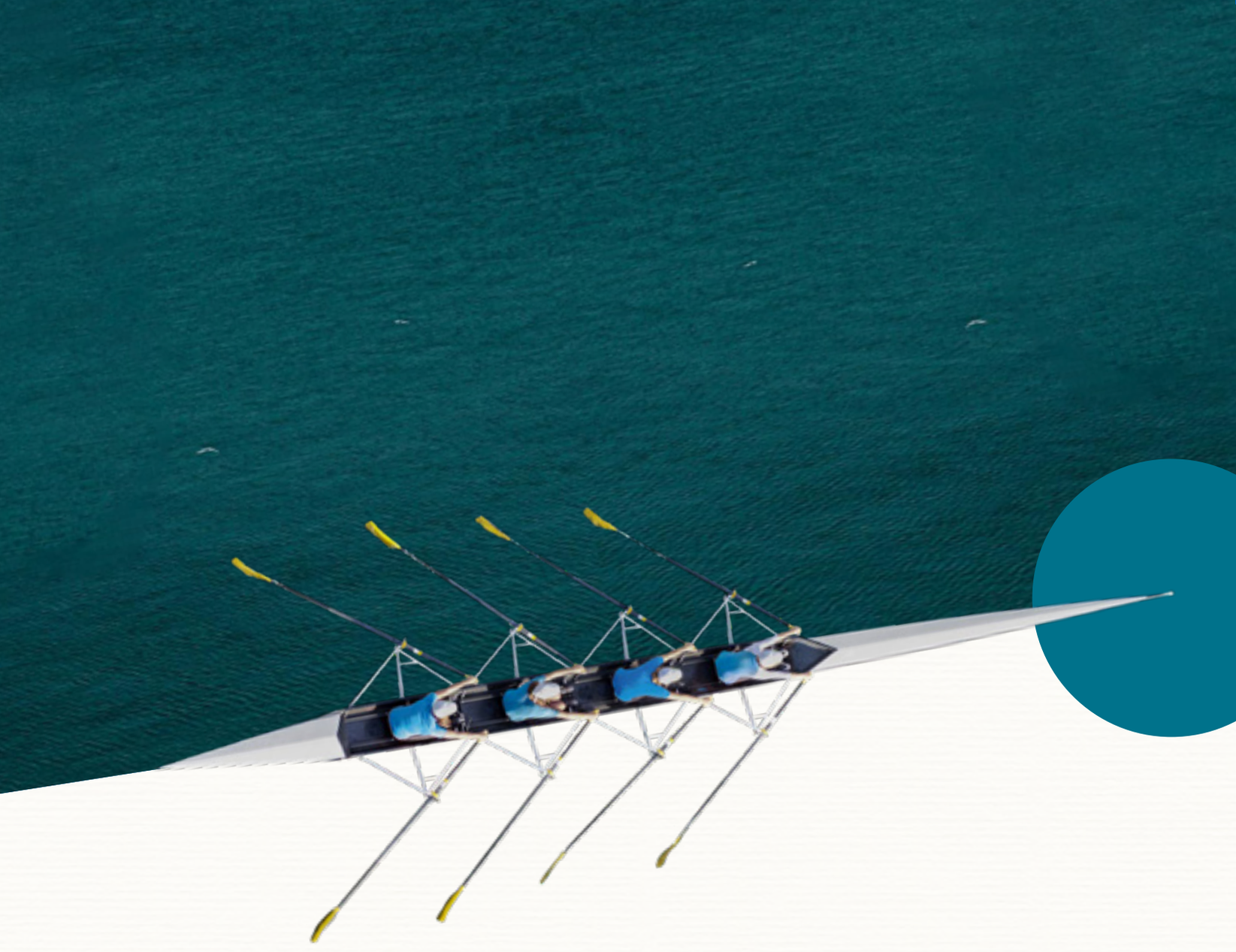
Surah Al-Baqarah, verse-276

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



Facing challenges with

GRIT AND GRACE



The current global climate poses significant challenges for businesses and commerce, including the adverse effects of pandemics and ongoing conflict in Europe. Facing these challenges can be daunting, but Shahjalal Islami Bank is equipped to overcome them with grit and grace. This means approaching adversity with determination and resilience, as well as maintaining a sense of poise under pressure.

At Shahjalal Islami Bank, we are committed to providing high-quality financial services that our customers can count on. In today's volatile market, we strive to be a beacon of stability, helping our customers navigate uncertainty and build financial security. With a strong foundation, a focus on long-term growth, and a commitment to responsible banking practices, we are well equipped to face any challenge that comes our way.

We offer a diverse range of financial products and services, and our knowledgeable and supportive team is here to help our customers thrive and succeed. Additionally, our commitment to social and environmental sustainability demonstrates our dedication to facing challenges with fortitude and poise.

We are committed to being a reliable and trustworthy partner for our customers. We look forward to continuing to serve them with integrity, reliability, and excellence, no matter what challenges the future may bring. By approaching the challenges with resolve and grace, we aim to overcome them successfully.

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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 - 2022

We are pleased to enclose a copy of the Annual Report 2022 of Shahjalal Islami Bank Limited including Audit Report and Audited Financial Statements for the year ended on 31December 2022 along with Notes thereon for your kind information and record.

Thank you,

Yours Truly,

Sd/-
Md. Abul Bashar
SEVP & Company Secretary

بِسۡمِ اللّٰہِ الرَّحۡمٰنِ الرَّحِیۡمِ

Shahjalal Islami Bank Limited
Registered Office: Shahjalal Islami Bank Tower
Plot No.-04, Block-CWN(C), Gulshan Avenue, Dhaka-1212

NOTICE OF THE 22nd ANNUAL GENERAL MEETING

Notice is hereby given to all shareholders of Shahjalal Islami Bank Limited that the **22nd Annual General Meeting** of the Company will be held on **Wednesday, the 24th May 2023 at 11:00 a.m. using Digital Platform** to transact the following business:

AGENDA

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31 December 2022 along with the Report of the Auditor's and the Directors' thereon.
2. To approve Dividend for the year ended 31 December 2022 as recommended by the Board of Directors.
3. To appoint Statutory Auditors for the year 2023 and to fix their remuneration.
4. To appoint Compliance Auditors for compliance certification on Corporate Governance Code for the year 2023 and to fix their remuneration.
5. To elect/re-elect Directors.
6. To approve the appointment of Independent Directors.

Special Business:

7. To consider and, if thought fit, pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 11ka and other applicable provisions, if any, of the Companies Act, 1994 (2nd amendment in 2020) and subject to the approval of the Registrar of Joint Stock Companies and Firms (RJSC) and other authority as may be necessary, the shareholders of the company be and are hereby given consent to change the name of the Company from "SHAHJALAL ISLAMI BANK LIMITED" to "SHAHJALAL ISLAMI BANK PLC".

FURTHER RESOLVED THAT the amendment of the clause 1.0 of the Memorandum of Association and clause 2.6 and 2.7 of the Articles of the Association as proposed below be and are hereby amended and approved:

Amendment of Clause 1.0 of Memorandum of Association

Existing Clause	Approved Amendment
1.0 The name of the Company is **"SHAHJALAL ISLAMI BANK LIMITED"** (hereinafter called the "Company").	1.0 The name of the Company is **"SHAHJALAL ISLAMI BANK PLC"** (hereinafter called the "Company").

Amendment of Clause 2.6 and 2.7 of Articles of Association

Existing Clause	Approved Amendment
2.6 **"Company"** means **SHAHJALAL ISLAMI BANK LIMITED** a public limited Company incorporated under the Act and having its **Registered Office** in Bangladesh.	2.6 **"Company"** means **SHAHJALAL ISLAMI BANK PLC** a public limited Company incorporated under the Act and having its **Registered Office** in Bangladesh.
2.7 **"SJIBL"** Stands for **SHAHJALAL ISLAMI BANK LIMITED.**	2.7 **"SJIBPLC"** Stands for **SHAHJALAL ISLAMI BANK PLC.**

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

Dated: Dhaka
16th April 2023

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

Notes:

- The Record Date of the Company will be on 27th April 2023. 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.
- 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 2022 along with Notice of the 22nd 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 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 18th May 2023. In case of non-submission of such option within the stipulated time, the dividend will be paid off as deemed appropriate by the Bank.



وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا

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

Surah Al-Baqarah, Verse-275

YEAR OF ACCOMPLISHMENTS

Shahjalal Islami Bank has been awarded first prize by Professional Bodies in home and abroad such as SAFA, ICAB, ICMAB and ICSB for Annual Report 2021



Awards and RECOGNITION



SAFA Gold Award in Private sector bank for Best Presented Annual Report 2021



SAFA Gold Award in SAARC Anniversary Award for Corporate Governance 2021



ICSB National Award 2021 for Corporate Governance Excellence (Gold Award Certificate)



SAFA Silver Award 2021 for Overall Excellence in Corporate Reporting



SAFA Bronze Award 2021 for Integrated Reporting

KEY FINANCIAL
HIGHLIGHTS- 2022

TOTAL ASSETS

2022	**Tk. 339,819m**
2021	Tk. 313,731m
2020	Tk. 293,518m

TOTAL REGULATORY CAPITAL

2022	**Tk. 34,064m**
2021	Tk. 33,778m
2020	Tk. 28,308m

TOTAL DEPOSIT

2022	**Tk. 227,982m**
2021	Tk. 217,289m
2020	Tk. 218,443m

IMPORT BUSINESS

2022	**Tk. 254,756m**
2021	Tk. 248,934m
2020	Tk. 148,469m

EXPORT BUSINESS

2022	**Tk. 265,942m**
2021	Tk. 191,899m
2020	Tk. 133,580m

COST OF FUND

2022	**5.27%**
2021	5.28%
2020	7.39%

CLASSIFIED INVESTMENT

2022	**4.78%**
2021	4.42%
2020	4.57%

CAPITAL ADEQUACY RATIO

2022	**14.38%**
2021	15.04%
2020	14.43%

OPERATING PROFIT

2022	**Tk. 8,335m**
2021	Tk. 6,004m
2020	Tk. 4,095m

EARNINGS PER SHARE (EPS)

2022	**Tk. 3.26**
2021	Tk. 2.39
2020	Tk. 1.85

NET ASSETS VALUE PER SHARE

2022	**Tk. 20.24**
2021	Tk. 18.33
2020	Tk. 17.44

RETURN ON EQUITY (ROE)

2022	**16.92%**
2021	13.70%
2020	11.08%

TOTAL INVESTMENT

2022 **Tk. 237,230m**

2021 Tk. 216,587m

2020 Tk. 196,513m

PROFIT EARNING ASSETS

2022 **Tk. 285,103m**

2021 Tk. 266,235m

2020 Tk. 244,232m

PROFIT AFTER TAX

2022 **Tk. 3,525m**

2021 Tk. 2,585m

2020 Tk. 1,908m

RETURN ON ASSETS (ROA)

2022 **Tk. 1.08%**

2021 Tk. 0.85%

2020 0.68%

NON-FINANCIAL **HIGHLIGHTS 2022**

NUMBER OF BRANCHES

2022 **140**

2021 132

NUMBER OF AGENT BANKING OUTLETS

2022 **111**

2021 100

NUMBER OF ATMS

2022 **129**

2021 119

STAFF STRENGTH

2022 **2,835**

2021 2,741

CONTRIBUTION TO NATIONAL EXCHEQUER

2022 **6,433m**

2021 4,845m

CORPORATE SOCIAL RESPONSIBILITY

2022 **325m**

2021 232m

NO. OF CLIENTS

2022 **1,163,904**

2021 1,080,759

NO. OF FOREIGN CORRESPONDENT

2022 **437**

2021 436

NO. OF DRAWING ARRANGEMENT

2022 **17**

2021 15

CREDIT RATING

2022 **AA+, ST-2**

2021 AA, ST-2



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 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



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

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

- DYNAMIC
- PROFESSIONAL
- CARING
- TRUSTWORTHY

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

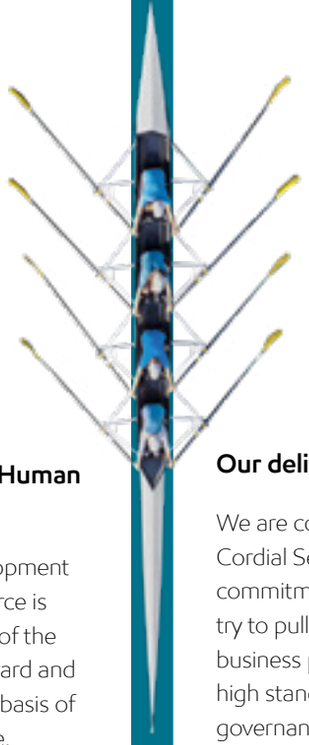
the way we conduct ourselves

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.

Improvement of Deposit Mix & reduction of Cost of Deposit

To be the competitive in the Market, bank always given emphasis on procurement of Low cost & No cost deposit

Diversified deposit and investment product:

For long term sustainability, SJIBL mobilize sticky deposit from the market and to avoid large corporate deposit. We will diversify our Investment portfolio to CMSME & Consumer finance to reduce concentration on Corporate Investment.

Development of Human Capital

Continuous development of human resource is prime objectives of the bank. Maintain reward and recognition on the basis of performance.

Promoting Financial Inclusion

To penetrate in the untapped market SJIBL increase countrywide Agent Banking operation

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.

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.

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.

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.

Strengthen recovery & Monitoring Department

The prime objective of the bank is to maintain quality asset portfolio, recovery of Non Performing Invest (NPI), arrest compensation and also recovery of written off Investment. Our Special Asset Management Department (SAMD) and Investment Monitoring Department take all out efforts to prevent deterioration quality asset.

CODE OF **CONDUCT**

Ethical Principles of SJIBL

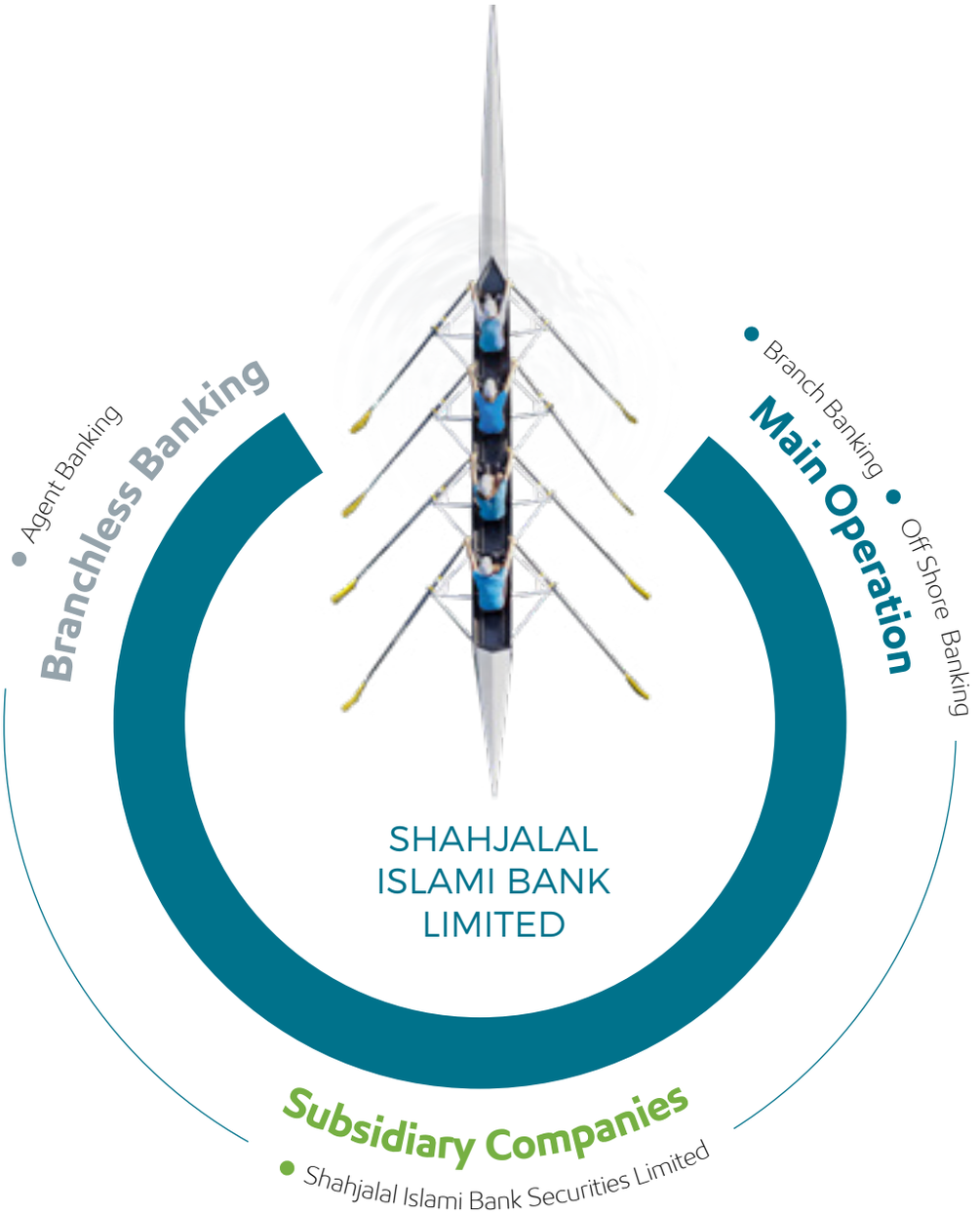
The Bank has achieved a remarkable reputation since its inception. This reputation is our most important asset, source of inspiration & pride. The Bank's continued success depends heavily on all member staffs of SJIBL family doing their best to maintain and enhance our tradition of honesty, integrity, 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. Mosleh Uddin Ahmed
Auditors	:	M/s. Hoda Vasi Chowdhury & Co. Chartered Accountants BTMC Bhaban, (6th & 7th Floor) 7-9 Kawran Bazar C /A, Dhaka-1215 Phone: +88 (02) 8189323 - 24
Tax Advisor	:	M/s. K.M Hasan & Co., Chartered Accountants 87, New Eskaton Road, Dhaka. Phone: +88-02-9351457, 9351564
Credit Rating Agency	:	Emerging Credit Rating Ltd. SHAMS Rangs, 104 Park Road, Level- A1 & A2, Baridhara, Dhaka-1212 Phone :+ 880 2 986 0911, + 880 2 986 0897
No. of Branches	:	140
No. of ATM Booth	:	129
Subsidiary Company	:	Shahjalal Islami Bank Securities Limited DSL Building, (3rd floor) 1/C, DIT Avenue, Dainik Bangla, Motijheel, Dhaka-1000.
Off-Shore banking Unit	:	1
No. of Employees	:	2,835
Authorized Capital	:	Tk. 15,000 million
Paid up Capital	:	Tk. 10,806 million



SHAHJALAL ISLAMI BANK LIMITED
CORPORATE STRUCTURE



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

OUR 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

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

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

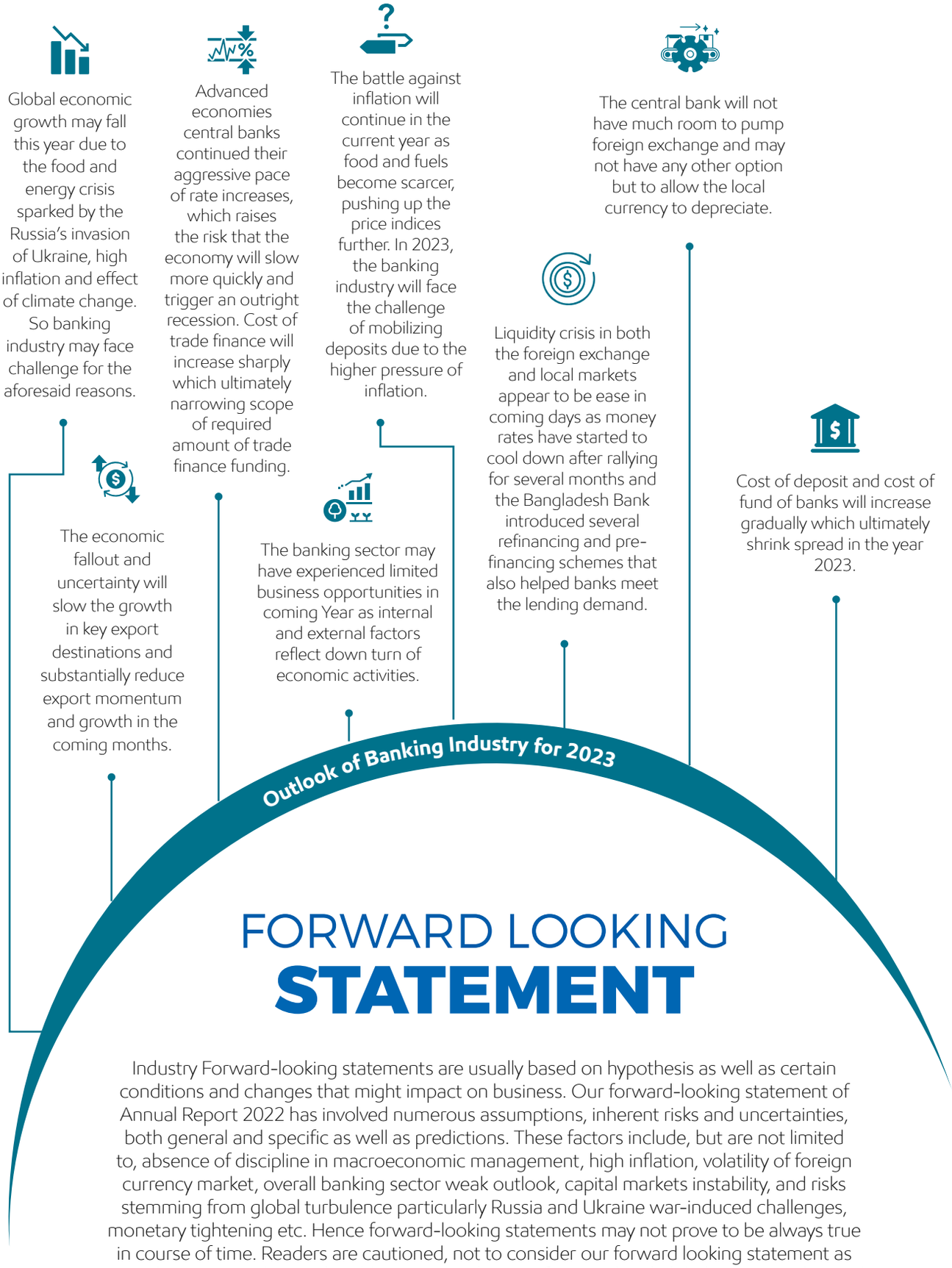
Launching of Shariah compliant Credit Card

2022

For the first time Shahjalal Islami Bank has been awarded first prize by professional Bodies in home and abroad such as SAFA, ICAB, ICMAB and ICSB for Annual Report 2021

Achieved the ISO 27001:2013 Certification from the UK-based Certification Body Intertek.

Published separate Sustainability Report-2021as per GRI standards.



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 2022 has involved numerous assumptions, inherent risks and uncertainties, both general and specific as well as predictions. These factors include, but are not limited to, absence of discipline in macroeconomic management, high inflation, volatility of foreign currency market, overall banking sector weak outlook, capital markets instability, and risks stemming from global turbulence particularly Russia and Ukraine war-induced challenges, monetary tightening 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 **SJIBL 2023**

Foreign Currency crisis, ultra-high inflation, rising deposit costs, volatile geopolitical condition in home & abroad and pre-existing problems with supply chains mean the economic environment will remain uncertain for some time. Thus the economy is facing substantial headwinds in the coming year. In this back drop, SJIBL has navigated against all challenges by strategically positioning and utilizing assets to unleash all the opportunity. Here we portray Bank's possible outlay for 2023.

Increase the size of balance sheet without compromising the quality of investments.

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

Mobilize deposit with proper mix aligned with credit expansion.

Utilize technology to broaden clientele, boost yield, fight financial crime, and improve service brilliance.

Managing the iteration of the recovery of Non Performing Investment (NPI) so that businesses can access the finance they need to invest & grow and none degradation of existing asset quality.

Adopt strategic agility and operational resilience to identify and protect from threats and potential failures, respond, adapt, recover, and learn from disruptive events to minimize their impact.

Rationalizing costs in line with the principles of effective operations.

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

Develop up-to-date management information system.

BOARD OF **DIRECTORS**

Chairman	Mr. Mohammed Younus
Vice Chairmen	Mr. Mohiuddin Ahmed Mr. Abdul Karim (Nazim) (Rep. of Shamsuddin Khan & Harun Miah Ltd.)
Directors	Dr. Anwer Hossain Khan Mr. Md. Sanaullah Shahid (Rep. of Electra International 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. Mohammed Nasir Uddin Khan (Rep. of Anwer Khan Modern Hospital Ltd.) Mr. Md. Moshiur Rahman Chamak (Rep. of Fresh Export Import Limited) Mrs. Tahera Faruque Mrs. Jabun Nahar (Rep. of Daffodils Trading International) Mr. Fakir Mashrikuzzaman (Rep. of Fakir Knitwears Ltd.)
Independent Directors	Mr. Ekramul Haque Mr. K.A.M. Majedur Rahman Mr. Nasir Uddin Ahmed FCA, FCS
Managing Director	Mr. Mosleh Uddin Ahmed

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

BOARD OF **DIRECTORS**



STANDING FROM
LEFT TO RIGHT

Mr. Fakir Mashrikuzzaman | Mr. Khandaker Sakib Ahmed | Mr. Fakir Akhtaruzzaman | Mr. Mohammed Nasir Uddin Khan

SITTING FROM
LEFT TO RIGHT

Mr. Mohammed Younus | Mr. Mohiuddin Ahmed | Mr. A. K. Azad | Mr. Akkas Uddin Mollah



Mrs. Jabun Nahar | Mr. Mosleh Uddin Ahmed | Mr. Md. Sanaullah Shahid | Mr. Nasir Uddin Ahmed FCA, FCS | Mr. K. A. M. Majedur Rahman

Mr. Md. Abdul Barek | Mr. Abdul Halim | Engr. Md. Towhidur Rahman | Mr. Abdul Karim (Nazim)

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 40 business units. He is also engaged in an online news portal namely 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. ABDUL KARIM (NAZIM)
Vice Chairman

Mr. Abdul Karim (Nazim), Representative of Shamsuddin Khan & Harun Miah Ltd., was born in the year 1965 in a respectable Muslim family in Beani Bazar, Sylhet. Then he Migrated to United Kingdom in 1975 and started business after completion of Bachelor Degree.

Mr. Karim is the Vice Chairman of the Board of Directors of the Bank. He has long and outstanding business experience for more than 36 years.

He started as a business entrepreneur by opening a restaurant in the name of Maharani Camden in the UK. He has profound interest in Property Investment and development Business in which he has been involved for long 36 years. He spread his business is both UK and Bangladesh. He is also the Managing Director of Karim Enterprise Ltd.

Mr. Karim is well known for endless Charity works. He is working as Trustee and Project Director of Beani Bazar Cancer and General Hospital.



DR. ANWER HOSSAIN KHAN, MP
Director

Mr. Anwer Hossain Khan, one of the sponsors and former Chairman of Shahjalal Islami Bank Limited, is a Member of Parliament of Laxmipur-1 constituency. Presently he is the Chairman of the Shahjalal Islami Bank Foundation. He started business after completion of Masters 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 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, Modern Holdings Limited and Online News Portal Bangladesh Journal. He is also the Proprietor of Anwer Khan Modern Dredging Corporation, Anwer Khan Modern Printers and Publications, Modern Bio-Technology and Modern Fisheries.

In addition to his success in trade and business, Mr. Khan is highly reputed for his contribution in the field of education, social welfare and health care services. He is the Chairman of the Governing Body of Anwar Khan Modern University and he is also the member of the Governing Body of Prime University.



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. Presently 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 in electronic home appliance business in the country. He is the Chairman of Electra International Limited, Director of Electra Consumer Electronics Industries Limited, Electra Mobile Limited, and Electra Holding Limited. He is also a Partner of Electra International, Electra Mobile, Electra Furniture, Kashmir Chemical Company, Sazawa Brothers 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. ABDUL BAREK
Director

Mr. Md. Abdul Barek is 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, Rony Electronics and Jony 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 the Chairman of Halim Group, Excellent Ceramic Industries Limited, Excellent Motors Limited and Excellent Tiles Industries 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. Presently 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, Ekram Sweaters Limited, Tania Cotton Mills Limited, Nurul Islam Spinning Mills Limited, Goodman Pharmaceuticals Limited, Topaz Dresses Limited and Alalpur Agro & Fisheries Limited and the Proprietor of Russel Garments, Russel Apparels, Russel Washing Plant. 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 the Director of AQUA Consultants & Associates Ltd., Intech Limited (Public Limited Company) & Al-Arafah Islami Bank Securities Limited and Sponsor of Shahjalal Islami Bank Securities Limited. He is also the Shareholder of Millennium Information Solution Limited and By dint of his talent, diligent and amiable personality he is emerging as an eminent business figure.

In addition to his success in trade and business, Mr. Sakib is immensely reputed for his contribution to the field of educations. He is the member of the Governing Body of Al-Azhar International Grammar School.

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



ENGR. MD. TOWHIDUR RAHMAN
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 Foods Ltd, Moshiur Infrastructure Limited, Natural Fabes Limited and Director of Fresh Export Import Limited. He is also 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
Director

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) and Dhaka University Alumni Association. During his tenure as president, 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. MOHAMMED NASIR UDDIN KHAN
Director

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

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



MR. 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 he 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 (FinExcel) 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 of Brahmanbaria, in the year 1961. He 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 36 years. He is currently the Deputy Managing Partner of MABS & J Partners, Chartered Accountants. He is a fellow member of The 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 Accountants in England and Wales (ICAEW) and an associate member of The Chartered Institute of Management Accountants (CIMA, UK). He is a fellow member of The Institute of Chartered Secretaries of Bangladesh (ICSB). 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). 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. Currently he is also the Non-Executive Independent Director of Robi Axiata Limited and the Chairman of their Board Audit Committee and Board Nomination & Remuneration Committee. He is also a Board Member of The Institute of Informatics and Development (IID) – a public policy institute.

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



MR. MOSLEH UDDIN AHMED
Managing Director & CEO

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

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

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

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

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



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

MEDIA
HIGHLIGHTS 2022



জনকণ্ঠ [পাতা ১৪]

Publish: 16/08/2022

বঙ্গবন্ধুর জীবন ও কর্মের উপর শাহজালাল ইসলামী ব্যাংকের ভার্চুয়াল সভা

বঙ্গবন্ধুর জীবন ও কর্মের ওপর শাহজালাল ইসলামী ব্যাংকের ভার্চুয়াল সভা

বঙ্গবন্ধু শেখ মুজিবুর রহমানের ৪৭তম শাহাদাৎ বার্ষিকীতে শোক দিবস ২০২২ উপলক্ষ্যে শাহজালাল ইসলামী ব্যাংক বুধবার ডিজিটাল প্লাটফর্মে তার জীবন ও কর্মের উপর ভার্চুয়াল সভার আয়োজন করে। এতে ব্যাংকের পরিচালকা পর্ষদের চেয়ারম্যান মোহাম্মদ ইউনুছ প্রধান অতিথি হিসেবে উপস্থিত ছিলেন।



যুগান্তর [অনলাইন]



যুগান্তর [পাতা ১৪]

Publish: 17/8/2022

শাহজালাল ইসলামী ব্যাংকের ২৫ হাজার বৃক্ষরোপণ

শাহজালাল ইসলামী ব্যাংকের ২৫ হাজার বৃক্ষরোপণ



বণিক বার্তা [অনলাইন]

Publish: 24/07/2022

শাহজালাল ইসলামী ব্যাংকের অর্ধবার্ষিক ব্যবসায়িক সম্মেলন অনুষ্ঠিত

শাহজালাল ইসলামী ব্যাংক লিমিটেডের অর্ধবার্ষিক ব্যবসায়িক সম্মেলন-২০২২ গতকাল ডিজিটাল প্লাটফর্মে অনুষ্ঠিত হয়েছে। ব্যাংকের ব্যবস্থাপনা পরিচালক এবং পরিচালক ইসলামের সভাপতিত্বে সম্মেলনে প্রধান অতিথি ছিলেন ব্যাংকের পরিচালনা পর্ষদের চেয়ারম্যান মোহাম্মদ ইউনুছ। বিশেষ অতিথি ছিলেন ব্যাংকের ভাইস পরিচালক কে.এ.এম মাহবুবুর রহমান ও পরিচালক মুসাহারউদ্দিন কমিটির সদস্য মুফতি মাওলানা শাহেদ রহমানী। আরো উপস্থিত ছিলেন ব্যাংকের এমডি আব্দুল আজিজ, এসএ ফাইন্যান্সিয়াল টেকনুট ও সিএর কামরুল হাসান টেকনুট প্রমুখ।



সমকাল

বণিক বার্তা [অনলাইন]

আইসিএমএবি বেস্ট কর্পোরেট অ্যাওয়ার্ড পেল শাহজালাল ইসলামী ব্যাংক



২০২১ সালের দেয়া বার্ষিক প্রতিবেদন প্রণয়নে জন্য আইসিএমএবি বেস্ট কর্পোরেট অ্যাওয়ার্ড-২০২১ অর্জন করেছে শাহজালাল ইসলামী ব্যাংক লিমিটেড। রাজধানীর একটি হোটেলে সম্প্রতি আয়োজিত এক অনুষ্ঠানে এ পুরস্কার প্রদান করা হয়। ইনস্টিটিউট অব কস্ট অ্যান্ড ম্যানেজমেন্ট অ্যাকাউন্টেন্টস অব বাংলাদেশ (আইসিএমএবি) দেশভিত্তিক বার্ষিক ভিত্তিক ব্যাংক (ইসলামিক অপারেশন) ক্যাটাগরিতে ব্যাংকটিকে প্রথম স্থান হিসেবে বেস্ট পুরস্কার প্রদান করেছে। অনুষ্ঠানে প্রধান অতিথি ছিলেন অর্থমন্ত্রী টিপু মুনশি। এ সময় ব্যাংকের এমডি ও সিইও মোহাম্মদ ইউনিস আমমেন মন্ত্রীর কাছ থেকে পুরস্কার গ্রহণ করেন। এ সময় আরো উপস্থিত ছিলেন ব্যাংকের এএমডি ও সিইও আবুল আজিজ, সিএফও মো. জাকের হাবিব, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের চেয়ারম্যান প্রফেসর সিদ্দী কবাইয়ুম চৌধুরী, ইকোনমি, একনিকিমার্স সভাপতি মো. জহির উদ্দিন, আইসিএমএবি সভাপতি মো. আবুদুর রশিদ এবংসিএমএ, ব্যাংকের এএমডি ও সিএফও এম আফজাল হোসেন প্রমুখ।

স্বদেশ প্রতিদিন [পাতা ১০] 2022-08-17

দু:স্থদের মাঝে শাহজালাল ইসলামি ব্যাংকের খাদ্য বিতরণ



দুঃস্থদের মাঝে শাহজালাল ইসলামী ব্যাংকের খাদ্য বিতরণ

স্টাফ রিপোর্টার

ফ্রাইসোরের মহান স্বাধীনতার জাতির পিতা বঙ্গবন্ধু শেখ মুজিবুর রহমানের ৪৭তম শাহাদাত বার্ষিকীতে জাতীয় শোক দিবস-২০২২ উপলক্ষে ১৫ আগস্ট ২০২২ইং তারিখে ব্যাংকের কর্পোরেট প্রধান কার্যালয়ের সামুখে ফ্রাইসোর বঙ্গবন্ধু শেখ মুজিবুর রহমান-এর প্রতিকৃতিতে পুষ্পস্তবক অর্পণের মাধ্যমে শ্রদ্ধা নিবেদন করেছে শাহজালাল ইসলামী ব্যাংক লিমিটেড।

অনুষ্ঠানে ব্যাংকের পরিচালনা পর্ষদের চেয়ারম্যান মোহাম্মদ ইউনুস, পরিচালকবৃন্দ জনাব মো. সালাউদ্দিন আহমেদ, ইঞ্জিনিয়ার মো. মোস্তাফিজুর রহমান, জনাব খন্দকার শফিক আহমেদ এবং ব্যবস্থাপনা পরিচালক ও সিইও এম. শহীদুল ইসলাম উপস্থিত ছিলেন।

Financial Express

Shahjalal Islami Bank donates Tk 100m to PM's relief fund



Shahjalal Islami Bank Ltd has donated Tk 100 million (10.00 crore) to Hon'ble Prime Minister's Relief & Welfare Fund to help flood-affected people.

Prime Minister Sheikh Hasina took part in the ceremony through digital platform on Monday, according to a media release.

Chairman of Shahjalal Islami Bank Limited Mohammed Younus handed over the cheque of Tk 10.00 crore to the Principal Secretary of Prime Minister Dr Ahmad Kaikaus in a ceremony held at the PM's office.

At the ceremony, the Chairman of Bangladesh Association of Banks Md Nasiru Islam Mazumder was also present.

জনকণ্ঠ [পাতা ১৪] 2022-07-26

শাহজালাল ইসলামী ব্যাংকের ফাউন্ডেশন ট্রেনিং কোর্সের উদ্বোধন



শাহজালাল ইসলামী ব্যাংকের ফাউন্ডেশন ট্রেনিং কোর্সের উদ্বোধন

শাহজালাল ইসলামী ব্যাংক লিমিটেডের ট্রেনিং একাডেমিতে গত রবিবার ব্যাংকে নবনিযুক্ত ৪০ জন প্রবেশনারী অফিসারদের জন্য ১ মাসব্যাপী ফাউন্ডেশন ট্রেনিং কোর্সের আয়োজন করা হয়। শাহজালাল ইসলামী ব্যাংক লিমিটেডের ব্যবস্থাপনা পরিচালক ও সিইও এম শহীদুল ইসলাম প্রধান অতিথি হিসেবে উপস্থিত থেকে উক্ত ফাউন্ডেশন প্রশিক্ষণ কোর্সের উদ্বোধন করেন।

NEW AGE [P-11]

SJIBL Signed on a Trade Facilitation deal with Indian Exim Bank



Shahjalal Islami Bank Limited managing director and chief executive officer Moslem Uddin Ahmed and Export Import Bank of India, Mumbai chief general manager and chief financial officer Tarun Sharma exchange documents after signing an agreement recently. Under the agreement, SJIBL will avail credit guarantee facility from the bank under its Trade Assistance programme. Senior officials of both the organisations were also present. — Press release



KEY
EVENTS 2022

MEETINGS & CONFERENCES



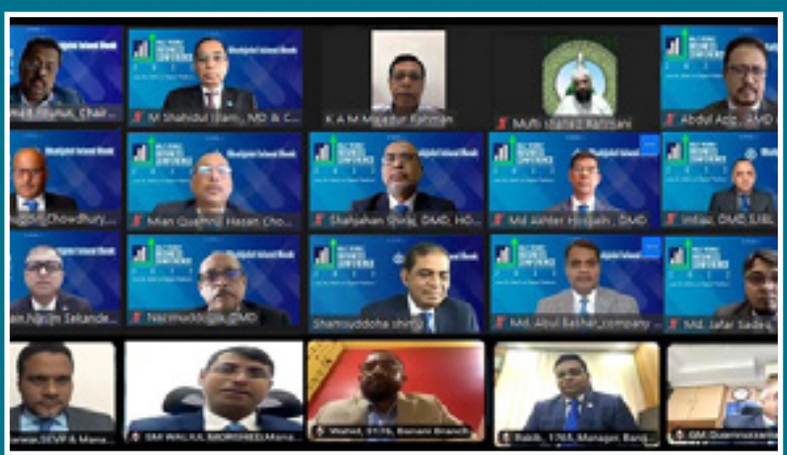
AGM

The 21st Annual General Meeting of Shahjalal Islami Bank Limited held on 28th April 2022 through Digital Platform.



Business Development Conference

Shahjalal Islami Bank Limited organized "Business Development Conference-2022". To accelerate the business of the Bank, distinguished members from the Board of Directors, Senior Management along with the Divisional Heads from Corporate Head Office & Managers of different branches of the Bank participated in this 3 daylong event started on 24th March 2022 at Ocean Paradise Hotel & Resort, Cox's Bazar.



Half-Yearly Business Conference-2022

Shahjalal Islami Bank Limited organized "Half-Yearly Business Conference-2022" on 23rd July 2022 through Digital Platform.



Annual Risk Management Conference-2022

Shahjalal Islami Bank Limited organized "Annual Risk Management Conference-2022" on 24th December 2022 through Virtual Platform. The Chairman of the Board of Directors, the Chairman of the Risk Management Committee, Independent Director, Senior Management, guests from relevant division of Bangladesh Bank were present on this occasion.



Shariah Supervisory Committee meeting

The 72nd meeting of Shariah Supervisory Committee of Shahjalal Islami Bank Limited was held on 31st August 2022.



Shahjalal Islami Bank organized School Banking Conference-2022

Shahjalal Islami Bank Limited successfully organized the School Banking Conference-2022 as the lead Bank at Kalapara in Patuakhali district on 12 November 2022 with the cooperation of all scheduled banks operating in Patuakhali district under the supervision of Bangladesh Bank.

WORKSHOPS & TRAININGS-2022



Foundation Training Course (Closing Ceremony) for PO

Shahjalal Islami Bank Limited organized closing ceremonies for newly recruited Probationary Officers after completion of month long Foundation Training Course at Shahjalal Islami Bank Training Academy.



SEIP-Training

Shahjalal Islami Bank Limited organized a month-long training course on Entrepreneurship Development for developing entrepreneurs and making new entrepreneurs under the Skills for Employment Investment Program (SEIP) tranche-3 Project under the supervision of SME & Special Program Department of Bangladesh Bank.



Workshop on Leadership Development

Shahjalal Islami Bank Limited organized two-days long training workshop on "Leadership Development for Mid-Level Management Team"



Workshop on Payment of Customs Duty, Government Tax, Fees & Charges

Shahjalal Islami Bank Limited Training Academy organized an awareness program on "Payment of Customs Duty, Government Tax, Fees and Charges through E-Payment of RTGS System".



Workshop on Automated FC Clearing through RTGS System

Shahjalal Islami Bank's Training Academy organized an awareness & Training Session on "Automated FC Clearing through RTGS System".

LAUNCHING NEW BRANCHES, PRODUCTS & SERVICES

















Branch Opening

Shahjalal Islami Bank Limited opened 8 new branches on different locations of Bangladesh in the year 2022. By spreading branch network throughout the country, Shahjalal Islami Bank aims to success in Financial Inclusion with relentless effort. Apart from spreading branch network, Shahjalal Islami Bank is engaging itself through Agent Banking outlets and Sub Branch establishment to deliver its "Cordial Services" to the unbanked people around the country.











Branch Relocation

Shahjalal Islami Bank Limited relocated 5 Branches to new locations in 2022 in same business area for serving better to its customers.



B-kash Fund Transfer Service:

Shahjalal Islami Bank Limited inaugurated bKash Fund Transfer Service which enables the Customers of the Bank to send money easily from any part of the country to bKash account.



ATM Booth Opening:

Shahjalal Islami Bank Limited opened 11 ATM Booths during 2022 in different parts of the country. At present the Bank has 129 ATM's of its own and also providing ATM services to its customers through shared ATM with Q-Cash member Banks.

AGREEMENTS



Shahjalal Islami Bank Limited signed an agreement with DHL

Shahjalal Islami Bank Limited signed an agreement with DHL which enable the Bank to transmit international documents and parcel at minimum cost within shortest possible time.



Shahjalal Islami Bank Limited signed a deal on Trade Facilitation with Indian Exim Bank:

Shahjalal Islami Bank Limited has signed an agreement with Export Import Bank of India under its Trade Assistance program (TAP) for availing credit guarantee facility from Exim Bank, India. Under this agreement the facility shall offer to Shahjalal Islami Bank Limited additional lines of credit to support trade transaction under which Exim Bank, India shall issue guarantees favoring confirming banks for confirming Letters of Credit issued by the bank and extending buyers credit against such instruments.





Shahjalal Islami Bank Limited signed remittance agreements

Shahjalal Islami Bank Limited signed remittance drawing agreements with National Exchange Company and NEC Money Transfer Ltd. Under these agreements Bangladeshi expatriates living in different countries around the world including UK, Europe, Australia, Middle East, Canada, South Africa and USA now can send their money safely and quickly in Bangladesh by Electronic Fund Transfer through Shahjalal Islami Bank Limited.





Shahjalal Islami Bank Limited signed card service agreements

Shahjalal Islami Bank Limited has signed agreements with Yashoda Hospitals (Hyderabad, India) and Mapal International (Torayvino BD), a world famous faucet-mounted water purifier company. Under the agreement with Yashoda Hospitals (Hyderabad, India), the Card holders of Shahjalal Islami Bank Limited will get up to 20 percent discount for taking any types of healthcare facilities from the hospital.

CONTRIBUTION TO SOCEITY



Shahjalal Islami Bank donated 75,000 (seventy-five thousand) pcs. of Blankets to Hon'ble Prime Minister's Relief Fund

Shahjalal Islami Bank Ltd. donated 75,000 (seventy-five thousand) pcs. of Blankets to the Hon'ble Prime Minister's Relief Fund for distributing among winter affected poor People on 10th November 2022 at Prime Minister's Office. The Chairman of Shahjalal Islami Bank Ltd. Mr. Mohammed Younus & the Chairman of Bank Foundation Dr. Anwer Hossain Khan, MP handed over the Sample of a Blanket to Hon'ble Prime Minister Sheikh Hasina.



Shahjalal Islami Bank donated Tk. 10.00 (ten) crore to Prime Minister Relief & Welfare Fund for the help of flood affected people:

Shahjalal Islami Bank Ltd. donated Tk. 10.00 (ten) crore to Hon'ble Prime Minister Relief & Welfare Fund for the help of flood affected people on 27th June 2022. The Hon'ble Prime Minister Sheikh Hasina took part in the ceremony through Digital Platform. The Chairman of Shahjalal Islami Bank Limited Mr. Mohammed Younus handed over the Cheque of Tk. 10.00 (ten) crore to the Principal Secretary of Hon'ble Prime Minister Dr. Ahmad Kaikaus in a ceremony held at Prime Minister office.



Shahjalal Islami Bank Ltd. donated Tk. 1.50 crore to the Prime Minister's Education Assistance Trust:

As part of Bank's Corporate Social Responsibility (CSR) program, Shahjalal Islami Bank Ltd. donated Tk. 1.50 crore to the Prime Minister's Education Assistance Trust.

Shahjalal Islami Bank Limited has always come forward to stay beside the distressed people of the country. Being a part of the society, Bank regularly engages in blanket distribution every year in the winter throughout the country and distributes relief among flood affected people or on different occasions.









Shahjalal Islami Bank distributed blankets among the winter strike people in various parts of the country.



Shahjalal Islami Bank Limited distributed relief among 1000 (one thousand) families affected by floods in different areas of Sylhet and Sunamganj districts as part of Bank's CSR program.



Shahjalal Islami Bank Limited distributed food items among the destitute people in Ward No. 39, the North City Corporation of the Capital Dhaka on the occasion of the National Mourning Day-2022.





Shahjalal Islami Bank Limited has awarded scholarship to 500 poor and meritorious students from different regions of the country. The Chairman of the Board of Directors of the Bank, Mr. Mohammed Younus was present as the chief guest at the scholarship awarding ceremony while the Director of the Bank and Chairman of the Bank Foundation Dr. Anwer Hossain Khan, MP presided over in the ceremony. The director of Shahjalal Islami Bank and Chairman of the Bank's Executive Committee, Mr. Akkas Uddin Mollah and the Managing Director & CEO of the Bank Mr. Mosleh Uddin Ahmed were also present in the program.



Shahjalal Islami Bank Limited inaugurated a Hajj Booth and Free Medical Camp at Ashkona Hajj Camp for providing sufficient Hajj guidelines and free Medical services to the Pilgrims. Free Medical services will be provided to the Pilgrims. Shahjalal islami Bank Limited provided Hajj Guide, 500 pcs Bed sheet & Pillow and 15000 pcs Umbrella to the Pilgrims. To reach airport, a month long AC bus was also provided for the Pilgrims.






SAFA Best Presented Annual Report Awards, SAARC Anniversary Awards, Integrated Reporting Awards & Overall Excellence in Corporate Reporting Awards- 2021:

Shahjalal Islami Bank Limited achieved joint gold in private sector banks, joint gold in SAARC anniversary award for Corporate Governance, joint bronze in integrated reporting and joint silver winner in overall Excellence in Corporate Reporting category.







1st Position in 22nd ICAB National Award:

Shahjalal Islami Bank Limited won the 1st Position in the 22nd ICAB National Award for the best presented Annual Report-2021 along with 1st Runner-up position for Corporate Governance Disclosure and Integrated Reporting both.



1st Prize (Gold) of ICMAB Best Corporate Award-2021:

Shahjalal Islami Bank Limited won 1st Prize (Gold) of "ICMAB Best Corporate Award-2021" for the best presented Annual Report-2021 in Private Commercial Bank (Islamic Operation) Category.



9th ICSB National Award for Corporate Governance Excellence-2021

Shahjalal Islami Bank Limited won the Gold Award (1st Position) in the 9th ICSB National Award for Corporate Governance Excellence-2021 for the best presented annual report 2021.



Shahjalal Islami Bank Limited received a letter of appreciation from Bangladesh Bank for successful loan disbursement under Refinancing Scheme.

Directors' REPORT





Mohammed Younus
Chairman

CHAIRMAN'S MESSAGE

Bismillahir Rahmanir Rahim
Dear Shareholders,
Assalamu Alaikum Wa Rahmatullah Wa Barakatuhu.

I am honored and privileged to welcome you to the 22nd Annual General Meeting of Shahjalal Islami Bank Limited, on behalf of the board of directors and myself. This is a very special occasion for the bank as we celebrate its glorious 22nd anniversary. While we take pride in looking back on the past 22 years with prestige, we also look forward with optimism to the upcoming years and beyond. I want to offer my sincere gratitude and admiration for your continued faith and unwavering support for the bank despite the prevailing awkward situation. I would like to take this opportunity to present our Annual Report and Financial Statements for the year 2022, which we are certain will provide you with a thorough knowledge of the bank's value creation and the tactics that enabled us to successfully navigate through the economic instability in 2022 and emerge stronger and more resilient.

Economic Outlook: World Economy are moving to a new stage

Countries around the world are facing multiple overlapping challenges that are hindering or even reversing progress toward their development goals. In particular, Russia's invasion of Ukraine, which has had a massive impact on the economy, has brought unimaginable suffering to millions of the poor and destitute. The war in Ukraine and associated sanctions, along with high inflation and shortages of energy, fertilizer and food, have caused the sharpest global economic downturn in 80 years. At the same time, people around the world are still preoccupied with the consequences of the COVID-19 pandemic.

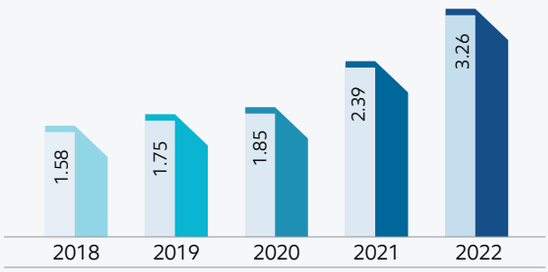
Meanwhile, people around the world are still preoccupied with the consequences of the COVID-19 pandemic. After recovering from the pandemic, the global economy expanded by 6.00% in 2021. However, global expectations of higher inflation triggered tighter financial conditions in the United States and major European countries. The worse slowdown in China's economy, reflecting COVID-19 outbreaks and lockdown for their zero COVID-19 policy, and further negative spillovers from the war in Ukraine resulted in a slowing down of global economic growth to 3.2% in 2022. This trend may further decrease to 2.7% in 2023.

Bangladesh Economy in a sustainable growth

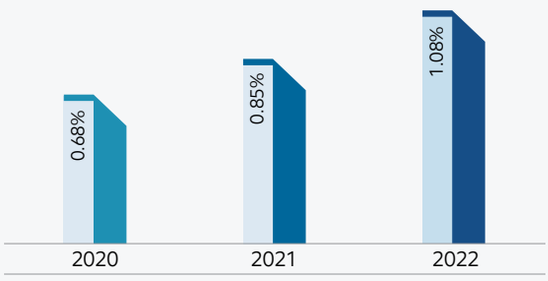
Despite the ongoing adverse situation, Bangladesh showed an overall GDP growth for FY 2022 which stood at 7.25% (estimated), up from 6.94% in 2021. Where Export receipts grew by 33.45% to stand at USD 49.25 billion. On the other hand, import payments rose by 35.95% to USD 82.50 billion in FY 2022. Workers remittance inflow significantly declined by 15.12% to USD 21.03 billion. Foreign exchange reserve stood at USD 41.83 billion in FY 2022 due to pressure on forex reserve for importing goods, especially fuel at a higher price. Private sector credit growth during FY 2022 was so impressive throughout the year and ended the year at 13.66%, which was an increase compared to last year's growth of 8.35%. The deposit growth stood at 9.19% in FY 2022, compared to 14.02% last year. Non-performing investments in the country's banking system stood at BDT 1,252.58 billion in FY 2022, despite a relaxed loan classification policy adopted by the Bangladesh Bank. The industry CL ratio stood at 9.0% in FY 2022, in contrast to 7.9% in FY 2021.

We are going through a period of third world war proneness as the Russia-Ukraine war has escalated further for about one year. It has become catastrophic for the people of third world countries like us as the global economy recovery process further hampers and worsens than before, which was hammered by the COVID-19 pandemic in the past 2 years. As we are recovering from the worse COVID-19 pandemic, we are hoping to stabilize our economy and social activity by recovering the losses and destruction caused by the pandemic. But the outbreak of war between Russia and Ukraine made the situation even worse than before, causing a global disaster. In this event, we must remain watchful and alert to absorb and mitigate the effects of this unwanted war. As one of the highest oil, natural gas, and grain exporter nations, sanctions on Russia have resulted in a significant price hike of energy, grain, and other daily commodities, which has put huge pressure on the economy in Bangladesh, particularly on the forex reserve, as we are relying on the import of most of the raw materials for industries and energy for the power sector. At the same time, negative growth in foreign remittances ultimately decreases the net foreign exchange reserve in the country. This higher price further exacerbates the cost of living, which is affecting

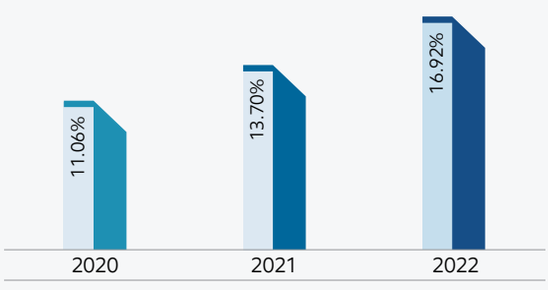
EARNINGS PER SHARE (EPS)



ROA (In %)



ROE (In %)



the people of third world countries like Bangladesh. However, a series of initiatives and necessary policy support extended by the Central Bank have helped insulate the economy from the worst effects of multiple overlapping crises.

It is mentionable that in the last decade our overall economy has gone through stable growth of an average 6.5%, which is supposed to move toward a lower middle income country status in 2024. Due to the COVID-19 outbreak and later war in Ukraine related economic instability issue, its been extended to 2026 later on.

SJIBL Performance Way Towards Successive Superadding:

The performance of Shahjalal Islami Bank Limited has been remarkable despite challenging economic headwinds. The financial statements reveal an operating profit of BDT 6.00 billion in 2021, which increased to BDT 8.33 billion in 2022, resulting in a 38.83% increase. After deducting provisions for investment and taxes, the bank had a net profit of BDT 3.53 billion, representing an increase of 36.35% over the previous year. The bank was able to lower its cost of deposits to 3.32% in 2022 by reducing its dependency on corporate and bank deposits and trimming down its high-cost deposit base. The bank also effectively kept its operational expenditures within an acceptable range, which significantly boosted its operational income.

The bank is always vigilant in monitoring its investments to prevent any suspicious activities or investment defaults. The bank ensures that investment clients do not take any undue risks. Additionally, the bank is attentive in monitoring its investments to ensure that no willful defaulters occur and that the total amount of classified investments does not drastically increase in anticipation of the Bangladesh Bank withdrawing its investment classification easing. The bank has fulfilled Bangladesh Bank's requirements for maintaining provisions against investment clients to absorb any unanticipated shocks. As a result, the bank's total provision increased by BDT 1.11 billion during 2022. Although this excess provision squeezed the position of distributable profit, the bank's earnings per share (EPS) increased to BDT 3.26 from BDT 2.39 in the previous year.

As of December 31, 2022, the total deposit base of the bank stood at BDT 227.98 billion, while total investment volume stood at BDT 237.23 billion. During the year, our import business was BDT 254.76 billion and our export business was BDT 265.94 billion. The net asset value of the bank stood at BDT 21.87 billion in 2022, compared to BDT 19.80 billion in 2021, resulting in an increase of BDT 2.07 billion.

Dividend to the Shareholders

SJIBL recorded an excellent performance during the year 2022. The business and profitability parameters of the bank have improved remarkably as compared with the previous financial year. I am happy to inform you that the bank has proposed a dividend of BDT 1.50 per share for the year ended December 31, 2022, which is a clear indication of the bank's strong financial position and increasing profitability.

Sustainable Growth: Prudent assets-liabilities management

Sustainable growth is a cornerstone for the long-term survival of a bank. SJIBL is very conscious of understanding its stakeholders needs, hopes, aspirations, and desired services and returning that by providing priority solutions that fulfill their thirst. We have grown our market share and customer base by ensuring slow and steady growth in investment and deposits. Our consistent focus on improving the deposit mix, along with sound liquidity management, has enabled us to maintain sound liquidity throughout the year. Our underlying business, sound balance sheet and liquidity management, brand promise, provisioning, and risk profile have made our business stronger for the future.

With a strong footprint all over the country, we are ready to embrace new possibilities for consolidating our business. Our progressive Shariah banking model combines financial strength, trust, and innovation to pave the way for sustainable growth.

Focus on risk management rather than business

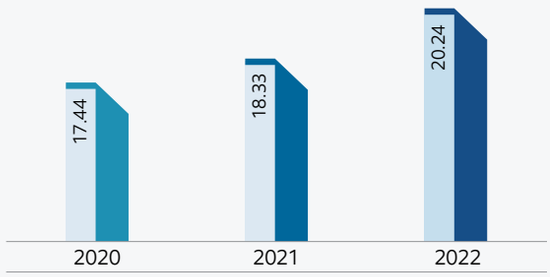
Risk management is the primary concern in the current global economic crisis. The poor profitability status of most of the business compels us to focus more on our risk appetite and take care of our asset quality rather than further investment. Ensuring better asset quality maintained a low NPI of 4.78% in 2022. We emphasize liquidity management in order to mitigate the risk associated with assets-liabilities and enhance the quality of the investment.

Our investment deposit ratio for the year 2022 was 83.64%, which shows that we have the potential to invest further in the project. We continuously review our portfolio to enhance the potential return and to monitor and mitigate the associated risks.

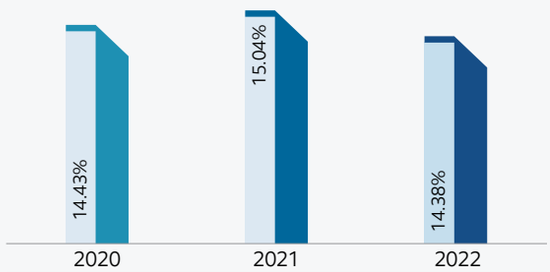
Transforming into most advanced Technology:

In the current advanced world, adopting new and updated technology is essential. In Bangladesh, the rate of digitalization is accelerating across all industries, and

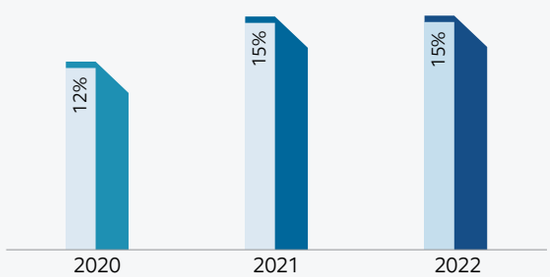
NAV PER SHARE (In Taka)



CRAR (In %)



DIVIDEND (In %)



banks are not an exception. SJIBL is committed to making more investments in technological advancement and venturing into unexplored areas in the digital sphere. We keep making significant investments in updating and enhancing our digital capabilities too. We are continuously improving and adding updated features to our mobile app on both the Android and iPhone platforms and have launched QR code services for cash withdrawal without presenting physical cash from the branch counters. By introducing Green Pin in the Card Service, we give our customers a fully updated service with the most advanced and secured technology. Without a doubt, the power of digital technology has already changed the way that banking operates and will continue to do so exponentially. To remain relevant, we must continually improve these digital offerings. With the introduction of regular software upgrades and maintenance, our back office operations have become more vigilant and efficient than ever. We will be able to provide the services that our members may need in the future as a consequence. It is for this reason that SJIBL will continue to place a high priority on investing in technology. We will keep making investments in the most upgraded features of IT infrastructure in our branches, sub-branches, agent banking, and ATM booths in order to provide fast and instant support for our customers with versatile banking services.

Upholding our promises

Our stakeholders are our first priority, even in these challenging circumstances. We reassure them of our commitment to provide them with the most secure banking services, even during difficult times. We intend to maintain growth going forward and provide even more to our shareholders and our beloved clients, who give the bank its vitality.

Social welfare as an obligation to the society and people

Corporate social responsibility is a process that is concerned with treating different stakeholders of a company ethically or in a responsible manner that has a significant impact on society while strengthening the organization as a whole. CSR is about to achieve organizational excellence in ways that honor ethical values and respect people and communities belonging to society and the natural environment. It has benefited the organization beyond trust and image through investments in community efforts that improve the living standards of those who are lagging behind in society. As a social organization, SJIBL is always committed to doing such activities and standing by distressed people. We have provided financial assistance to multiple sectors throughout the year. We have contributed to the Prime Minister's relief fund on several occasions to help the government achieve its goal of eradicating poverty and reducing people's distress. Besides, SJIBL has awarded scholarships to students for their brilliant performances in SSC and HSC exams, which help them pursue higher studies. Like every year, we have distributed winter relief among the destitute to sustain them in the coldest winter season. During medical emergencies, we provide many people with financial assistance so that they can go through the medical treatment. We always place our utmost importance on CSR activities that mostly benefit the people in the society. Moreover, we have donated around BDT 0.05 billion to plant trees around the country out of an obligation to save the environment we live in. In 2022, our overall philanthropic contributions were about BDT 0.325 billion.

Awards and Accolades:

Likewise, the previous year, several national and international bodies recognized ShahjalalIslami Bank Limited for its excellent performance and dedication, along with its accountability, transparency, and good corporate governance, through several distinguished national and international platforms. Notable among the accomplishments for 2022 are three prestigious awards by ICAB, namely Joint First Position in the private sector bank category, Joint Second Position in the integrated reporting category, and Joint Second Position in the Corporate Governance Disclosure category. From ICMAB, we have been awarded the first prize (Gold Award) under the private commercial bank operation (Islamic Operation). Along with ICMAB, we have been awarded the Gold Prize (first prize) from ICSB under the category of Islamic Banking Companies. In the international arena, we have been awarded the prestigious SAFA Award in 4 different categories, mentioning the Joint Gold Award in the private sector banks category, the Joint Gold Award under the category of the SAARC Anniversary Award for corporate governance, the Joint Bronze Award under the integrated report category, and the Joint Silver Award under the overall category.

All of these awards and accolades are evidence of the strategic acumen of our board of directors and senior management team, as well as the tenacity and dedication of our staff. This demonstrates that ShahjalalIslami Bank is on pace to realize its goal of becoming Bangladesh's leading Islamic banking institution and making a substantial contribution to the country's economy. We are constantly searching for methods to develop and grow our business even more. The united efforts of our board, management, and employees who are driven and committed to giving their best to realize our goal are the only thing that can make this feasible.

Corporate Governance:

Absolute transparency and accountability are incorporated into all aspects of ShahjalalIslami Bank`s operation service area in order to ensure the best corporate governance, which is fundamental to an organization`s success and sustainability. To accomplish and ensure smooth operation and effective monitoring, duties and responsibilities are assigned among the board members and the management team. To attain the ultimate goal of the bank, the board provides adequate policy and directive guidelines to the management, approves strategic goals and major policy decisions, and oversees and scrutinizes the management. The audit committee reviews the internal control and compliance issues, the internal audit reports, and related compliance of Bangladesh Bank. Whereas the risk management committee oversees the key risk areas and overall risk management process of the bank. The statutory auditors are always given absolute liberty in the process of auditing and verifying compliance, risk management, and financial statements, whether they are prepared in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). In the field of corporate governance, we are always committed to being a role model in the corporate industry by adhering to the best practices in our bank.

The bank always emphasizes the importance of adhering to all the rules, regulations, and guidelines issued by the Bangladesh Bank, Bangladesh Securities and Exchange Commission, National Board of Revenue, and other regulatory bodies.

Acknowledgment:

On behalf of the Board, I'd like to express gratitude to our shareholders, clients, and business associates for their ongoing patronage, confidence, and support. We also value the contributions made by our Auditors, Legal Advisors, Consultants, and Correspondents for their thoughtful and well-timed responsibilities. My sincere gratitude is extended to the management, all executives, and officers for their tireless efforts to advance the interests of our cherished institution.

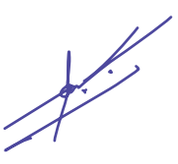
My appreciation goes out to the People's Republic of Bangladesh's government, as well as to the Bangladesh Bank, the National Board of Revenue, the Bangladesh Securities and Exchange Commission, the Financial Reporting Council, and the Dhaka and Chittagong stock exchange.

In order to steer the institution in the proper direction, I would like to thank my board colleagues, who have consistently been helpful and flexible.

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

Allah Hafez

With warmest regards



Mohammed Younus
Chairman of the Board
Shahjalal Islami Bank Limited



Mosleh Uddin Ahmed
Managing Director and CEO

REVIEW FROM THE DESK OF MANAGING DIRECTOR & CEO

Bismillahir Rahmanir Rahim,

In the early months of 2022, Bangladesh's economy exhibited signs of rapid recovery with a surge in exports, robust growth in the service sector, and a revival of the manufacturing industry. However, the onset of the Russia-Ukraine war triggered a rise in inflation, creating a volatile foreign exchange market, surging commodity prices, and an overall hindrance in global supply and demand. This situation resulted in economic indicators such as the balance of payments, remittance flow, and national reserves appearing gloomy. Despite the government and Bangladesh Bank implementing policy measures, handling the situation was challenging for an import-dependent country like Bangladesh, as unprecedented levels of inflation caused panic from the macro to the micro level.

For almost three years, our bank has been navigating a challenging financial and economic climate, marked by the ongoing global pandemic and the 2022 Russia-Ukraine war. Amidst the turmoil, we prioritized the financial wellbeing of our customers and communities and strengthened the resilience of our bank. Our outlook for 2022 was optimistic, but unfortunately, the globe faced multiple challenges, including economic concerns such as record inflation, a significant demand-supply gap, and foreign exchange shortfalls that negatively affected the business community, our customers, and people worldwide.

The government responded proactively to this situation with measures such as selling USD from reserves to commercial banks, restricting imports of luxury goods, increasing value-added exports, channeling foreign remittances, and boosting foreign direct investments. These measures aimed to curb the situation while ensuring the revival and long-term stability of the country's economy.

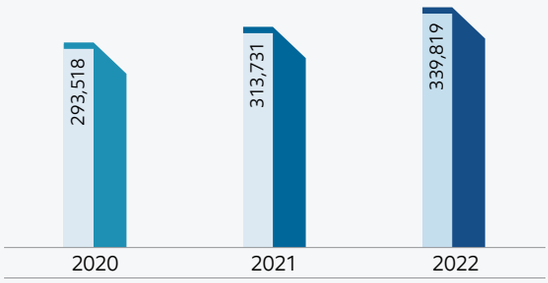
Highlights of Business performance

Despite economic and geopolitical uncertainty, as well as a difficult business environment, our bank demonstrated robust growth across almost all financial indicators in 2022. The operating profit increased by 38.83% to BDT 8,334.64 million, compared to BDT 6,003.69 million in 2021. Additionally, the net profit after tax increased to BDT 3525.06 million from BDT 2,585.24 million, reflecting a growth of 36.35% in 2022. Furthermore, the investment portfolio increased to BDT 237,230 million at the end of 2022 from BDT 216,587 million in 2021, marking a growth of 9.53%. Despite the volatility in the foreign exchange market during the year 2022, the import and export businesses of the bank performed satisfactorily, with import growing by 2.34% and export growing by 38.58%. Our AD branches and CPC continued to remain fully operational to provide assistance to our valued clients. As of December 31, 2022, the total assets of the bank stood at BDT 339,819 million, representing an increase of 8.32% from December 31, 2021. The bank's return on assets (ROA) and return on equity (ROE) were 1.08% and 16.92%, respectively, as of year-end 2022. Additionally, the CRAR of the bank was 14.38% as of December 31, 2022.

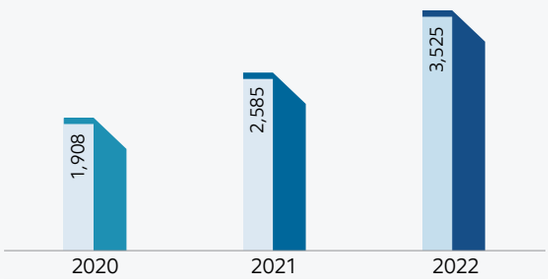
The SME sector is a crucial driving force for economic growth and has significant potential for socio-economic development. The outstanding SME investment as of December 31, 2022, stood at BDT 68,647 million, accounting for 28.94% of the total investment of the bank. Moreover, consumer banking also plays a vital role in the country's economic activities. In 2022, we focused on increasing the SME and retail investment portfolios, and our retail investment book grew by 12.69%. Our emphasis was on expanding home investment, car investment, household durables, and other consumer investment schemes.

Our bank places a high priority on asset quality, and we have achieved an NPI ratio of 4.78% at the end of 2022, significantly below the industry average. Our primary objective is to reduce NPAs by maintaining quality assets and recovering classified investments. We streamlined investment monitoring and relationship management to standardize and decrease non-performing investments. To this end, we have established and strengthened our Investment Monitoring Department. Additionally, we intensified monitoring and recovery efforts from branches and the Special Asset Management Division of the corporate office to maintain the asset quality. With collective efforts, the NPI of the bank decreased to 4.78% in 2022.

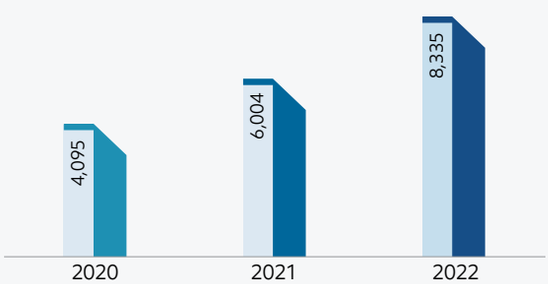
TOTAL ASSETS (Taka in million)



NET PROFIT AFTER TAXATION (Taka in million)



OPERATING PROFIT (Taka in million)



Cost Rationalization:

Improving profitability entails enhancing operational efficiency and productivity. Given the banking industry's low margins and robust compliance standards, it is imperative to exercise caution and maintain costs to achieve cost efficiency. Our efforts to improve process efficiencies and productivity amid our expansion have led to a significant improvement in the cost-to-income ratio, from 44.92% in 2021 to 40.98% in 2022. Going forward, we aim to focus on cost rationalization to ensure an eco-friendly operational environment, minimize wastage, and foster a committed human resource base with a positive mindset that delivers value for the bank.

Digital Transformation:

The banking and financial services industry has witnessed a transformation through digital innovations. The COVID-19 pandemic accelerated the demand for digital products and services, thereby stimulating rapid development in our digital capabilities. Customers expect simple, functional, reliable, and seamless banking experiences, and this creates new opportunities for business growth as well as new risks to data security and compliance. Strengthening our digital capabilities is our primary focus in this fast-evolving market scenario. We are upgrading our core banking system periodically and continuously embracing new technologies to enhance operational efficiency. We are focused on automation by introducing new service features in the existing banking channels and enhancing transaction security to provide our customers with a reliable and comfortable banking experience. Additionally, we provide digital banking services such as internet banking, SMS banking, and mobile banking, and customers can now draw cash from branches using a QR code instead of a paper-based cheque. We launched the "e-Account" platform to enable our valued customers to open accounts from anywhere without visiting branches physically. Furthermore, to safeguard the bank's IT networks from cyber-attacks and fraudulent activities, we take the necessary precautionary measures.

Delivering for our customers

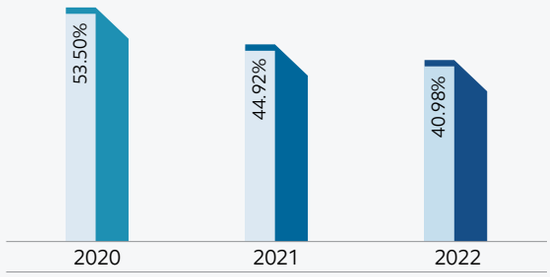
Despite the challenging operating context, the Bank has delivered a resilient performance, weathering the economic effects of the ongoing Russia-Ukraine war and the pandemic, and we have continued to progress and transform. In these very difficult times, we are proud of having served our customers and the communities in which we operate. Our main focus for the year was to enhance the customer experience across our retail, corporate, and SME segments. We focused on creating end-to-end customer journeys by

seamlessly integrating human and digital interactions to get even closer to customers. Our team worked with empathy and understanding, analyzing the information shared by customers to better appreciate their goals and challenges to create more personalized products, services, and experiences. We are proud of the ways in which our team served with the utmost dedication, putting customers first. The reliability and robustness of our network are exemplified by the high value of cash dispensed through our automated cash dispensing network, which comprises both our own and shared ATMs. Enhancing the digital experience of customers through the investments we made over the years in building our digital ecosystem provided a strong foundation to meet the increased demand for digital services and become a pioneer in the digital payment space. Uplifting the national economy, we have been a driving force in partnering and cooperating with national economic development efforts, playing a significant role in the post-pandemic recovery process.

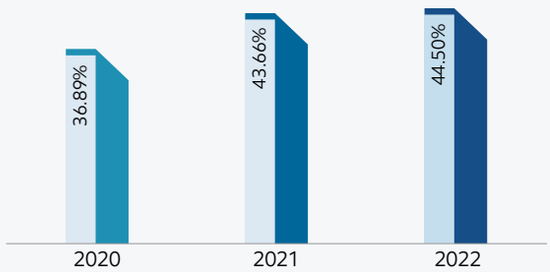
Advancing sustainability

Our commitment to sustainable investment has strengthened our own Green Financing strategy, supporting our commitments to the United Nations' Sustainable Development Goals (SDGs) on affordable and clean energy, decent work and economic growth, and climate action. We demonstrated our commitment to sustainable financing even further when we pioneered a mandatory social and environmental screening process for our project financing activities, becoming the first to venture into green financing. During the year under review, we disbursed BDT 4,862 million in green finance, enabling customers to pursue ventures that will aid in the transition to a low-carbon economy. We continued to support our communities in numerous ways during the year under review—by donating food items, warm clothes, uplifting education by awarding scholarships, developing our communities, and creating employment opportunities for young entrepreneurs. Nurturing a winning team, our staff demonstrated tremendous resilience over the past year, showing that regardless of the circumstances, they will go over and above to support our customers, communities, and one another. Our unwavering commitment to diversity, inclusion, and career development creates an environment that unleashes innovation and allows our people to perform at their very best in an environment where everyone feels they have an equal opportunity to belong and build a career. During the year, we continued to support our people with new pay scale benefits, health and wellness support, and frequent communication to help them manage through this challenging period.

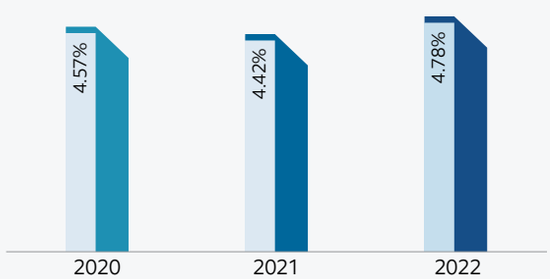
COST TO INCOME RATIO (In %)



CASA AS % OF TOTAL DEPOSIT (In %)



NON PERFORMING INVESTMENT (In %)



Shariah Compliance

Ensuring Shariah compliance is the most critical factor in maintaining the trustworthiness of a bank that follows Islamic Shariah and instilling credibility among its stakeholders. Shariah compliance fosters justice and growth in the economy. In our pursuit of providing cutting-edge banking services, we are resolute in our commitment to complying with Shariah principles in all our operational activities and upholding Islamic culture. An independent and critical Shariah Supervisory Committee, consisting of experienced Shariah scholars, meticulously oversees all our operations to ensure strict compliance with Shariah principles.

Human Resources Development

The bank's strategy is centered around attracting, retaining, and motivating the most talented individuals by providing them with a healthy, safe, and progressive working environment, along with a competitive compensation package. Human resources are the most valuable asset and the key factor behind the success of any organization. The achievement of organizational objectives depends on the individual and collective efforts of its workforce. Every employee plays a vital role in the smooth functioning of the organization by bridging the gap between the customers and the organization.

The bank takes pride in having a team of highly motivated, skilled, committed, young, loyal, and empathetic staff members who consistently strive to meet customer aspirations and organizational goals. A strategic approach to the effective development and management of human resources is of paramount importance. During the year, skill building in investment (credit), foreign exchange, business development, customer relationship management, marketing, investment monitoring and recovery, risk management, technology-based banking, branch management, compliance, and preventive vigilance received special attention.

The bank has a learning and development (L&D) strategy tailored to enriching employees through both physical and virtual training programs, enabling them to avail themselves of these services from anywhere. The Bank regularly nominates its employees for various seminars, workshops, and training programs arranged by reputable local and foreign training institutes such as BIBM, BAB, IBRTA, among others.

Corporate Social Responsibility

Since its inception, SJIBL has consistently prioritized social and public welfare over profit maximization. The bank allocates a significant proportion of its annual profits towards conducting Corporate Social Responsibility (CSR) activities in various areas such as education, healthcare, disaster management, environment, and human resource development, among others. In addition, the bank focuses on providing scholarships to deserving underprivileged students, developing infrastructure for educational institutions, providing primary healthcare, community development, financial assistance for medical operations, and other social initiatives aimed at uplifting society out of poverty and distress.

In 2022, the bank incurred a CSR expense of BDT 325.36 million, compared to BDT 232.93 million in 2021, which is a testament to its commitment towards social responsibility. The bank firmly believes that its CSR activities are a vital contribution towards achieving sustainable development and improving the welfare of the community. By allocating a significant proportion of its profits towards CSR, SJIBL remains dedicated to positively impacting society and setting an example for other organizations to follow.

Accolades and Recognition

It gives us immense pleasure to share that SJIBL has been honored with several national and international awards by prestigious institutions. In 2022, we achieved remarkable recognition by receiving all four awards from the South Asian Federation of Accountants (SAFA) for the 2021 Annual Report. It is worth mentioning that we were named Joint Gold in the Private Sector Banks Category, Joint Gold in the SAARC Anniversary Award for Corporate Governance Category, Joint Bronze in the Integrated Reporting Category, and Joint Silver in the Overall Category, which is an outstanding achievement for any Bangladeshi shariah-based bank.

Furthermore, SJIBL was awarded three prestigious awards from the Institute of Chartered Accountants of Bangladesh (ICAB): joint first in the Private Sector Bank Category, joint second in the Corporate Governance Disclosure Category, and joint second in the Integrated Reporting Category. We also bagged the Gold Award from the Institute of Cost and Management Accountants of Bangladesh (ICMAB) in the Private Commercial Bank (Islamic Operation) Category and the Gold Award from the Institute of Chartered Secretaries of Bangladesh under the Islami Banking Companies category.

We are honored and pleased to receive such recognition for our efforts. As an organization, we firmly believe in transparent reporting and adequate disclosures of required information within the framework of accounting and auditing standards to meet the information needs of stakeholders. These remarkable achievements will inspire us to strengthen

good governance, transparency, and adequate disclosure going forward. We are confident that all these accomplishments will increase our brand value and enhance the corporate image of the bank.

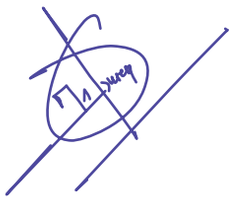
Acknowledgement

I would like to express my sincere appreciation to our Board of Directors for their visionary leadership during an unprecedented year. The Board's unwavering support has been invaluable throughout the challenging times, and I am grateful for their ongoing engagement, counsel, and encouragement. Their leadership and foresight will undoubtedly be a great asset in steering the bank towards greater heights.

I wish to extend my gratitude to Bangladesh Bank and the Securities and Exchange Commission for their continued policy support and guidance during these adverse circumstances. Additionally, I would like to wholeheartedly thank all of our stakeholders for their unwavering trust in the bank. I express my sincere appreciation for the continuous patronage we have received from our valued customers. It has been an exciting, challenging, and rewarding year for me with the bank. Despite the various challenges, our employees and senior management have demonstrated unfaltering dedication and commitment, resulting in an exceptional experience with such a brilliant team. Our employees delivered exceptional support to our customers in very difficult circumstances, and I am extremely grateful for their loyalty during this turbulent year.

Opportunity is dynamic, and it evolves with the world around us. It is our responsibility to seize it in the spirit of conducting business. All of our plans for the future are designed to unlock opportunities for our stakeholders, shareholders, and customers. I am confident that this esteemed institution will continue to scale greater heights and maintain its growth trajectory. Finally, I would like to assure everyone that, with our firm commitments in place, our bank will continue to excel in the days ahead.

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



Mosleh Uddin Ahmed
Managing Director and CEO

REPORT OF THE
BOARD OF DIRECTORS

In the name of Allah
The Most Gracious, the Most Merciful

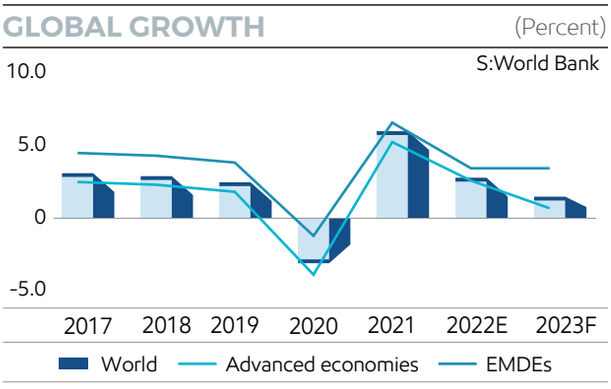
Dear Shareholders,
Assalamu Alaikum Wa Rahmatullah Wa Barakatuhu.

The Board of Directors of Shahjalal Islami Bank Limited (SJIBL) extends a cordial welcome to all of you to the 22nd Annual General Meeting (AGM). We are pleased to present the Directors' Report, Audited Financial Statements, and Auditors' Report for the year ending December 31, 2022. We have 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 year 2022 was exceptional from both global and Bangladesh's perspectives, with the ongoing Russia-Ukraine war and the prolonged impact of the COVID-19 pandemic affecting economies worldwide, including Bangladesh. Furthermore, the foreign exchange market experienced unprecedented volatility, and Bangladesh faced its highest inflation rate in a decade. If the current situation persists, the exchange rate may fall under further pressure, impacting foreign exchange reserves.

We take pride in our unique strategy, on-the-ground knowledge, empathy, and expertise, which have enabled us to manage the toughest situations. Despite the challenges we have faced, we have continued to step up and deliver for our customers. Our aim is to serve as a trusted partner to our customers by responsibly providing financial services that enable growth and economic progress. We carried good business momentum into 2022 in almost all areas of our business. We are confident that our expertise, combined with the bank's strong foundations, will enable us to continue creating long-term value for all stakeholders in the current year and beyond.

World Economy

The prolonged pandemic and the Russia-Ukraine war have had a significant economic impact, resulting in a sharp deceleration in global economic activity. The war is leading to high commodity prices, adding to supply chain disruptions, increasing food insecurity and poverty, exacerbating inflation, magnifying financial vulnerability, and heightening policy uncertainty. Growth in emerging markets and developing economies (EMDEs) this year has been downgraded to 3.4 percent as negative spillovers from the war more than upset any near-term boost to some commodity exporters from higher energy prices. Moreover, the IMF has already revised the global growth forecast downward for 2023, with a declining inflation forecast in 2023, while maintaining tight monetary and fiscal policy to restore global financial stability.



The global food price in 2022 was significantly higher than the previous year, which, combined with the large increases seen in 2021, caused significant strains and food security concerns for lower-income food-importing countries. Although world trade rebounded in tandem with global economic activity in the second half of 2021 after the heavy shocks of early 2020 due to the pandemic, it lost momentum in the second half of 2022. Emerging and developing countries are facing a multi-year period of slow growth, driven by heavy debt burdens and weak investment, as global capital is absorbed by advanced economies dealing with extremely high government debt levels and rising interest rates. The weakness in growth and business investment will compound the already devastating setbacks in education, health, poverty, and infrastructure, as well as the increasing demands of climate change.

Global Economic Outlook

Given how fragile the economic conditions are, any new adverse development such as higher-than-expected inflation, abrupt rises in interest rates to contain it, a resurgence of the COVID-19 pandemic, or escalating geopolitical tensions could push the global economy into a recession. If this were to happen, it would mark

the first time in over 80 years that two global recessions have occurred within the same decade.

In 2023, world trade may remain subdued as multiple shocks continue to weigh on the global economy. According to WTO economists, the predicted increase in global merchandise trade volumes for 2023 is only 1 percent, which is down sharply from the previous estimate of 3.4 percent.

The World Bank's projection shows that the global economy may grow by 1.7 percent in 2023 and 2.7 percent in 2024. The sharp downturn in growth, due to elevated inflation, higher interest rates, reduced investment, and disruptions caused by Russia's invasion of Ukraine, is expected to be widespread. In fact, forecasts for 2023 have been revised down for 95 percent of advanced economies and nearly 70 percent of emerging and developing economies.

However, there is a ray of hope on the horizon as world food prices dropped for the ninth consecutive month in December 2022.

Bangladesh economy

At the beginning of 2022, businesses held an optimistic outlook, believing that the worst of the coronavirus pandemic's impact was behind them. However, this sentiment was short-lived, as Russia's invasion of Ukraine in February 2022 caused another crisis to emerge. This changing global environment had a severe impact on Bangladesh due to spillover effects.

The war between Ukraine and Russia and associated geopolitical tensions created a challenging macro-financial landscape, leading to significant stress on Bangladesh's external sector. This was primarily due to rising energy prices and supply chain disruptions, which resulted in Bangladesh's deficit in transactions with the rest of the world widening due to the soaring import payments for higher energy and commodity prices. A power and gas crisis further exacerbated the situation in the middle of 2022, causing power cuts for citizens and reduced factory capacity.

Despite lower than expected monetary growth, Bangladesh has experienced growing inflationary and exchange rate pressures since the second half of FY22. The spillover effect of unexpectedly high global inflation rates, along with excessive current account deficits, contributed to this situation. As a result, disposable income dropped due to higher inflation, leading to an overall decline in consumption.

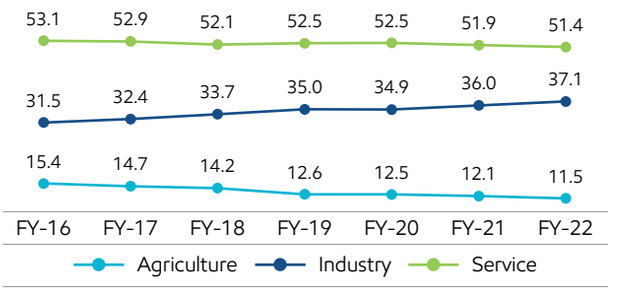
However, Bangladesh still possesses a growing middle-income population and a high overall GDP growth rate. Furthermore, with almost half of the population being considered "young" and technologically adaptable, the country has ample opportunities for massive expansion and growth in the information technology sector.

Growth Driver

Growth drivers and rates in different sectors and sub-sectors were not the same, and to some extent they were unequal.

SECTOR WISE GDP CONTRIBUTION (Percent)

Source: BB



Agricultural sector

The agriculture sector, which is the most important sector in the Bangladesh economy in terms of employment and employs about 39 percent of the country's total labor force, continuously loses its position in overall GDP. The share of the sector in GDP, according to the provisional estimate of the National Accounts Statistics, was 11.50 percent in FY22, compared to 12.07 percent in the previous fiscal year. During this period, the growth of the animal farming and forest and related services sub-sectors increased slightly compared to the previous year. However, the growth in crops, horticulture, and fishing sub-sectors fell dramatically to 1.06 percent and 2.08 percent, respectively, in FY22 from 2.29 percent and 4.11 percent in FY21.

Industrial sector

The industrial sector contributed 37.07 percent of GDP in FY22 and grew by 10.44 percent, higher than the 10.29 percent growth in FY21. But rising energy costs and supply constraints saw industrial production contract in the second half of 2022. This sector growth in FY22 was mainly supported by the growth of the manufacturing; water supply, sewerage, waste management, and remediation activities, and construction sub-sectors. On the other hand, the electricity, gas, steam, and air conditioning supply sub-sector recorded lower growth of 5.96 percent, while the mining and quarrying sector exhibited negative growth of (1.94) percent in FY22 as compared to the previous year.

Service sector

The services sector accounts for the majority of GDP. In 2022, there was an upward trend in service sector-related activities. The service sector benefited from the notable growth in the commodity-producing sectors and international trade and commerce. This sector contributed 51.44 percent of GDP in FY22, slightly lower than the 51.92 percent in FY21. The services sector grew by 6.31 percent in FY22, higher than the 5.73 percent growth in FY21. The components of the services sector, such as wholesale and retail trade, and repair of motor vehicles and motorcycles; transportation and storage; accommodation and food service activities; financial and insurance activities; real estate activities; education; arts, entertainment, and recreation; and other service activities, exhibited higher growth rates in FY22 than those of the previous year.

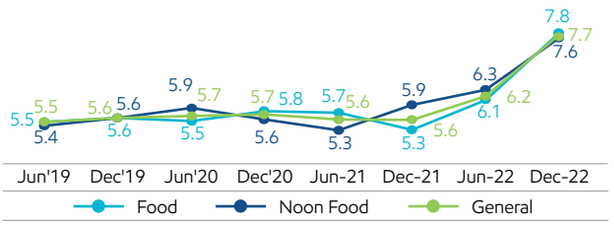
Inflation

The overall price level in Bangladesh has experienced a gloomy scenario in the calendar year 2022, as consumers face a cost-of-living crisis since March. The prices of almost all commodities have risen due to supply disruptions caused by COVID-19, the Russia-Ukraine war, and the global energy crisis. Higher inflation has become a common phenomenon worldwide, fueled by pent-up demand from stimulus and pandemic disruptions, as well as global factors such as higher food and energy prices and soaring shipping costs. The dearth in dollar supply has made the greenback costlier, and import costs keep mounting, ultimately raising inflationary pressure that burns a hole in commoners' pockets. In August, overall inflation surged to a 10-year high of 9.52 percent before easing to 8.71 percent in December 2022. The oil price hike, increased transportation and communication costs, and high imports also added to inflation in the country as commodity prices increased sharply amid global inflation.

Headline inflation (point to point) increased to 8.71 percent in December 2022 from 6.05 percent in December 2021. On the other hand, headline inflation (the twelve-month average) increased to 7.70 percent in December 2022 from 5.54 percent in December 2021.

12 MONTHS AVERAGE INFLATION RATE TREND (Percent)

Source: BB



Money Supply and Credit Growth

The monetary and credit programs for FY22 were intended to ensure necessary liquidity in the local and foreign currency markets, continue the economic recovery momentum, stabilize the interest rate and exchange rate movements, and contain inflation. Some policy measures taken by BB were: allowing a low cash reserve and high loan distribution ratio; keeping a low level of various policy interest rates; purchasing government securities from banks' holdings; continuing different low-cost refinance lines and moratorium facilities; extending the time for realizing export receipts and import payments, and offering credit guarantee facilities for cottage, micro, small, and medium enterprises (CMSMEs). In addition, BB increased the repo rate thrice by 25 basis points to 5.00 percent from 4.75 percent in May 2022, by 50 basis points in June 2022, by 25 basis points in September, and again to 6.00 percent in January 2023.

Broad money (M2) growth decelerated to 8.4 percent in H1FY23 from 9.6 percent in H1FY22, much lower than the programmed ceiling of 12.1 percent. The deceleration in broad money was driven by negative growth in net foreign assets (NFA), which grew by a negative 22.6 percent during CY22. Net domestic assets (NDA) grew by 18.05 percent in H1FY23. The BB's NFA growth was significantly negative due to huge net sales of foreign currency to the banks, induced by very strong import demands. On the other hand, the BB's NDA growth was also very strong due to BB's huge liquidity support to the banks and the development of government securities to BB.

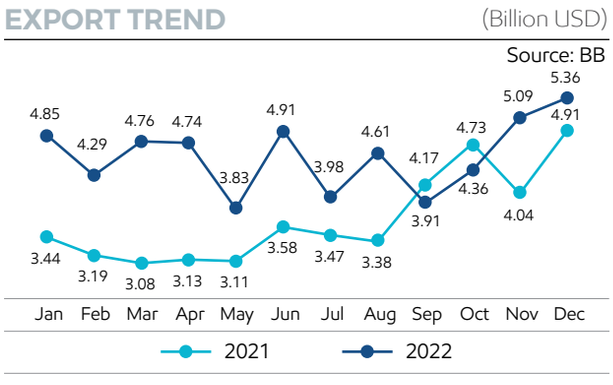
However, the movement of domestic credit remained strong owing to strong private sector credit growth accompanied by steady growth in public sector growth. Driven by the increased commodity prices and steep exchange rate depreciation, private sector credit increased strongly by 12.76 percent in December 2022, compared to growth of 10.68 percent in December 2021.

Export

The export sector of Bangladesh displayed its prowess in 2022, despite facing several challenges, such as the devastating Russia-Ukraine war, unprecedented freight costs, an energy crisis, record inflation, and the risk of a recession that loomed throughout the outgoing year. In 2022, Bangladesh retained its position as the second-largest apparel exporter globally after China. This impressive export performance was attributed to the US-China tariff war, competitive prices, and recent improvements in workplace safety conditions.

Thanks to robust export earnings, overall exports grew by 24 percent year-on-year, reaching USD54.69 billion in 2022, up from USD44.22 billion in 2021. Almost every month, exports have set fresh records due to higher shipments of goods, especially garment items. However, only two major exports, namely apparel and leather and leather goods, performed well in the first half of the current fiscal year, as global demand for non-garment items has fallen due to high inflation stemming from the Russia-Ukraine war. The export earnings of other goods that had shown growth over the past few years started shrinking due to lower demand abroad.

Export earnings from apparel remained high despite global volatility as unit prices increased following the hike in raw material costs. In addition, Bangladesh started exporting high-end, value-added garments, for which international retailers and brands are paying better prices. The rise in freight costs by more than 500 percent dealt another blow to the export sector, while the record climb in the exchange rate amid the fast depletion of foreign currency reserves drove the price of the US dollar to as high as BDT. 110.

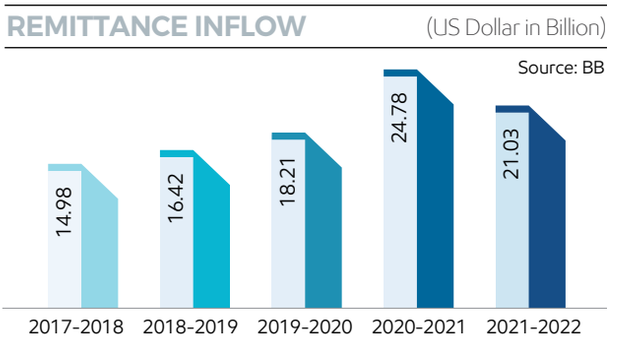


Remittance

In 2022, Bangladesh received USD21.29 billion in remittances, which was almost unchanged from the previous year, despite a record number of workers going abroad for jobs. This amount was 3.57 percent lower than the USD22.07 billion received in 2021. The remittances sent by more than 1.2 crore Bangladeshis living abroad represent 4.6 percent of the gross domestic product and are a vital pillar of the economy. Bangladesh ranks as the seventh-highest recipient of money transferred by migrant workers.

The funds transferred by migrant workers grew tepidly, despite 2022 likely seeing the highest number of migrant workers leaving the country as oil-rich economies rebounded strongly due to higher commodity prices. The remittance has not picked up proportionately, as workers reportedly send half of their money to beneficiaries back home using informal channels, owing to the better rates of the US dollar offered by hundi operators, depriving the country of much-needed American greenback.

To encourage remittances through legal channels, the government raised the rate of incentives by 0.5 percentage points to 2.5 percent in January 2022.

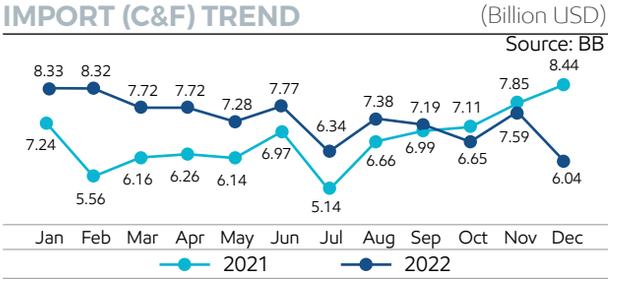


Import

In the calendar year 2022, imports (L/C openings) saw minimal negative growth (0.83%), and in H1FY23, it was 2.2 percent, which was a significant drop from the 54.47 percent positive growth observed during the same period the previous year. This decline was due to the higher base of the previous period, BDT depreciation, and import restrictions on luxury items. During July-Dec. 22, the import growth of edible oil, raw cotton, fertilizer, iron, steel, and capital machinery contributed more to the total import growth.

The settlement of import LCs increased by 7.71 percent during July–December 2022. However, due to a dollar shortage, the opening of letters of credit (LCs) also declined as the central bank tightened rules to discourage the import of non-essential and luxury items. LC opening fell by 23 percent year-on-year in July–December 2022, and settlement declined by 8 percent.

Capital machinery imports also decreased. LC opening for capital machinery, which reflects entrepreneurs' expansion or new ventures, plummeted by 65 percent to USD1.27 billion in the first half of 2022-23. Intermediate goods also declined by 34 percent in the six months to December.



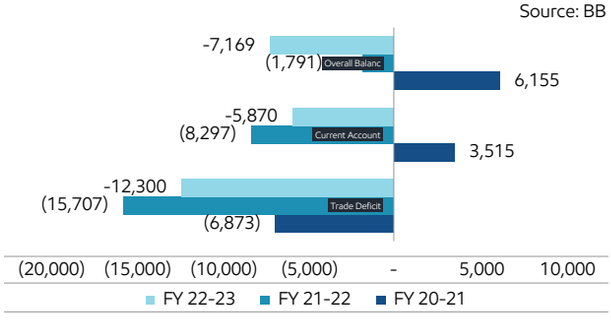
Balance of Payments

A continued current account deficit has been observed in Bangladesh's external sector since FY17. The balance of payment (BoP) has been negative in recent months of 2022, leading to a decline in foreign exchange reserves and a sharp depreciation of the exchange rate. The negative overall balance is mainly due to higher import growth, negative growth of remittances, and less inflow in the capital and financial accounts (significant repayment of trade credit).

Bangladesh has been experiencing exchange rate volatility as foreign currency reserves came under pressure to pay for escalated import bills. The country's trade deficit decreased to USD12.30 billion in July–December of FY23 from USD15.7 billion in the same period of the previous year. The current account deficit also narrowed to USD5.2 billion in the first half of the current fiscal year, compared to USD8.2 billion in the same period of the previous year. During the last six months of FY 2022, the financial account was USD6.89 billion, but at the end of December of the current fiscal year, it stood at USD1.098 billion (negative). Bangladesh has lost USD14 billion from its financial account over the last one year, where the financial account was USD14.06 billion in surplus in the last financial year and USD13.77 billion in 2021–22. The financial account of the BoP remained a matter of concern as it continued to worsen. A decline in the financial account surplus resulted in a rise in the overall balance of payments deficit, exerting considerable depreciating pressure on the exchange rate during 2022. However, the overall balance of the BoP worsened to USD7.2 billion (negative) compared to USD1.8 billion in negative arithmetic during the same period a year earlier.

BALANCE OF PAYMENTS (July-Dec in million USD)

Source: BB



Foreign Exchange Reserve

As of December 29, 2022, foreign exchange reserves had decreased to USD 33.77 billion from USD 46.15 billion on December 30, 2021. Despite the decline, the foreign exchange reserves in December 2022 were still sufficient to cover import liabilities for 5.5 months. Additionally, the gross foreign exchange balances held by commercial banks at the end of December 2022 decreased by 10.84 percent.

FX RESERVE OF BB & IMPORT COVERAGE

Source: BB



Exchange Rate Movement

Bangladesh has experienced exchange rate volatility due to pressure on foreign currency reserves caused by increased import bills as a result of the war. Since Russia's war in Ukraine began in February last year, the taka has lost about 25 percent of its value against the American dollar, and nearly 14 percent from July to December. The appreciation of the dollar will most impact foreign debt repayments. As of September 2022, Bangladesh's foreign debt was USD92.69 billion, which had increased from USD93.23 billion in June to USD95.23 billion at the end of June. In June 2021, the foreign debt was USD81.57 billion.

Banking Sector:

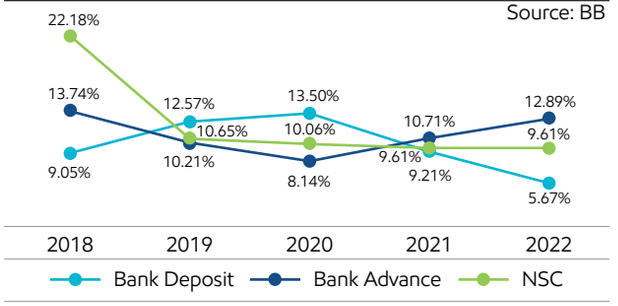
The banking sector in Bangladesh has faced a challenging year in 2022, with a series of loan scams, rising default loans, and weak performance of bank stocks on the stock exchanges. The second half of 2022 has seen great volatility in the value of the taka against the US dollar, with the market seeing two or even three exchange rates, while central bank policies have been working in the opposite direction. High informal market transactions and rates have empowered 'Hundi,' resulting in a significant drop in inward remittances.

Businesses have been adversely affected by the depreciation of the dollar and commodity prices in the international market. With the surge in prices, bank loans to the entities have proliferated. According to the Bangladesh Bank, private sector credit growth reached 13.97 percent in December 2022. In contrast, deposit growth in the banking sector has almost halved. Banks have been forced to borrow liquidity at a higher rate to maintain their cash deposit reserve ratio (CRR) and statutory deposit ratio (SLR). A rise in domestic credit growth amid falling bank deposit growth has contributed to a decline in liquidity in the banking system. Consequently, interest rates in the call money and inter-bank repo markets have risen markedly.

BANK DEPOSIT,ADVANCE & NSC YOY GROWTH

(Percent)

Source: BB



Non-performing loans (NPLs)

The International Monetary Fund has identified the high volume of defaulted loans in Bangladesh's banking system as one of the three domestic risks that could derail the economy in the short- to medium-term. Last year, default loans in the country's banking sector jumped 17 percent year-on-year to BDT 120,656 crore due to a lack of corporate governance and the ongoing business slowdown. As a result, the ratio of bad loans rose to 8.16 percent of the outstanding loans in December, compared to 7.93 percent in the same month in 2021. Despite the forbearance for loan repayments and the relaxed loan rescheduling policy offered by the central bank, the upward trend of non-performing loans (NPLs) has not been curbed.

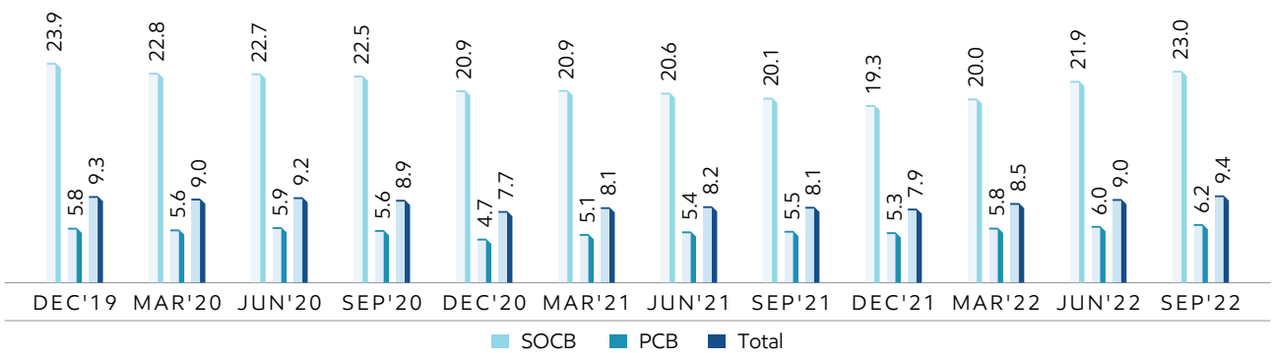
In July, the Bangladesh Bank allowed defaulters to reschedule term loans with a repayment tenure of over a year by paying only 2.5–6.5 percent of their total NPLs instead of the previous 10–30 percent. Similarly, the down payment for NPLs related to working capital or demand loans was reduced from 5–15 percent to 2.5–5 percent. However, these measures have not been effective, and in December, borrowers were allowed to avoid being classified as defaulters if they cleared only 50 percent of installments payable in the final quarter, compared to the previous requirement of 75 percent.

NPLs in state-run banks rose 25 percent year-on-year to BDT 61,169 crore last year, while forty-one private commercial banks held defaulted loans of BDT 56,439 crore, up 9 percent from a year ago. The NPLs in nine foreign banks increased to BDT 3,048 crore, compared to BDT 2,785 crore in the previous year.

GROSS NPL MOVEMENT

(Percent)

Source: BB



Banking Sector Liquidity Condition

The liquidity situation in the banking system of Bangladesh has been on a declining trend in the last couple of months of 2022. Surplus liquidity in the banking sector has shrunk to BDT 1.46 trillion at the end of December 2022, from BDT 2.17 trillion at the end of 2021. The decline in surplus liquidity started after the country's import payments escalated due to global supply chain obstacles, along with pent-up demand as the economy recovered from the pandemic-induced slowdown. Liquid assets in the banking industry decreased heavily over the second half of 2022 due to lower deposit growth, an increase in private sector and public sector credit flow, excessively higher import costs, and mainly the parking of huge amounts of local currency into Bangladesh to buy USD.

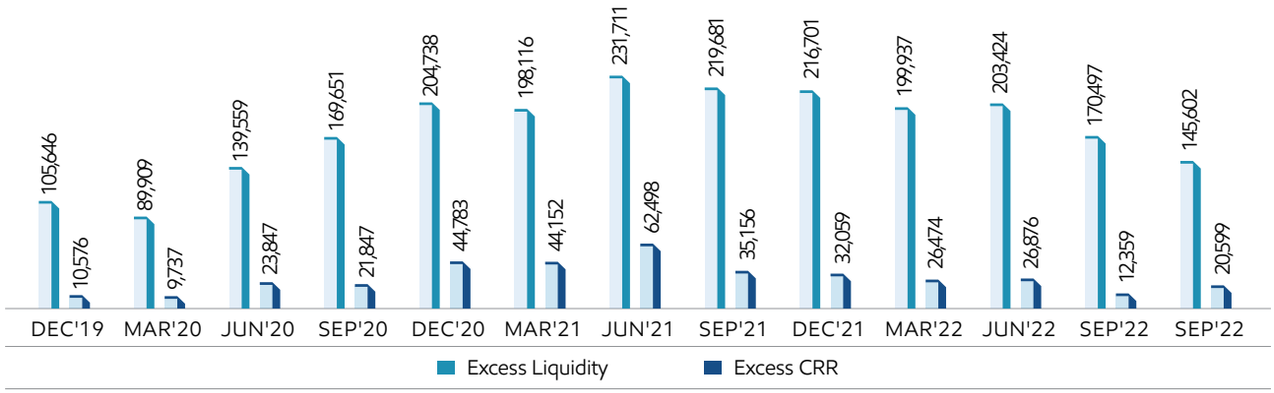
However, total liquidity has been gradually trending downward since the second half of 2021 due to higher credit growth, decelerated deposit growth, and the mopping up of some liquidity through foreign exchange market intervention. The share of excess reserves (excess of CRR) to total excess liquidity has decreased from 10.81 percent at the end of December 2020 to 7.17 percent at the end of December 2021.

The current liquidity crunch has appeared as commercial banks have been buying dollars from the central bank in exchange for liquid money. The liquidity crunch may be intensified further with the government borrowing from commercial banks.

BANKING LIQUIDITY SCENARIO

(BDT Crore)

Source: BB



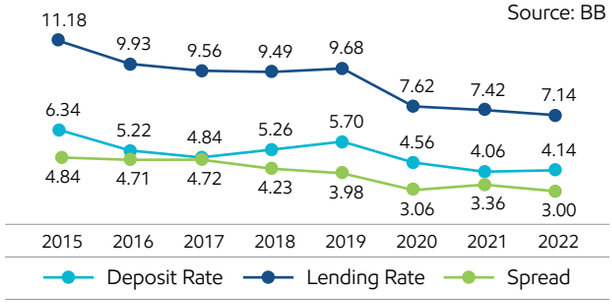
Interest (Profit) Rate Outlook

In 2022, the growth of deposits experienced a continued decline, while the growth of domestic credit rose steadily. This contributed to a moderate amount of liquidity in the banking system. Consequently, interest rates in the call money and inter-bank repo markets increased significantly, while interest rates in the retail market only saw a slight uptick. Additionally, yields on government securities experienced a slight increase due to declining budget deficits and reduced deficit financing from the banking system. Additionally, yields on government securities experienced a slight increase as budget deficits decreased and deficit financing from the banking system also declined. It's worth noting that the spread between the weighted average interest rate on advances and deposits of all banks significantly decreased from 3.36 percent in December 2022 to 2.99 percent.

WEIGHTED DEPOSIT,ADVANCE & SPREAD RATE

(Percent)

Source: BB



Banks Profitability

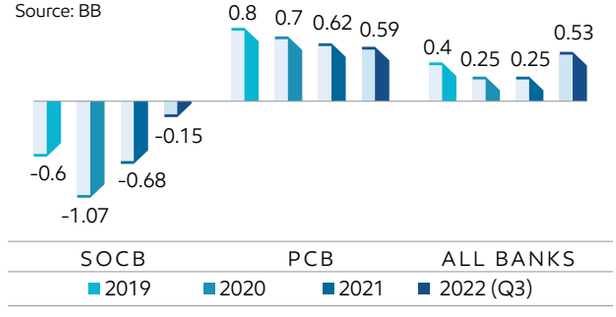
By the end of 2022, a number of private and state-owned banks had recorded operating profits, thanks to the significant year-on-year growth in their foreign exchange profit during the first half of 2022, the central bank's relaxed policy on unrealized interests, and credit growth in the private sector. Despite a sluggish economy, the income from foreign exchange business rose due to the surge in the US dollar price against the taka. In this volatile situation, the profits of several banks increased from the dollar market.

Although there was slower growth in credit disbursement by the banks, their profitability improved during 2022 compared to 2021, as reflected by an uptick in both Return on Assets (RoA) and Return on Equity (RoE). In the first quarter of FY23, the net profit of the banking industry increased to BDT 92.91 billion from BDT 72.29 billion in the same period of FY22. Additionally, the overall Return on Assets (RoA) marginally increased to 0.53 percent in Q1FY23 from 0.44 percent in Q1FY22, while the Return on Equity (RoE) increased to 9.48 percent in Q1FY23 from 7.42 percent in Q1FY22.

RETURN ON ASSET

(Percent)

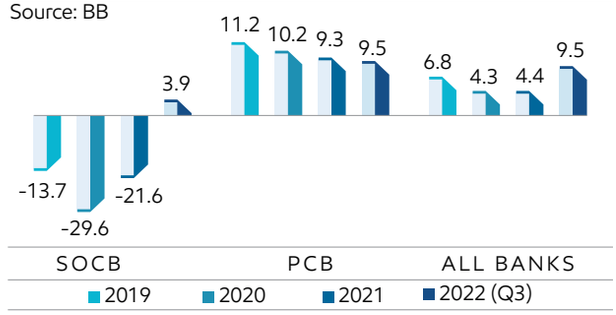
Source: BB



RETURN ON EQUITY

(Percent)

Source: BB



Banking Sector outlook

The financial sector includes an underdeveloped banking sector with low operational efficiency, weak internal risk management, and high NPL levels.

The overall outlook of the banking sector shows a mixed picture as asset risks grow and liquidity tightens amid deteriorating economic conditions on the one hand and historical resilience on the other. Foreign currency liquidity in the system will remain tight as the outflows of dollars for settlement of import bills will outpace the inflows from export receipts and remittances. Further, high inflation will hamper deposit growth as rising costs of living erode households' savings. The tightened liquidity conditions will intensify competition for funding among banks, which in turn will impact banks' profitability.

State-owned banks will remain undercapitalized because of their weak earning capacity resulting from high levels of NPLs and the absence of government capital infusions.

But exports will increase as trade businesses, to which banks have large exposures, show increasing external demand as a result of tame inflation in key export markets, despite rising costs due to high import prices.

Government borrowing from commercial banks can put further strain on the banking sector, already hit by a liquidity crunch. It also can negatively impact the sector's ability to meet deposit and loan obligations, which can lead to a further tightening of credit and a reduction in economic activity.

BD Economic outlook 2023

The apparel suppliers of Bangladesh to the international market are cautiously optimistic about the upcoming year's export performance, with a moderate recovery expected as sales in the Western world gradually gain momentum. The new normal resulting from the Russia-Ukraine conflict and falling petroleum prices is subsiding inflationary pressure in the West, leaving consumers with more disposable income to spend on clothing items.

Some variant of the crude oil was selling at USD79.56 per barrel in international markets at the end of 2022, whereas it had surpassed USD123 at one point in 2022 because of the severe fallout of the war. On the contrary, going forward into 2023, the impact of the economic recession in Europe and America will become more prominent and certainly create downward pressure on the demand for clothing exports from supplying countries such as Bangladesh.

Containing inflation at tolerable levels and maintaining the stability of the exchange rate would be a critical challenge for Bangladesh in the coming days. The inflation outlook in the coming months will depend on further spillover of price from the supply-demand mismatch, the ongoing Russia-Ukraine war, the volatility in the exchange rate, and the commodity price hike in the international markets. Besides, the budget deficit is widening, and government borrowing from the banking system, particularly from the Bangladesh Bank, has witnessed a sharp increase recently, which could create upward pressure on the inflation outlook.

The country has been facing a problem regarding LC opening for the last couple of months. It is breaking the supply chain, and production for domestic and export-oriented markets is being hampered. If the import situation does not improve, the situation will be tougher in the coming months. From July 2023, the Central Bank plans a market-based exchange rate, which will result in an innate downward adjustment of the local currency against the dollar.

The heady cocktail of rising inflation and its negative impact on household incomes and firms' input costs, as well as energy shortages, import restrictions, and monetary policy tightening, means growth is expected to slow down in 2023 but pick up again and return to its potential pace in fiscal year 2023–2024.

Growth and recovery largely depend on the withdrawal of the lending rate cap to check inflation, restore stability in the foreign exchange market, support desired economic growth, and ensure the necessary flow of funds to productive and employment-generating activities.

The United Nations (UN) has trimmed its forecast on Bangladesh's economic growth to 6 percent for 2023 from its previous projection of 6.4 percent as the country's economic situation has significantly deteriorated due to high food and energy prices, monetary tightening, and fiscal vulnerabilities.

Based on the current external and internal macroeconomic challenges, it is anticipated that Bangladesh's growth performance in 2023 will experience a slight reduction. The prevailing uncertainties may stem from the slowdown of major economies and the persistence and escalation of cost-of-living inflationary pressures. Moreover, the devaluation of the BDT, the upward movements of interest rates in advanced and emerging market economies, and the stringent global financial conditions could heighten the cost of foreign borrowings and the debt burden. Nevertheless, the present devaluation of the BDT, along with several policy initiatives aimed at

increasing exports and remittance inflows and curbing luxury and unnecessary imports, are likely to enhance the current account balance and stabilize the exchange rates of the BDT in the upcoming months.

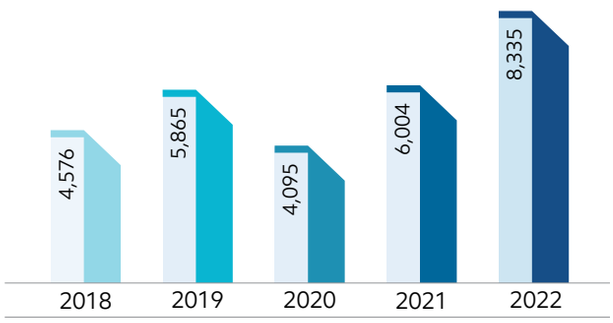
A general review of the Performance of Shahjalal Islami Bank Limited

In 2022, the banking sector faced several challenges, such as the ongoing Russia-Ukraine war, the prolonged impact of the COVID-19 pandemic, volatility in the foreign exchange market, and the highest inflation rate in a decade caused by soaring prices of both food and non-food items. Despite these challenges, Shahjalal Islami Bank Limited demonstrated resilience and delivered an admirable performance. This report provides a general review of the bank's performance, including a description of the major financial indicators.

Operating Profit

The operating profit of the bank has increased significantly by 38.83% in 2022. Operating profit increased to Taka 8,334.64 million in 2022 from Taka 6,003.69 million in 2021, and net profit after tax increased to Taka 3,525.06 million in 2022 from Taka 2,585.24 million in 2021. During 2022, the bank's operating result has significantly improved due to impressive foreign exchange business, dynamic capital market operations, and effective management of surplus funds.

OPERATING PROFIT



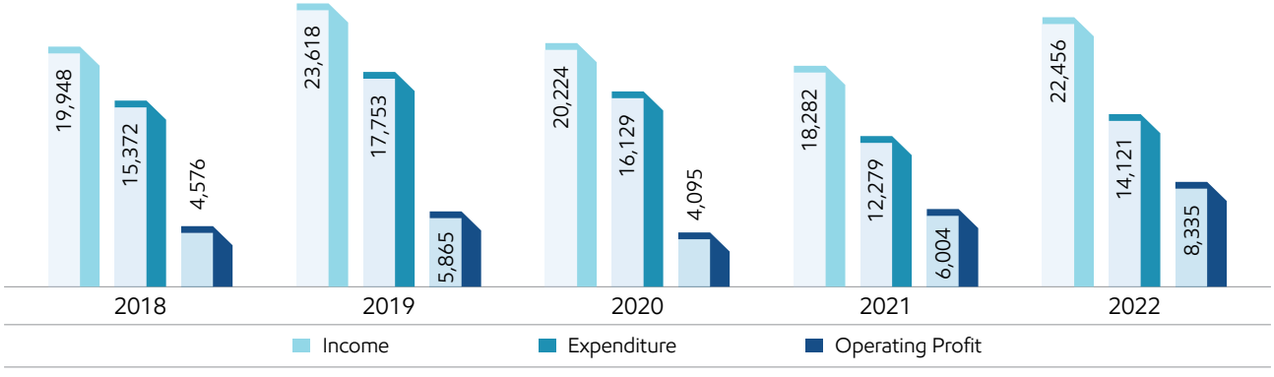
A summary of operating result of the bank as on 31December 2022 and 31December 2021 is shown below:

(Amount in Million Taka)

Particulars	2022	2021
Total Income	22,455.95	18,282.37
Less: Total Expenditure	14,121.31	12,278.67
Net Profit before Provision & Taxation	**8,334.64**	**6,003.69**
Less: Provision for Investment, Off Balance Sheets Items, Shares & others	1,108.37	1,167.03
Net profit before Taxation	**7,226.28**	**4,836.67**
Less: Provision for Taxation	3,701.22	2,251.43
Net Profit after Tax	**3,525.06**	**2,585.24**

The operating result of last five years:

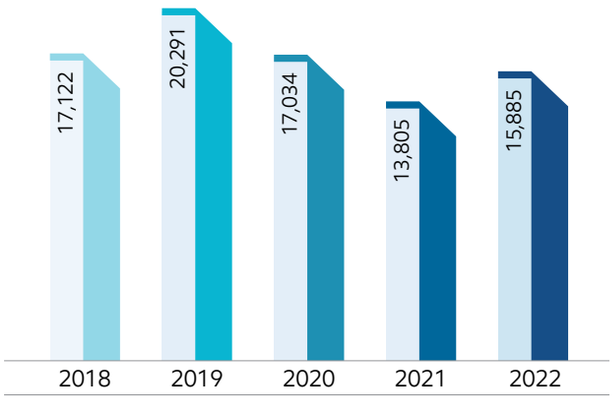
OPERATING RESULT



Investment Income

Total Investment Income of the Bank stood at Tk 15,885.44 million as of December 31, 2022, as compared to Tk 13,805.19 million in 2021. Investment income increased by Tk. 2,080.25 million due to an increase in investment of 9.53%. The yield on investment decreased slightly to 6.36% in 2022 from 6.76% in 2021. The amount of investment income represents 70.74% of the total income of the year 2022, as opposed to 75.51% of the year 2021. The trend of investment income is given below:

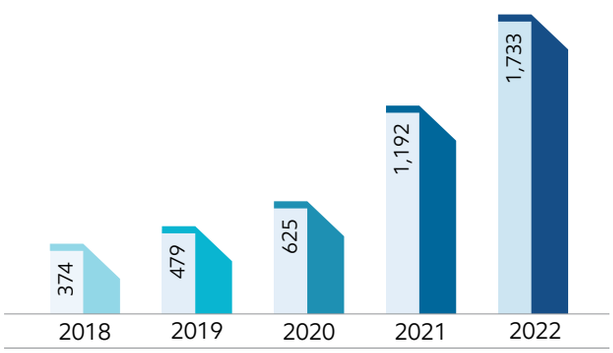
INVESTMENT INCOME



Income from investments in shares and securities

Income from investment in shares and securities increased to Tk. 1,732.56 million in 2022 from Tk. 1,192.32 million in 2021, showing a growth of 45.31% over last year. As part of our liquidity management strategy, the surplus liquidity was utilized to invest in the capital market, the Mudaraba Subordinated Bond, and the Bangladesh Government Investment Sukuk, which resulted in a significant increase in income during the year under review. The progress of income from investment in shares and securities is given below:

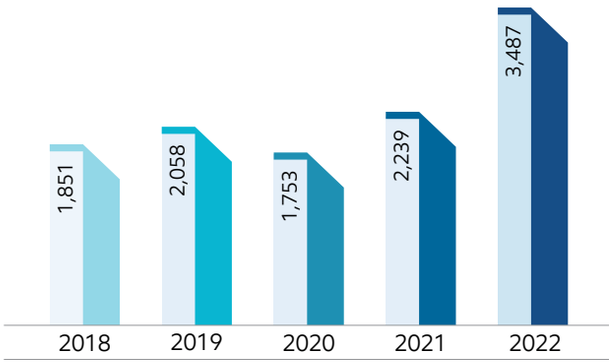
INCOME FROM SHARES & SECURITIES



Commission, Exchange, and Brokerage

Commission, Exchange and Brokerage income increased to Tk 3,486.72 million in 2022 from Tk 2,239.19 million in 2021, exhibiting a growth of 55.71% over the previous year. Despite the ongoing Russia–Ukraine war and prolonged effects of the COVID-19 pandemic, both our import and export business increased significantly. As a result, Commission, Exchange and Brokerage income increased during the year under review. The position of Commission, Exchange and Brokerage income for the last five years is given below:

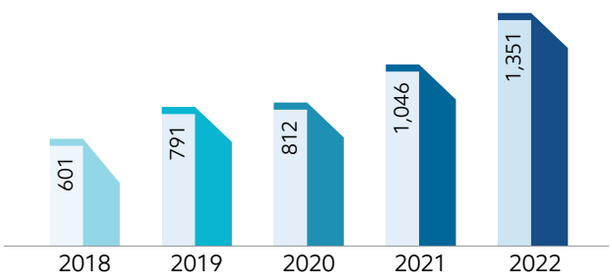
COMMISSION EXCHANGE & BROKERAGE



Other Operating Income

Other Operating Income stood at Tk. 1,351.23 million for the year 2022 as against Tk. 1,045.66 million in 2021, representing a growth of 29.22% over 2021. The trend of Other Operating Income is given below:

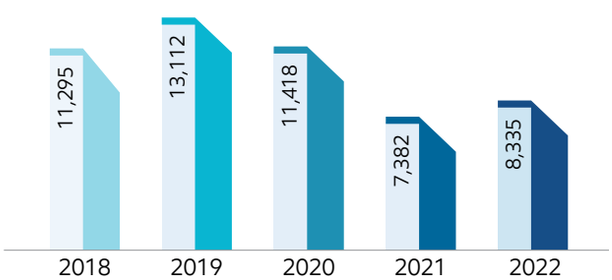
OTHER OPERATING INCOME



Profit Paid on Deposits

The bank distributed a profit of Tk 8,335.13 million among the Mudaraba depositors in the year 2022, compared with Tk 7,381.65 million in the year 2021, which is 84.73% of the distributable investment income earned from the deployment of the Mudaraba Fund and 59.03% of the total expenditure for the year 2022. The adjustment of the profit rate of deposits with the inflation rate from time to time is one of the key reasons for the increase in profit paid on deposits. The profit paid on deposits for the last five years is given below:

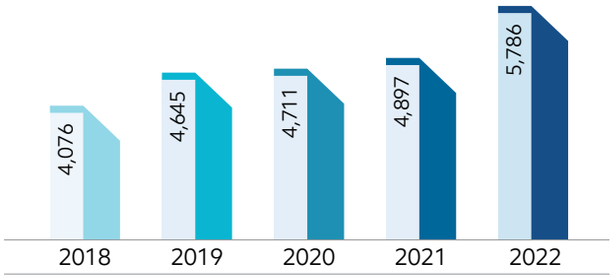
PROFIT PAID ON DEPOSITS



Operating Expenses

The total operating expenses for the year 2022 were Tk. 5,786.18 million, compared to Tk. 4,897.03 million in 2021. In 2022, the total operating expenses accounted for 40.97% of the total expenditure, whereas in 2021, it was 39.88%. A graphical presentation of operating expenses is given below:

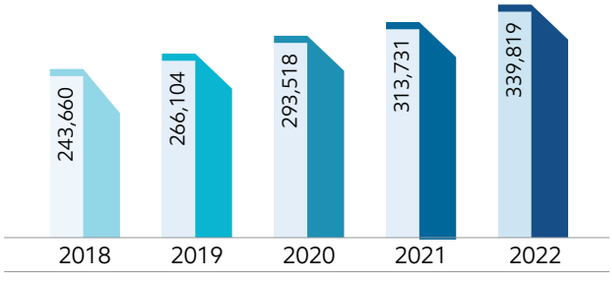
OPERATING EXPENSES



Total Assets

The bank's total assets as of December 31, 2022, stood at Tk 339,818.87 million, which was Tk 313,731.10 million as of December 31, 2021, registering a growth of Tk 26,087.77 million, or 8.32%, from 2021. Investment growth, growth of Cash and Bank Balance, as well as other asset growth, were all key factors in this increase. The growth of total assets is shown below:

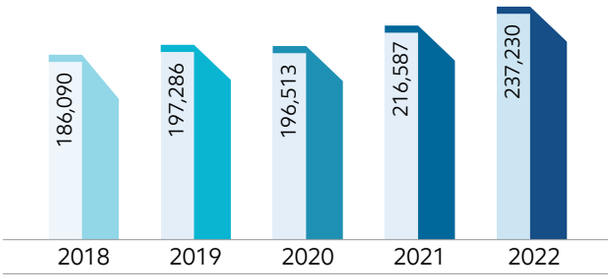
TOTAL ASSETS



Investments

The total investments of the bank stood at Tk 237,229.98 million as of December 31, 2022, as compared to Tk 216,586.58 million as of December 31, 2021, registering an increase of Tk 20,643.39 million, which is a 9.53% increase from 2021. Due to the ongoing Russia-Ukraine war and the prolonged impact of COVID-19, there was a lower appetite for investment in the market, and SJIBL was more cautious about disbursing the investment, which resulted in the overall slower investment growth during 2022. The trend of the investment portfolio for the last five years is given below:

INVESTMENTS

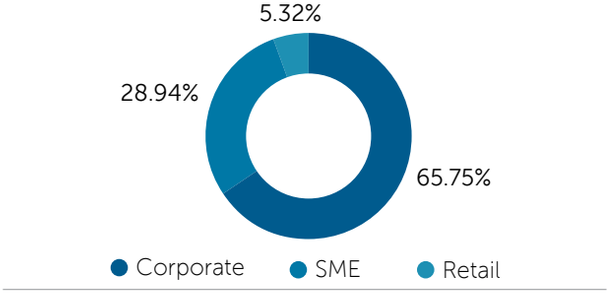


As part of the bank's diversification strategy, the bank has been developing a balanced portfolio of corporate, retail, SME, and agribusiness investments. SJIBL placed focus on the retail and SME segments of businesses as these segments are becoming more important for the growth of the economy, as well as the competition in corporate banking is becoming ever more intense. The segment-wise investment as of December 31, 2022, is given below:

Taka in million

Sl. No.	Particulars	Total	Mix
1	Corporate	155,971	65.75%
2	SME	68,647	28.94%
3	Retail	12,612	5.31%
Total		**237,230**	**100.00%**

INVESTMENT MIX



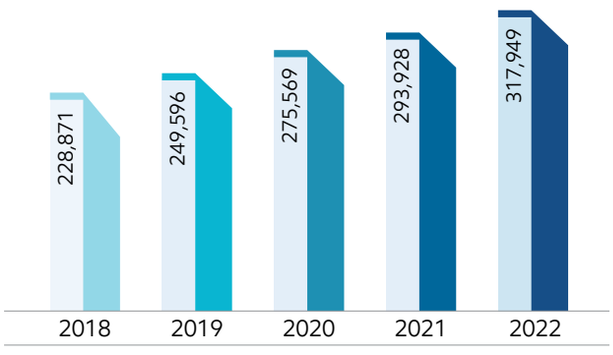
Non-performing Investments (NPI)

As of December 31, 2022, the non-performing investment rate in the banking sector of Bangladesh was 8.16%, while SJIBL's non-performing investment rate was significantly lower at 4.78%. The NPI of SJIBL stood at TK 11,332.83 million as of December 31, 2022. This reflects the bank's strengthened lending discipline and streamlined recovery process. SJIBL is continuing to take initiatives to realize and regularize non-performing investments and further reduce NPIs. Additionally, SJIBL has maintained provisions against investments that do not fall under classification to enhance the bank's financial health.

Total Liabilities

Total liabilities of the bank stood at Tk 317,948.73 million at the end of 2022, up from Tk 293,928.11 million at the end of 2021, which was 8.17% higher than that of the previous year. Total liabilities increased mainly due to an increase in placements from other banks and financial institutions, deposits and other accounts, and other liabilities. Liability growth in the last five years is shown below:

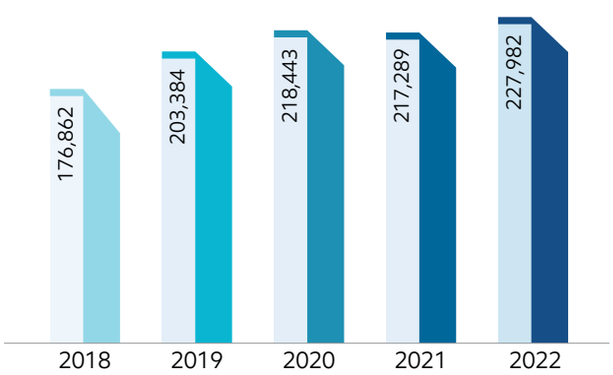
TOTAL LIABILITIES



Deposit

The total deposit was Tk 227,982.06 million as of December 31, 2022, compared to Tk 217,288.99 million as of December 31, 2021, an increase of Tk 10,693.07 million. As part of the bank's fund management strategy, we released some of our corporate deposits as well as some high-cost deposits, resulting in a lower growth of total deposits. In the year 2022, the bank focused on individual deposits, and as a result, individual deposits increased significantly. The bank places a strong emphasis on deposit mobilization 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



Deposit Mix

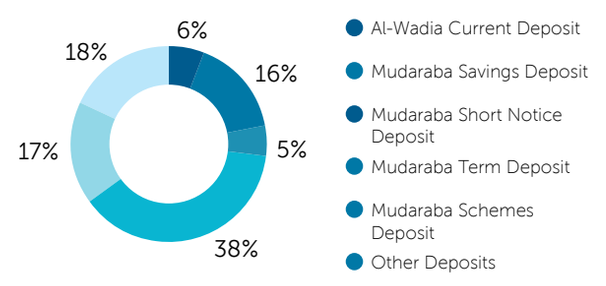
SJIBL placed the utmost emphasis on achieving the optimal deposit mix, which resulted in a 4.14% increase in the low-cost no-cost deposit from Tk. 98,482.66 million in 2021 to Tk. 102,557.63 million in 2022. In 2022, the bank focused on rebalancing its deposit base with the goal of increasing its low-cost transaction-based deposit portfolio. This strategy allowed SJIBL to reduce the high-cost deposit base slightly and consolidate the deposit mix in a favorable manner.

The Deposit-mix of the Bank as on 31 December 2022

Sl. No	Nature of Deposit	Taka in million	Percentage of Total Deposit
1	Al-Wadia Current Deposit & Other Accounts	48,293.09	21.16%
2	Mudaraba Savings Deposit	36,934.79	16.21%
3	Mudaraba Short Notice Deposit	11,532.76	5.06%
4	Mudaraba Term Deposit	86,817.23	38.09%
5	Mudaraba Schemes Deposit	38,531.97	16.91%
6	Other Deposits	5,872.22	2.58%
Total		**227,982.06**	**100.00%**

Mix of deposit as on 31 December 2022

DEPOSIT MIX



Placements from other Banks and Financial Institutions

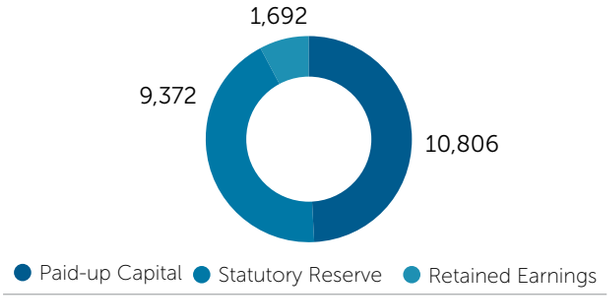
Total placements from other banks and financial institutions stood at Tk 42,036.65 million as of December 31, 2022, compared to Tk 32,436.45 million as of December 31, 2021, resulting in a growth of Tk 9,600,19 million.

Shareholders Equity

Total Shareholders Equity stood at Tk 21,870.14 million at the end of 2022, up from Tk. 19,802.99 million in 2021, which is 10.44% higher than that of the previous

year. Shareholders' equity increased mainly due to an increase in paid-up capital, the statutory reserve, and retained earnings. Paid-up capital increased due to the payment of a 5% stock dividend for the year 2021. The composition of shareholders' equity as of December 31, 2022, is given below:

SHAREHOLDERS EQUITY



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. 34,064.48 million as of December 31, 2022, compared to Tk. 33,778.03 million as of December 31, 2021, with a growth of Tk. 286.45 million from 2021. The bank maintained sound regulatory capital throughout the year 2022. The regulatory capital maintained was 14.38%, 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.

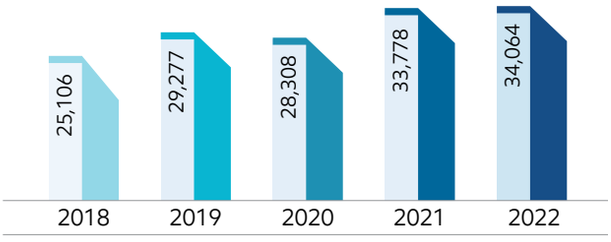
The Regulatory Capital and Risk-Weighted Asset of the bank is shown in the table below:

(Amount in million Taka)

Particulars	2022	2021
	Tk. In Million	Tk. In Million
Regulatory Capital:		
1. Tier-1 (Going-Concern Capital)	26,846.54	24,531.74
2. Tier-2 (Gone-Concern Capital)	7,217.94	9,246.29
Total Regulatory Capital (1+2)	**34,064.48**	**33,778.03**
Total Risk Weighted Assets (RWA)	**236,937.49**	**224,653.54**
Capital to Risk Weighted Assets Ratio (CRAR)	**14.38%**	**15.04%**
Tier-I Capital to RWA	11.33%	10.92%
Tier-II Capital to RWA	3.05%	4.12%
Minimum Capital Requirement (MCR)	**23,693.75**	**22,465.35**

Five years trend of regulatory capital is given below:

REGULATORY CAPITAL



Net Asset Value (NAV) per Share

Shahjalal Islami Bank Limited's net asset value per share is Tk 20.79, 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)
2022	20.24
2021	18.33
2020	17.44
2019	16.84
2018	15.84

Dividend

The Board of Directors of the Bank has recommended a dividend of 15%, of which 12% is cash and 3% is stock, for the year 2022. 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 2018 are shown below:

Year	Dividend (%)
2022 (proposed)	15 (12 Cash & 3 Stock)
2021	15 (10 Cash & 5 Stock)
2020	12 (7 Cash & 5 Stock)
2019	10 (5 Cash & 5 Stock)
2018	10 Stock

Foreign Exchange Business

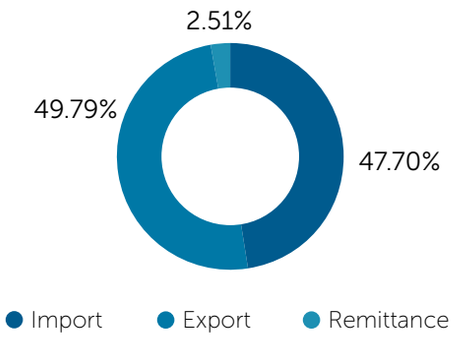
In the year 2022, the total foreign exchange business handled amounted to Tk 534,109 million, showing an increase of Tk 81,389.08 million, or 17.98%, from the

previous year's figure of Tk 452,722 million. Despite the volatility caused by the Russia-Ukraine war in the foreign exchange market, the bank prioritized foreign exchange business, leading to a substantial rise in business volume. The details of the foreign exchange business are outlined below:

Particulars	2022	
	Amount in Million Taka	Composition
Import	254,756	47.70%
Export	265,942	49.79%
Foreign Remittance	13,411	2.51%
Total	**534,109**	**100.00%**

Mix of Foreign Exchange Business of 2022

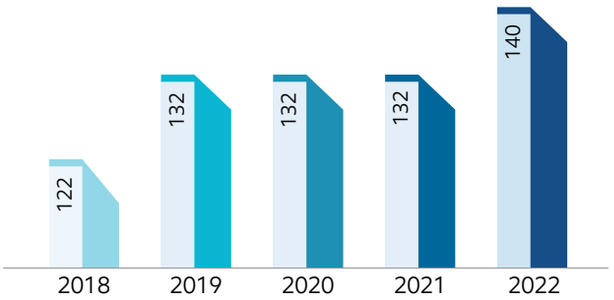
FOREIGN EXCHANGE BUSINESS



Branch Network

The bank has been operating with a network of 140 branches and 1 sub-branch around the country. In order to spread its footprint, the bank has opened 7 new branches and plans to convert one sub-branch into a branch in the year 2022. Moreover, the bank has been evaluating the performance of its existing branches and strengthening them further. We are focusing on reducing loss-making branches, and as a result, the number of loss-making branches has decreased during the year 2022. The growth of the branch network in the last five years is given below:

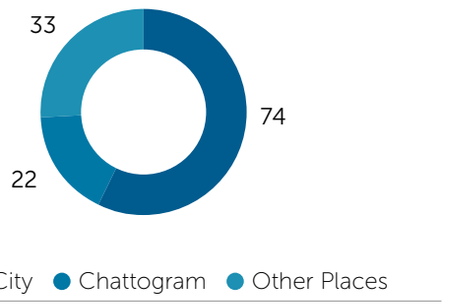
BRANCH NETWORK



Automated Teller Machine (ATM) Network

The bank currently offers services through 129 own ATM booths and 3,203 shared ATM booths, up from 119 own ATM booths and 2,852 shared ATM booths in 2021. Customers can use our ATM for cash withdrawals, balance inquiries, mini statements, mobile recharges, and bKash cash withdrawals. A significant amount of cash transactions were conducted by the customers of the bank through its 129 own ATMs and 3,203 shared ATMs across the country. The bank intends to invest consistently in order to expand and widen its ATM network further. The locations of ATM booths are depicted in the graph below:

ATM NETWORK



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 437 as of December 31, 2022, across 57 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 Credit to facilitate international trade.

Review of performance of various segments

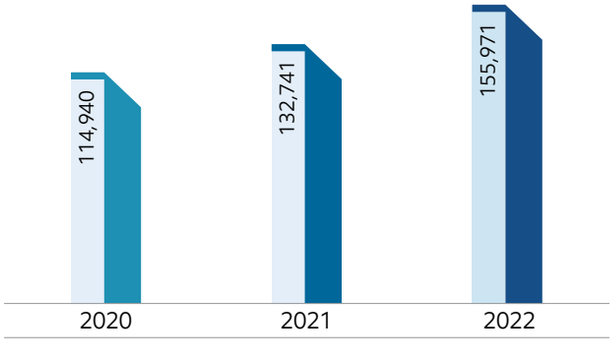
Corporate Banking

Shahjalal Islami Bank Limited acknowledges the diversity of customers' needs and understands that tailor-made solutions are vital for their businesses to prosper. To cater to the domestic and international requirements of corporate houses, the bank offers a wide range of corporate finance products, including traditional working capital finance, project finance, and customized financing services. The bank's product basket encompasses everything from short-term financing to long-term investments to support business expansion,

and dedicated relationship managers provide various facilities to assist with various business activities.

As of December 31, 2022, the total outstanding corporate investment for the bank was Tk 155,971 million, reflecting a significant increase of Tk 23,230 million from Tk 132,741 million in 2021. The ongoing war between Russia-Ukraine and the prolonged impact of the pandemic created a significant strain on the bank's corporate clients and their supply chains, necessitating additional support. Consequently, the bank increased its corporate investment during the year under review. Additionally, the bank participated in the government's declared stimulus packages for the corporate sector and disbursed a substantial amount of packages to its corporate customers. The corporate investment for the past three years is given below:

CORPORATE INVESTMENT

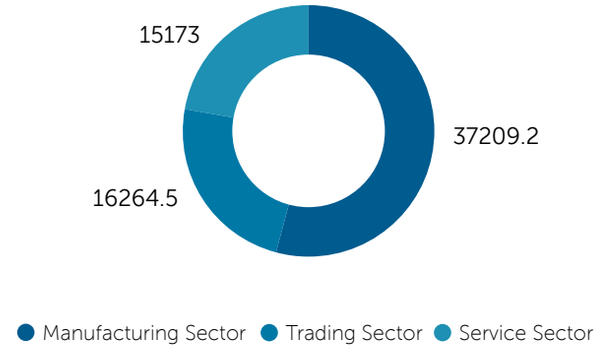


SME Banking

Small and Medium Enterprises (SMEs) are the engines of growth, innovation, and employment worldwide, including 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 and bring grass-root entrepreneurs into the main stream of economic growth.

SME investment portfolio stood at Tk 72,704 million in 2022. Overall, business activity and investment demand have become slower due to the ongoing Russia-Ukraine war. As a result, the growth of SMEs was slow during the year under review. During the year 2022, the bank disbursed a total SME investment of Tk. 87,095.70 million, which was Tk. 84,525 million in the year 2021.

SME INVESTMENT



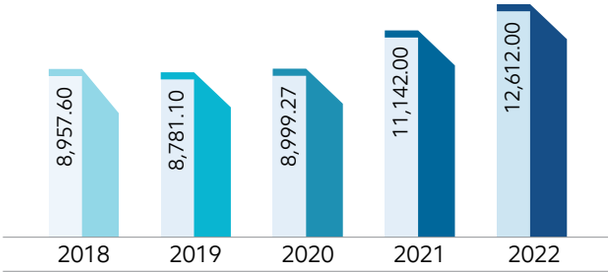
The bank places the utmost importance on creating women entrepreneurs. As such, it has disbursed Tk 2,613.10 million to women entrepreneurs during the year 2022, compared to Tk 2,903.80 million in the year 2021.

Retail Banking

The bank is committed to enhancing the living standards of people, which include people from diverse classes and professions as well as society as a whole. To meet consumer demand promptly, it has established a Retail Investment Department that offers a range of specialized investment products. These include house-building investments for purchasing new flats, household durables investments for purchasing household goods, education investments for higher studies, marriage investments for financial assistance during marriage, and car investments for vehicle purchases. Additionally, the bank has a Semi-Pacca Housing Investment scheme that caters to the special needs of middle- and lower-income-class people in society.

The bank's retail investment portfolio grew from Tk 11,142.00 million in 2021 to Tk 12,612.00 million in 2022, indicating a 13.19% increase. Going forward, the bank will continue to focus on expanding its retail portfolio to better serve the needs of the middle- and lower-middle-class people of Bangladesh. The diagram below shows the position of retail investment over the last five years.

RETAIL INVESTMENT

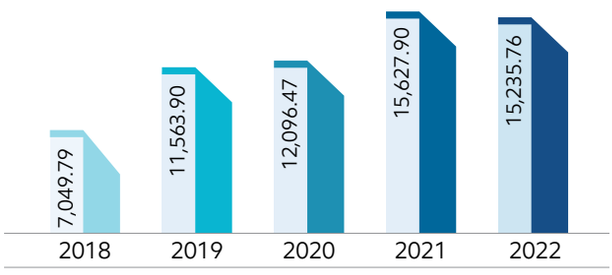


Offshore Banking Unit

Shahjalal Islami Bank Limited operates the Offshore Banking Unit (OBU) as a distinct business unit that adheres to the regulations and guidelines set forth by Bangladesh Bank. Through effective communication, competitive pricing, and a commitment to exceptional customer service, SJIBL has succeeded in attracting a significant number of customers in a short amount of time, establishing a robust and satisfying presence.

As of December 31, 2022, the total investment of the Offshore Banking Unit was Tk 15,235.76 million, which represents a decrease of Tk 392.14 million or 2.51% negative growth compared to the previous year's investment of Tk 15,627.90 million. The investment portfolio trend of the OBU is presented below:

INVESTMENTS OF OFF SHORE BANKING UNIT



Agent Banking

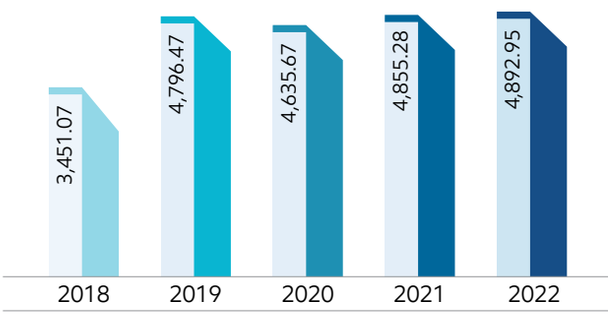
SJIBL is expanding its banking services throughout the country with Agent Banking, offering customers an extended range of products and services. Secure technology and real-time banking are among the features of Shahjalal Islami Bank's agent banking structure, which allows customers to enjoy real-time transactions. The Agent Banking System is integrated with the Core Banking System, providing customers with an instant SMS notification and a system-generated money receipt for each transaction.

This service aims to eliminate the barriers of time and distance for customers. SJIBL provides full-fledged banking services at customers' doorsteps, making it convenient to channel remittances, deposits, and cash withdrawals. Even people in remote areas of the country can receive structured banking facilities with comfort, ease, and security. Currently, the bank operates 111 agent banking outlets with 25,612 accounts of different categories and a total deposit balance of Tk. 440.68 million as of December 31, 2022.

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 brokers and dealers, share and securities dealings, and other services as mentioned in the Memorandum and Articles of Association of the company. It has corporate memberships 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. 577.08 million for the year 2022, decreasing from Tk 714.04 million in 2021, exhibiting a negative growth rate of 19.18%. The outstanding margin investment stood at Tk. 4,892.95 million in December 2022, which was Tk. 4,855.28 million in December 2021. The margin of investment for the last five years is given below:

MARGIN INVESTMENT



Risk Management

The Risk Management Division (RMD) of SJIBL was established to oversee, monitor, and report on all risks in line with the appetite for risk 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 and ensures compliance with all regulatory requirements. 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 or counterparty to honor 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 across individual business units and 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 reviews the investment policy manual from time to time. The concerned officials are monitoring and following up on investment risk management regularly.

b) Foreign Exchange Risk Management

The foreign exchange risk arises from transactions involving foreign currencies. 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 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 the 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 and headed by the managing director is mainly responsible for managing asset liability risk. To manage balance sheet risk properly, the bank has already prepared an Asset Liability Management policy according to the guidelines of the 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 practices.

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 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 compliance on issues relating to money laundering through the trained personnel of the head office and branches. The bank arranges regular training on Money Laundering Prevention and Anti Terrorism activities for all employees of the bank to develop awareness and skills for identifying suspicious activities and transactions.

e) Internal Control & Compliance Risk Management

The banking industry has diversified and complex financial activities that 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. The Bank has formulated ICC guidelines in compliance with the Bangladesh Bank Guidelines. 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

ICT risk is a 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 security 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, 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 profitability due to the volatile foreign exchange market, low benchmark rates, and limited financing opportunities due to the ongoing Russia-Ukraine war and the prolonged impact of 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 ensure the flow of foreign currency, including remittance flow, for its trade finance business.

Similarly, the bank intends to focus on a low-cost and no-cost core deposit mix by effectively utilizing its extensive branch network, sub-branch network, 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 a 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 with strong ethical standards. We will strive to enhance our domestic and global image to go from strong to stronger.

Outlined below are the major steps that the bank will take to manage upcoming challenges:

- Maintain strong relationships with existing export-oriented clients and establish relationships with new export-oriented customers to increase the flow of foreign currency, including remittance flow to the bank.
- Retain existing deposits and collect new deposits from the market by offering deposit campaigns throughout the year to mitigate the potential worsening of the banking industry's liquidity position due to rising inflation and increased spending on buying dollars.
- Prioritize rigorous monitoring of classified and unclassified investments to improve asset quality and enhance cash recovery from written off, classified, and unclassified investments.
- Continuously analyze the bank's business processes to rationalize costs and improve profitability.
- Place emphasis on employee productivity, profitability, and compliance.
- Strengthen the bank's presence in SME and retail banking, as these sectors are emerging and have low concentration risk.
- Diversify corporate banking in line with changing customer demands.
- Adopt the latest technology to remain competitive in the market.
- Strengthen the bank's capital base by issuing Mudaraba Subordinated Bonds.
- Prioritize research and innovation of products to face cutting-edge marketing competition in existing and new markets.
- Promote Green Finance and social integration through Corporate Social Responsibility (CSR) and Financial Inclusion initiatives to achieve the Sustainable Development Goals (SDGs) of the United Nations (UN).

Responsibilities towards Employees

A highly skilled, motivated, and committed team of human resources is the driving force behind providing better, faster, and more coordinated services to clients and contributing to the success of the organization. With this in mind, SJIBL places a high priority on the health and safety of its employees, taking several steps

to ensure their well-being. These measures include providing medical benefits as a percentage of basic salary, partnering with Progati Life Insurance Company Limited to cover medical expenses for employees, their spouses, and children, and granting six months of maternity leave with medical allowance for the first two issues to female employees.

SJIBL also equips all its offices, including the head office and branches, with modern facilities like air conditioning and generators for backup power, firefighting equipment, and multiple emergency exit points to provide a sophisticated and encouraging work environment. The Corporate Head Office is a LEED-certified green building, further demonstrating the bank's commitment to sustainability and employee well-being.

To attract, retain, and motivate highly skilled personnel, SJIBL offers a competitive compensation package and a healthy, secure, and forward-thinking work environment. The bank is committed to taking care of its employees, building trust and relationships over time. As a result, SJIBL provides its employees with long-term benefits, including a Provident Fund, Gratuity Fund, Superannuation Fund, Benevolent Fund, Incentive Bonus, and Career Prospects and Training Programs.

The Provident Fund is managed by the Board of Trustees and funded equally by the bank and its employees. The Gratuity Fund is authorized by the National Board of Revenue as a recognized gratuity fund and is managed by a separate Board of Trustees. Employees are entitled to gratuity benefits after completing at least five years of service with the bank. The Superannuation Fund provides medical and death-related survival benefits instead of group insurance and is funded monthly by both employees and the bank. The Benevolent Fund covers substaff's marriage ceremonies and provides short-term grants for unexpected and certain needs of SJIBL staff and their families.

The bank typically pays an incentive bonus to retain high-quality and competent human resources and increase employee productivity. The bonus amount is distributed among employees in accordance with the bank's regulations. SJIBL also offers various training and development programs throughout the year at its training centers and arranges training for its employees at well-known institutions both domestically and abroad to enhance employee efficiency and productivity.

Contribution to the National Exchequer

As a responsible and law-abiding corporate citizen, the bank ensures timely payment of corporate tax, sometimes even before it falls due, by withholding tax and VAT and transferring it to the government exchequer. For the year 2022, the bank has provisioned Tk 3,781.77 million for corporate tax, compared to Tk 2,251.43 million in 2021. In addition, the bank has created employment opportunities for 2,835 full-time employees, thereby contributing to the economy. In 2022, the bank paid Tk. 6,432.68 million to the government exchequer as source tax, salary tax, VAT, excise duty, and other taxes and VAT realized against various services. During the intermediation process, the bank mobilized resources worth Tk. 227,906.83 million from surplus economic units and deployed Tk. 237,229.98 million. Over the years, the bank has generated a significant number of direct and indirect employment opportunities. Through its tax payments and investments in the network, the bank is making a noteworthy contribution to the development and growth of the nation.

Brand Positioning

The establishment of Shahjalal Islami Bank Limited on April 1, 2001, as an Islamic Shariah-based commercial bank, has set it apart from other banks by providing exceptional customer service and innovative products and services that comply with shariah guidelines. The bank has created shareholder value and extended help to the underprivileged through Corporate Social Responsibility (CSR) and Zakat. From the outset, the bank distinguished itself as one of the top banks among the third generation of Islami banks, focusing on asset quality, shariah compliance, social welfare, CSR activities, and technology-based automated banking solutions. In its 21 years of operation, the bank has expanded its physical, digital, and virtual channels and platforms, including 140 branches, 1 Sub-branch, 111 agent outlets, 129 own ATMs, 3203 shared ATMs, and App-based banking services, while continuing to introduce unique and innovative products and services. As a result of these efforts, the bank has positioned itself as the most attractive bank and established a distinct brand value in the banking industry.

Customer Right

Shahjalal Islami Bank Limited considers its customers' rights as 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.

Corporate Governance

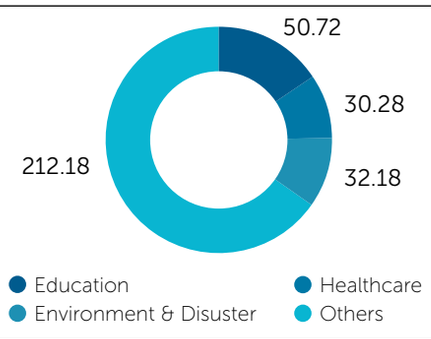
The Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank have issued notifications

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 the 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 more respect to social and public welfare than to a profit maximization strategy. The CSR expenses were Tk. 325.36 million in 2022, which was Tk. 232.93 million in 2021. A sector-wise CSR contribution is given below:

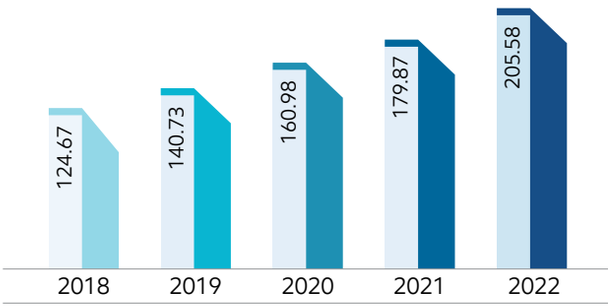
CSR



Zakat

Shahjalal Islami Bank Limited, as a shariah-based Islami bank, is paying zakat as outlined under the rules of Islamic Shariah. The main purpose of zakat is to discourage the accumulation of wealth by a group of people in society and to impair the tendency of an uneven distribution of wealth in society. 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 9, 2009. Zakat is paid to underprivileged people as per the Shariah principle. During the year 2022, the bank paid Tk 205.58 million as Zakat, which was Tk 179.87 million in 2021. Zakat expenses for the last five years are given below:

ZAKAT EXPENSES



Green Banking

Shahjalal Islami Bank Limited is a pioneer in sustainable banking practices and has been actively involved in several green initiatives. The bank has implemented proactive measures across multiple areas, such as green finance, policy formulation, environmental and social risk management (ESRM), online banking, and energy efficiency. It has also set a significant example for the corporate sector in Bangladesh by constructing a LEED-certified green building at its head office. The bank achieved a notable milestone in 2022 by disbursing a significant amount of green finance. As of December 31, 2021, the total outstanding amount of green finance was Tk. 770.37 million, and the bank has been consistently increasing its green financing year on year.

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 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, readymade 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. Moreover, Agent Banking under SJIBL will be an emerging financial inclusion tool that will provide unhindered access to tailor-made financial products for the underprivileged,

underserved, and poor segments of the population, especially those from geographically remote locations.

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 2022 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. Hoda Vasi Chowdhury & Co., Chartered Accountants appointed by the shareholders, has certified the fairness of the financial statements for the year ended December 31, 2022.

Maintaining Proper Books of Account

Shahjalal Islami Bank Limited always maintains proper books of account for its financial transactions, including in 2022. The external auditor, M/s. Hoda Vasi Chowshury & Co., Chartered Accountants, has reviewed the books of account and provided an opinion that they have been maintained as required by law.

Appropriate Accounting Policies

The bank has selected appropriate accounting policies and consistently applied them in preparing the financial statements. Accounting estimates are made using reasonable and prudent judgment. The bank records financial transactions on an accrual basis, including required disclosures. Financial statements are prepared accordingly.

Internal Control and Compliance

Internal control refers to the tools that provide reasonable assurance regarding the achievement of the bank's objectives. These include 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. To recognize the significance of internal control, Shahjalal Islami Bank Limited has strengthened and segregated its Internal Control and Compliance Division into three separate units, in line with guidelines from Bangladesh Bank. The bank has also created an Internal Control and Compliance Manual, which is updated regularly. This manual includes the Risk Assessment Methodology, designed to conduct Risk-Based Internal Audits, among other significant issues.

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

The Board of Directors recognizes their general responsibilities for the bank's internal control system. They are aware of their duties to establish efficiency, effectiveness, reliability, timeliness, and compliance with relevant laws and regulations in all of the bank's operations. To ensure this, they have confirmed that a system of internal control is in place throughout the year, following best financial reporting practices.

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 have continued 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 of December 31, 2022 and other relevant information and the report was issued on 16 April 2023. They have upgraded the rating of the bank as "AA+" under the "Long Term" category and "ST-2" 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 "ST-2" under the "Short Term" category has a strong capacity to meet its financial commitments in a timely manner.

Auditor's Report

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 June 20, 2018, and Dhaka Stock Exchange (Listing) Regulation, 2015, dated June 30,

2015. M/s Hoda Vasi Chowdhury & Co., Chartered Accountants, was the auditor of the bank for the year 2022. As 2022 was their first year of auditing the bank, the firm is therefore eligible for reappointment.

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 2023, 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 and progress during the year 2022. 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.

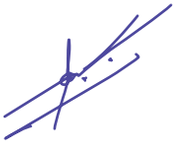
The members of the Board of Shahjalal Islami Bank Limited would like to take this opportunity to express gratitude and extend sincere thanks to its valued shareholders, customers, depositors, investment clients, and well-wishers for their valuable support and confidence to the bank.

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


বাহন
হোক না এবার
নিজের একটি গাড়ি
নতুন গাড়ি/রিকন্ডিশন গাড়ি ক্রয়ের জন্য এই বিনিয়োগ সুবিধা
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sjiblbd.com
+8801755556064
+8802 9845457
আরো বিস্তারিত তথ্যের জন্য ব্যাংকের নিকটস্থ শাখায় যোগাযোগ করুন
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লিমিটেড
আন্তরিক সেবায় প্রতিশ্রুতিবদ্ধ

Management Review

AND ANALYSIS



SENIOR MANAGEMENT

Managing Director & CEO	Mr. Mosleh Uddin Ahmed
Additional Managing Directors	Mr. Abdul Aziz Mr. S.M. Mainuddin Chowdhury Mr. Mian Quamrul Hasan Chowdhury Mr. Md. Akhter Hossain
Deputy Managing Directors	Mr. Md. Shahjahan Shiraj Mr. Imtiaz Uddin Ahmed Mr. Nasim Sekander Mr. Md. Nazimuddoula Mr. Rashed Sarwar
Senior Executive Vice Presidents	Mr. Md. Saidur Rahman Mr. F. M. Nawaz Ali Mr. S M Wali Ul Morshed Mr. Mohammed Ashfaqul Hoque FCA Mr. Md. Shamsuddoha Ms. Rumana Kutubuddin Mr. Md. Abul Bashar Mr. Md. Jafar Sadeq FCA Mr. Md. Amzad Hossain

Executive Vice Presidents

- Mr. Mahmud Hussain
- Mr. Mahmudul Shamim Talukder
- Mr. Tariqul Islam
- Mr. S. M. Rashedul Karim
- Mr. Md. Enamul Haque
- Mr. Md. Ashraful Azim FCA
- Mr. Md. Naquibul Islam
- Mr. Md. Khalid Hussain
- Mr. Mohammad Towfiqul Islam
- Mr. A.K.M. Iquebal
- Mr. Mohammad Abu Hanif
- Mr. Md. Tufael Yakub
- Mr. A. T. M. Qumruddin Chowdhury
- Mr. Md. Asadul Islam Khan
- Mr. Md. Wahidur Rahman
- Mr. Md. Marufur Rahman Khan
- Mr. Mohammed Abu Shayem
- Mr. Mosleh Uddin Ahmed
- Mr. Md. Mazharul Haque

Senior Vice Presidents

- Mr. M. Imam Hossain Gazi
- Mr. Jahangir Javed
- Mr. Md. Nawshad Abbas
- Mr. Mohammed Eskander Alam
- Mr. Chowdhury Golam Rahman
- Mr. Md. Firoz Kabir
- Mr. Shaikh Wahidul Hossain
- Engr. Md. Zahidul Islam
- Mr. Md. Iftekhar Shahid
- Mr. Md. Abdul Khaleque
- Mr. Md. Arifur Rahman
- Mr. Nazir Ahammed
- Mr. Md. Mokter Hossain
- Mr. Mohammad Hasib Uddin
- Mr. Md. Abdur Rahim
- Mr. Jyotirmaya Goswami
- Mr. Md. Masum Basunia
- Mr. Md. Humayun Kabir Mia
- Mr. Md. Abdul Quddus
- Mr. Mohammad Abdul Majid
- Mr. Abul Bashar Md. Zafry
- Mr. Mohammad Mahbubur Rahman
- Mr. Md. Khurshid Alam
- Mr. Md. Aktaruzzaman Sarker
- Mr. A. K. M. Ashraful Islam
- Mr. A. K. M. Hasan Rahim
- Mr. Pankaj Kumar Debnath
- Mr. Chowdhury Firoz Hasan
- Mr. Mohammed Sahab Uddin
- Mr. Tofayal Ahmed
- Mr. Abu Naser Ahmed
- Mr. Mohammed Nizam Uddin
- Mr. Md. Saidur Rahman
- Mr. Mohammad Shariful Haider
- Mr. G.M. Quamruzzaman
- Mr. Md. Rakib Uddin Ahamed

Vice Presidents

Ms. Sultana Parvin
Mr. Md. Abdulla Al Mahmud Siddiqui
Mr. Muhammad Asiful Haque
Mr. Md. Moshiur Rahman
Mr. Md. Noor-A-Alam Hossain
Mr. Mohammad Shajedul Alam
Mr. Shamsul Arifin Ferdose
Mr. A.H.M. Shahrier
Mr. Md. Tazuddin Mollah
Mr. Sheikh Azmul Islam
Mr. Md. Ziaur Rahman
Mr. Munzer Rahman
Mr. Md. Jaynal Abedin Khan Safari
Ms. Sultana Husnoon Nada
Mr. Mokammel Hossain
Mr. Iftekhar Husain
Mr. Md. Wahidul Islam
Mr. Sabeth Bin Zamir
Mr. Mizanur Rahman
Mr. Muhammed Noorunnabi
Mr. Nazibullah
Mr. Fajlul Karim Khan
Mr. Zahid Hasan
Mr. S.M. Mohiuddin
Mr. Muhammad Abul Kalam Azad
Mr. Mirza Nurul Alam Beg
Mr. Mohammed Modabbir Ahmed
Mr. Mian Mohammad Khademul Bashar
Mr. Billal Hossen
Ms. Janna-Tul Fardush
Mr. Mohammed Baherul Alam Khan
Mr. Md. Rakibul Alam Joarder
Mr. Md. Abdul Hakim Mian
Mr. Md. Jannath Salehin
Mr. Md. Aminul Islam Talukder
Mr. Md. Abdur Rashid
Mr. Md. Khairul Alam
Mr. Md. Sazzad Hossain
Mr. Galib Mahmood
Mr. Golam Nasir Khan
Mr. Sumon Dutta
Mr. Md. Yeasin Molla
Mr. Mohammed Anwarul Azim
Mr. Ahamed Rashid

COMMITTEES OF **MANAGEMENT**

Senior Management Team (SMT)

Mr. Mosleh Uddin Ahmed	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. M Akhter Hossain	Additional Managing Director
Mr. Md. Shahjahan Shiraj	Deputy Managing Director
Mr. Imtiaz Uddin Ahmed	Deputy Managing Director
Mr. Nasim Sekander	Deputy Managing Director
Mr. Md. Nazimuddoula	Deputy Managing Director
Mr. Mohammed Ashfaqul Hoque FCA	Senior Executive Vice President
Mr. Md. Jafar Sadeq FCA	Senior Executive Vice President
Mr. Md. Naquibul Islam	Executive Vice President

Asset Liability Management Committee (ALCO)

Mr. Mosleh Uddin Ahmed	Managing Director & CEO
Mr. Abdul Aziz	Additional Managing Director
Mr. M Akhter Hossain	Additional Managing Director
Mr. Md. Shahjahan Shiraj	Deputy Managing Director
Mr. Imtiaz Uddin Ahmed	Deputy Managing Director
Mr. Mohammed Ashfaqul Hoque FCA	Senior Executive Vice President
Mr. Md. Jafar Sadeq FCA	Senior Executive Vice President
Mr. Md. Naquibul Islam	Executive Vice President
Mr. Jahangir Javed	Senior Vice President
Mr. Abdur Rahim	Senior Vice President
Mr. Md. Fakrul Islam	Senior Assistant Vice President
Mr. Md. Chaliqur Rahman	Senior Assistant Vice President

Risk Management Committee (RMC)

Mr. Mian Quamrul Hasan Chowdhury	Additional Managing Director
Mr. M Akhter Hossain	Additional Managing Director
Mr. Md. Shahjahan Shiraj	Deputy Managing Director
Mr. Imtiaz Uddin Ahmed	Deputy Managing Director
Mr. Md. Nazimuddoula	Deputy Managing Director
Mr. Mohammed Ashfaqul Hoque FCA, FCS	Senior Executive Vice President & CRO
Ms. Rumana Kutubuddin	Senior Executive Vice President
Mr. Md. Jafar Sadeq FCA	Senior Executive Vice President
Mr. Md. Amzad Hossain	Senior Executive Vice President
Mr. Tariqul Islam	Executive Vice President
Mr. Md. Naquibul Islam	Executive Vice President
Mr. Asadul Islam Khan	Executive Vice President
Mr. Mohammed Abu Shayem	Executive Vice President
Mr. Jahangir Javed	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

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

Sustainable Finance Committee (SFC)

Mr. Abdul Aziz	Additional Managing Director& CBO
Mr. S.M. Mainuddin Chowdhury	Additional Managing Director& CTO
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. Mohammed Ashfaqul Hoque FCA, FCS	Senior Executive Vice President & CRO
Mr. Md. Shamsuddoha	Senior Executive Vice President
Ms. Rumana Kutubuddin	Senior Executive Vice President
Mr. Md. Jafar Sadeq FCA	Senior Executive Vice President & CFO
Mr. Md. Amzad Hossain	Senior Executive Vice President
Mr. Tariqul Islam	Executive Vice President
Mr. Mohammad Towfiqul Islam	Executive Vice President
Mr. Md. Marufur Rahman Khan	Executive Vice President
Mr. Mohammed Abu Shayem	Executive Vice President
Mr. Md. Abdur Rahim	Senior Vice President
Mr. Mohammad Abdul Majid	Senior Vice President

Central Compliance Committee (CCC)	Mr. Mian Quamrul Hasan Chowdhury	Additional Managing Director
	Mr. M Akhter Hossain	Additional Managing Director
	Mr. Imtiaz Uddin Ahmed	Deputy Managing Director
	Mr. Mohammed Ashfaqul Hoque FCA, FCS	Senior Executive Vice President
	Mr. Md. Naquibul Islam	Executive Vice President
	Mr. Tariqul Islam	Executive Vice President
	Mr. Md. Asadul Islam Khan	Executive Vice President
	Mr. Md. Marufur Rahman Khan	Executive Vice President
	Mr. Md. Firoz Kabir	Senior Vice President
	Mr. Md. Abdur Rahim	Senior Vice President
	Mr. Mohammad Abdul Majid	Senior Vice President
	Mr. Zahid Hasan	Vice President
Procurement Committee (PC)	Mr. M Akhter Hossain	Additional Managing Director
	Mr. Imtiaz Uddin Ahmed	Deputy Managing Director
	Mr. Md. Jafar Sadeq FCA	Senior Executive Vice President & CFO
	Mr. Mahmudul Shamim Talukder	Executive Vice President
	Mr. Zahid Hasan	Vice President
Investment Committee (IC)	Mr. Abdul Aziz	Additional Managing Director & CBO
	Mr. Mian Quamrul Hasan Chowdhury	Additional Managing Director
	Mr. M Akhter Hossain	Additional Managing Director & COO
	Mr. Md. Shahjahan Shiraj	Deputy Managing Director
	Mr. Imtiaz Uddin Ahmed	Deputy Managing Director
	Mr. Mohammed Ashfaqul Hoque FCA, FCS	Senior Executive Vice President & CRO
	Ms. Rumana Kutubuddin	Senior Executive Vice President
	Mr. Md. Amzad Hossain	Senior Executive Vice President
	Mr. Mohammed Abu Shayem	Executive Vice President
Shariah Inspection and Report Review Committee (SIRRC)	Mr. Mosleh Uddin Ahmed	Managing Director & CEO
	Mr. Abdul Aziz	Additional Managing Director
	Mr. Mian Quamrul Hasan Chowdhury	Additional Managing Director
	Mr. M Akhter Hossain	Additional Managing Director
	Mr. Md. Shahjahan Shiraj	Deputy Managing Director
	Mr. Nazimuddoula	Deputy Managing Director
	Mr. Md. Farid Uddin	Senior Assistant Vice President

SENIOR
MANAGEMENT TEAM



STANDING FROM
LEFT TO RIGHT

Mr. Md. Jafar Sadeq FCA	Mr. Nasim Sekander	Mr. Imtiaz Uddin Ahmed
Mr. Md. Nazimuddoula	Mr. Md. Naquibul Islam	Mr. Mohammed Ashfaqul Hoque FCA

SITTING FROM
LEFT TO RIGHT

Mr. Mian Quamrul Hasan Chowdhury	Mr. S. M. Mainuddin Chowdhury	Mr. Mosleh Uddin Ahmed
Mr. Abdul Aziz	Mr. M Akhter Hossain	Mr. Md. Shahjahan Shiraj

ASSET LIABILITY
MANAGEMENT COMMITTEE



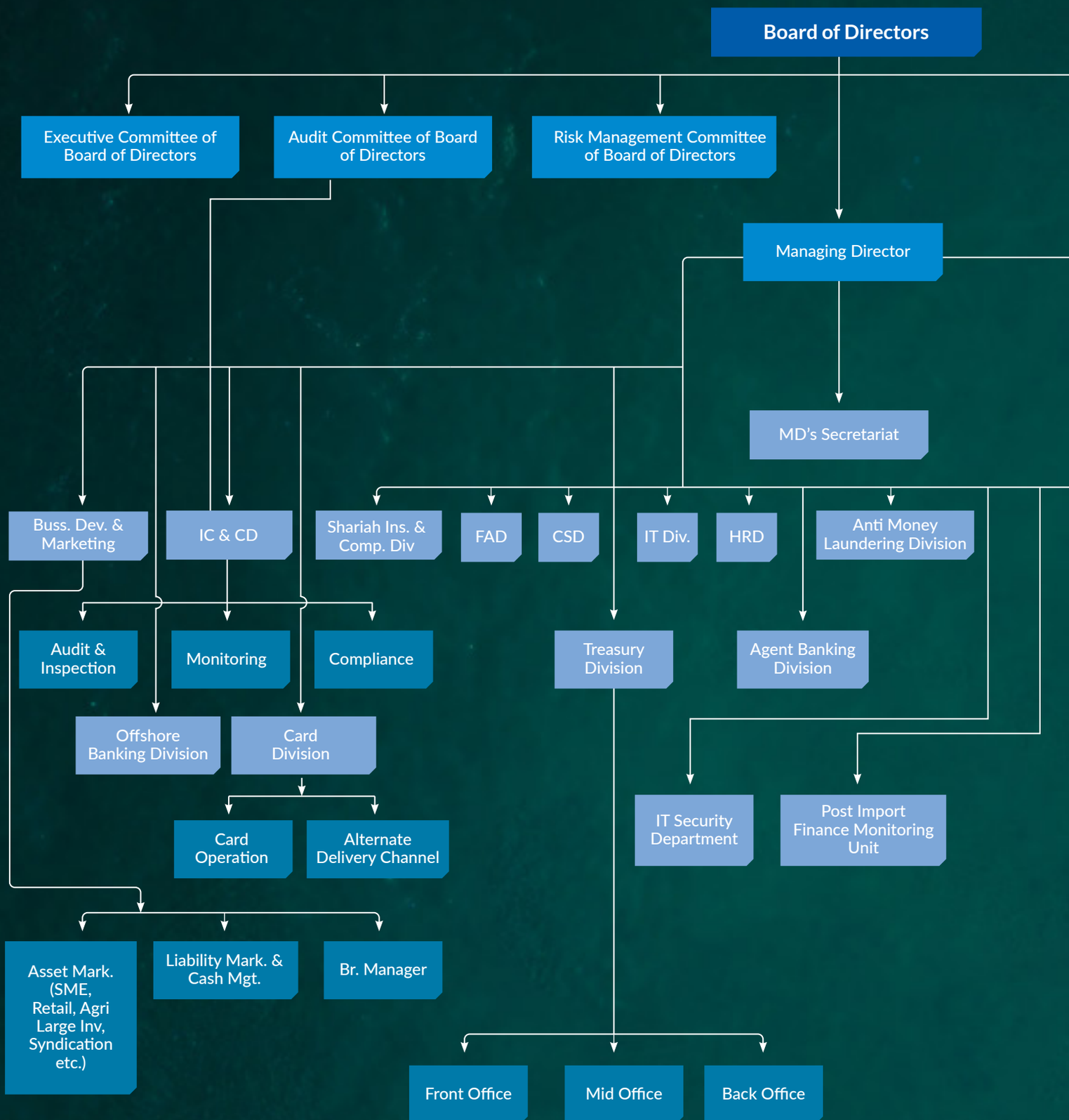
STANDING FROM
LEFT TO RIGHT

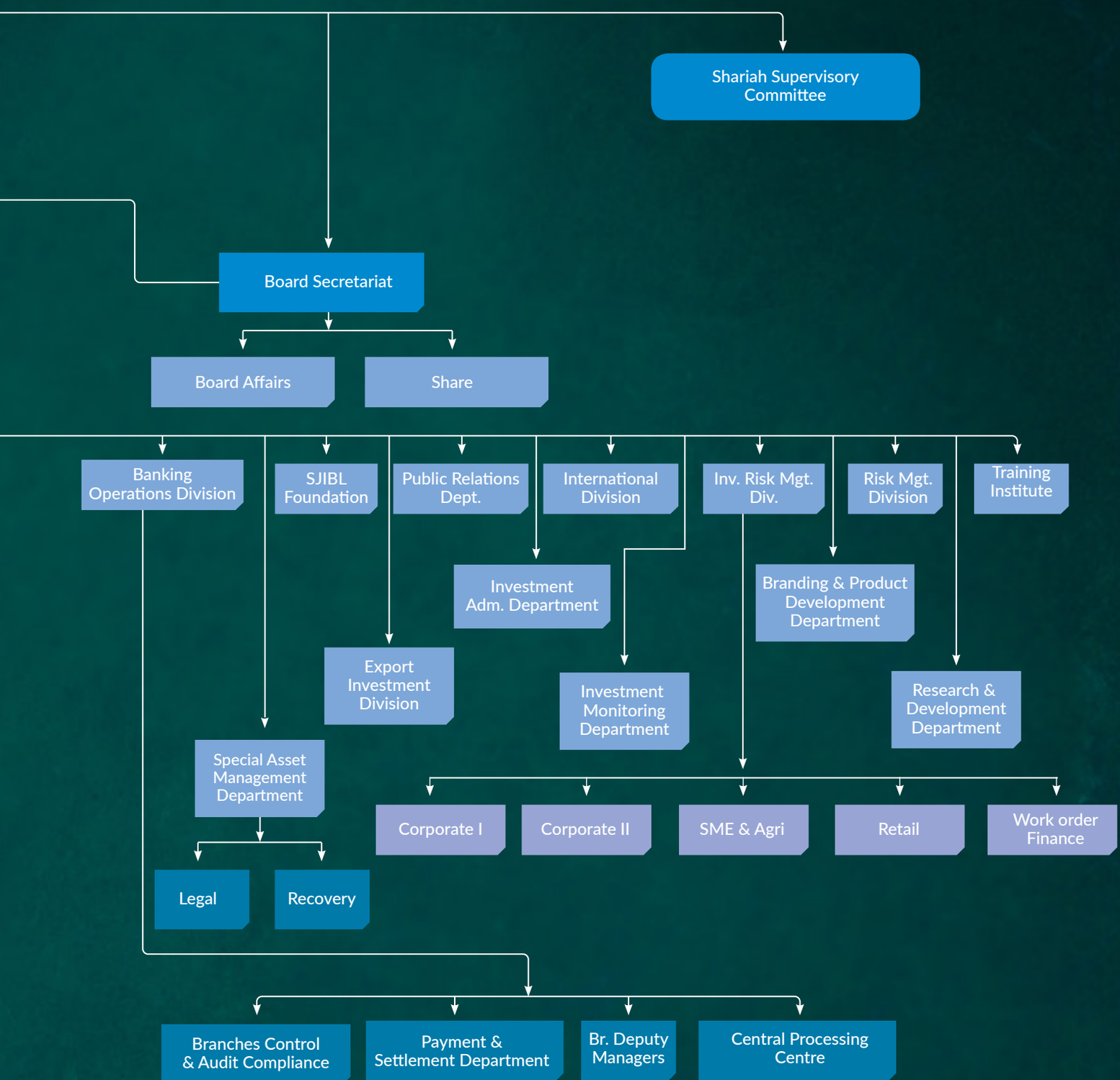
Mr. Abdur Rahim	Mr. Md. Fakrul Islam	Mr. Md. Naquibul Islam
Mr. Md. Jafar Sadeq FCA	Mr. Jahangir Javed	Mr. Md. Chaliqur Rahman

SITTING FROM
LEFT TO RIGHT

Mr. Mohammed Ashfaqul Hoque FCA	Mr. Imtiaz Uddin Ahmed	Mr. Abdul Aziz
Mr. Mosleh Uddin Ahmed	Mr. M Akhter Hossain	Mr. Md. Shahjahan Shiraj

ORGANOGRAM


Board of Directors
Executive Committee of Board of Directors
Audit Committee of Board of Directors
Risk Management Committee of Board of Directors
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
Card Operation
Alternate Delivery Channel
IT Security Department
Post Import Finance Monitoring Unit
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

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

Deposit Schemes:

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

Corporate Investment Products:

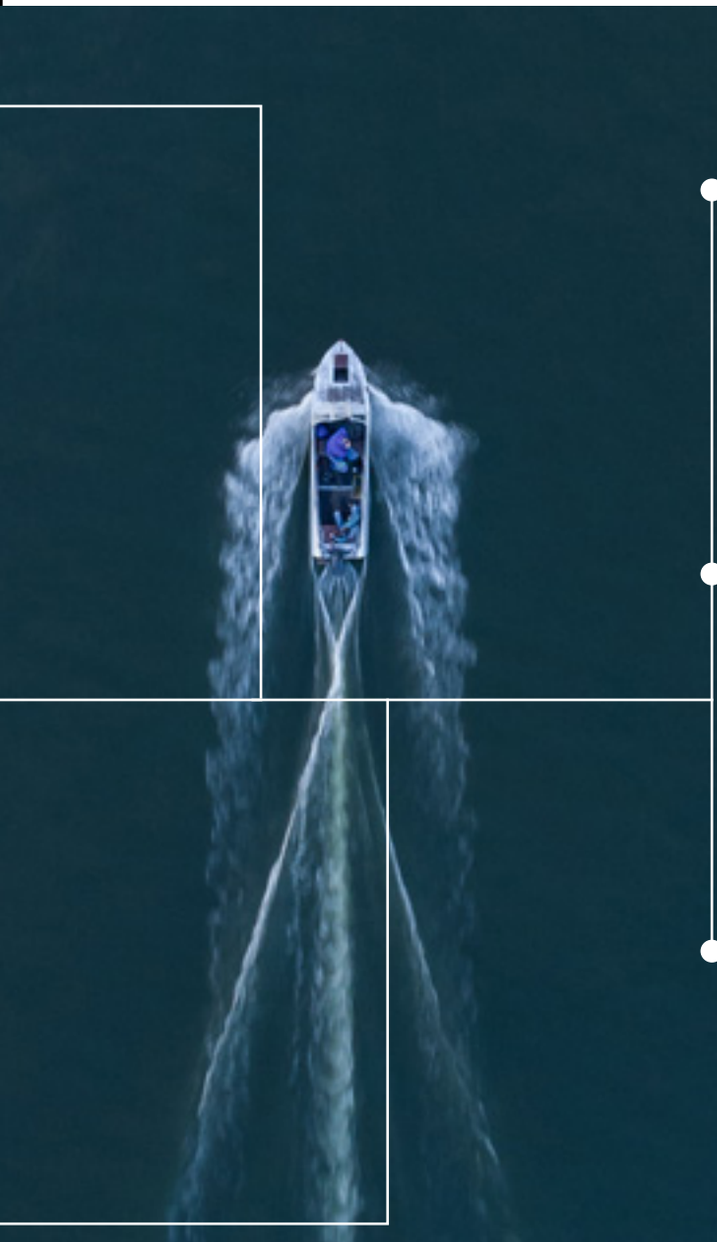
- Bai-Muajjal
- Bai-Salam
- Murabaha
- Quard-E-Hasana
- Lease/Ijara
- Hire Purchase Under Shirkatul Meelk (HPSM)

VISA Cards:

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

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



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

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

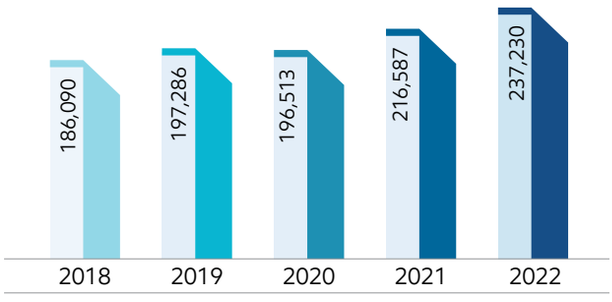
OVERVIEW OF **DIVISIONS**

Navigating the investment portfolio through many uncertainties

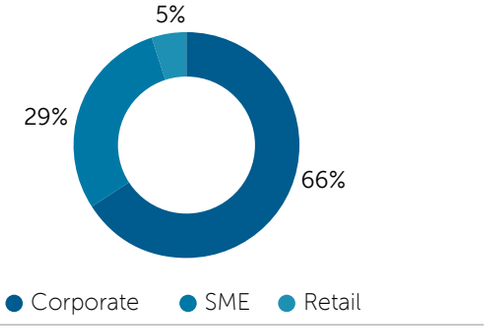
The Russia-Ukraine conflict has caused instability and uncertainty in the global economy, negatively impacting the economic growth of several countries, including Bangladesh. Despite these challenges, SJIBL's investment book has shown moderate resilience and strength in 2022, which reflects the commitment and quality of its client base. SJIBL's clients have demonstrated adaptability and resilience in meeting their obligations despite the prevailing uncertainties. As a responsible financial institution, SJIBL has taken proactive measures to mitigate the risks associated with these challenges, including effective risk management strategies and portfolio diversification, ensuring resilience to external shocks.

INVESTMENT PORTFOLIO

(Taka in million)



INVESTMENT MIX



Corporate Finance

The Corporate Banking Division at SJIBL is aligned with the bank's strategy to become one of the leading professional corporate banks in Bangladesh. Through its Corporate Finance Division, the bank offers tailored solutions to corporate clients by analyzing their unique business and financial requirements. A range of financial solutions are available, including working capital finance, project finance, export finance, and trade finance, to assist clients in achieving their goals.

The Corporate Banking Division of the bank is comprised of specialized units, each focused on specific branches to provide personalized investment solutions. The COVID-19 pandemic has created a highly unstable and unpredictable global economic landscape, resulting in declining bank valuations worldwide. The global economy is expected to continue to slow down due to ongoing inflationary pressures, reduced consumer confidence and purchasing power, and elevated risks. In light of these challenges, the bank has implemented measures such as improved capital efficiency, cost control, and a rigorous investment monitoring process to achieve its goal. The bank has managed to maintain a commendable level of revenue from corporate investments in spite of the unfavorable investment environment mentioned above.

The Corporate Banking Division fosters new corporate relationships and reinforces existing ones through continuous engagement. The relationship officers collaborate with relevant bank departments to meet clients' unique needs. With a strong track record in financing and advising corporations on financing requirements, cash management, and global trade services, and an emphasis on industry specialization, the bank is able to cultivate a customer-centric and data-driven culture within its Corporate Banking operations.

Export Investment Division

Export Finance:

Exports hold a prominent position in the national economy of Bangladesh. Financing the export sector presents lucrative opportunities for the bank, as it generates both funded and non-funded income streams. The RMG export sector, in particular, comprises multibillion-dollar manufacturing and export industries

and is a significant driver of economic and social growth in the country. The ready-made garment industry creates jobs and makes a substantial contribution to the country's Gross Domestic Product(GDP).

Shahjalal Islami Bank Limited recognizes the significant contribution of its export-oriented customers to its steady and sustainable growth, much like the national economy. The bank serves a range of leading medium- to large-sized, 100% export-oriented customers, including those in the RMG, textiles (spinning and weaving), dyeing, washing, accessories, leather, and footwear industries, as well as other non-traditional exporters. The bank approaches these customers with full confidence and a commitment to customer satisfaction.

All export-oriented customers of the bank, regardless of their industry and portfolio, are considered corporate customers and serviced by the Export Investment Division (EID). The proficient Export Investment Team is equipped to conduct thorough needs assessments and offer comprehensive business solutions to meet customers' needs.

The Export Investment Division (EID) works in close collaboration with the branches to cultivate and manage relationships with export-oriented customers, who are all considered corporate customers. The EID team is equipped to assess the unique needs of each customer and provide a comprehensive, one-stop business solution. Furthermore, the EID supports branches in improving their export operations, increasing efficiency, and ensuring performance and compliance. The Division also provides ongoing guidance and active support to enhance the export business and bring better results.

The Export Investment Team also enriches the delivery of its services and solutions, which includes facilitating clients' access to financing from Offshore Banking (OBU) and refinancing programs of the Bangladesh Bank.

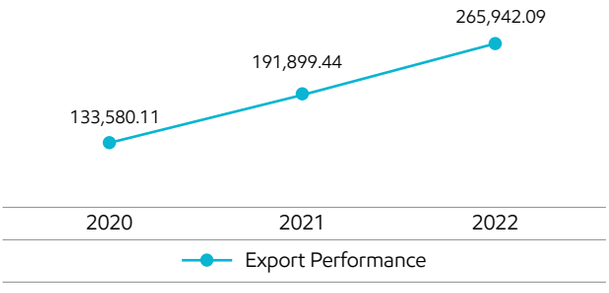
Shahjalal Islami Bank Limited understands that each client has unique needs and requires tailored solutions for the success of their business. To meet these varying requirements, the bank offers a comprehensive product portfolio that ranges from short-term financing for daily operations to long-term investments for expansion, along with a range of other services to support various business activities. While some of these products may be comparable to those offered by the market, what sets them apart is the exceptional service provided to export clients by the bank's dedicated Export Investment Team. The team prioritizes portfolio yield optimization, which has significantly contributed to the bank's growth in non-funded business.

Despite facing challenges posed by the global COVID-19 pandemic and the impact of the Russia-Ukraine conflict and associated sanctions, which have resulted in high inflation and instability in the world economy, the bank's export-oriented customers have shown significant growth and strong performance over the past three years.

Key Highlights of 2022:

- In 2022, the Bank extended significant investment facilities in the form of working capital, term investment and project finance to both existing and new customers in the RMG, Spinning and other backyard linkages industries.
- As on December 31, 2022, total RMG Sector investment was Tk. 53,779.20 million which was 22.67% of total investment portfolio of the bank, registering a growth of 10.21% compared to Tk. 48,795.30 million in 2021.
- Total Cotton & Textiles Sector investment was Tk. 19,698.20 million in 2022, which was 8.30% of total investment portfolio of the bank, registering a growth of 23.22% compared to Tk. 15,986.30 million in 2021.
- In 2022, total export was Tk. 26,59,42.00 million, which was 3.82% of total country export, registering a growth of 38.58% compared to 191,899.00 million in 2021.
- The Bank provided investment facility to export clients through the Bangladesh Bank's Financial Stimulus Package, aimed at combating the economic crisis caused by the COVID-19 pandemic.

EXPORT PERFORMANCE (BDT in million)



Plans for 2023:

Despite the challenges of financing the export sector with its ever-changing industry dynamics, regulations, and circumstances, the bank is poised to overcome any obstacles and have the following plans for the future:

- Pursue quality investments.
- Expand the business by diversifying the portfolio with non-traditional exporters.
- Maintain strong relationships with existing clients and seek out new, credible prospects.
- Emphasize sustainable profitability.
- Enhance relationship management and
- Ensure compliance with regulations.

Work Order Finance

The government of Bangladesh is working towards achieving its goal of becoming an upper middle-class income group by 2030 by undertaking significant public sector projects. Shahjalal Islami Bank (SJIBL) is contributing to this mission by offering tailored financial solutions to support the sector. SJIBL has provided Work Order Financing to various clients to help complete public development projects and has already financed initiatives in various government sectors, including airports, metro rail, national highways, power, and urban development.

Despite the challenging operating environment created by the COVID-19 pandemic and the ongoing conflict between Russia and Ukraine, SJIBL has supported its valued clients by providing financing solutions to meet their needs.

Key Highlights of 2022

As of December 31, 2022, SJIBL had extended financial support to 1,351 contractors to complete 451 work orders, with a total exposure against Work Order of Tk.1,403.44 crore funded and Tk 3,020.83 crore non-funded, bringing the grand total to Tk 4,424.27 crores.

2023 Strategy:

Looking ahead to 2023, infrastructure and core sector development remain crucial for Bangladesh's growth. The government has launched stimulus and policy measures to revitalize various public sectors, providing opportunities for work order financing.

Syndication Finance:

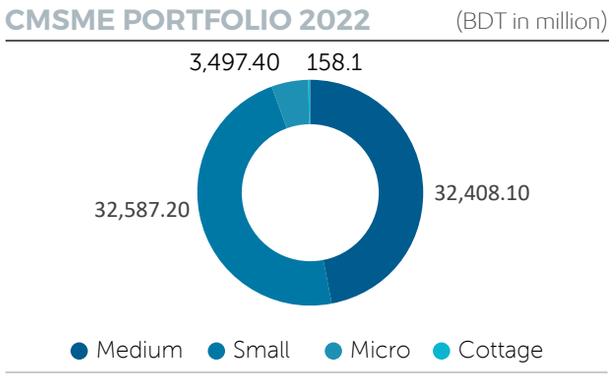
Additionally, SJIBL is supporting its corporate finance efforts through syndication financing, which involves participating in investment syndicates for working capital and project finance transactions. The bank leverages its strong relationships with market participants, including banks, non-bank financial institutions (NBFIs), and other financial entities, to support this effort.

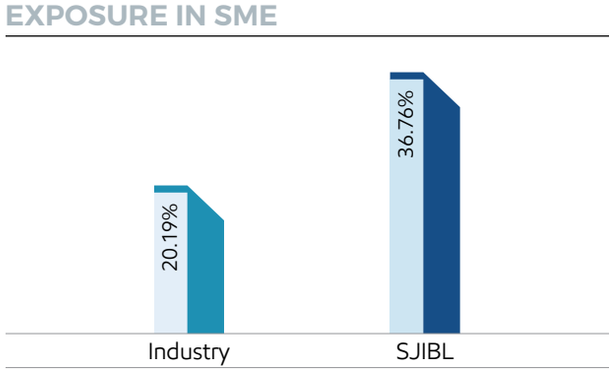
CMSME, Women Entrepreneur and Agri- Financing

CMSME Financing:

Cottage, Micro, Small and Medium Enterprises (CMSMEs) play a vital role as engines of growth in developing economies worldwide, including Bangladesh, where they contribute to job creation and overall economic development. In a labor-surplus country like Bangladesh, CMSMEs have the potential to drive the development of a modern manufacturing sector and create jobs outside of agriculture and informal services. These enterprises provide major support to the economy, foster stability, and directly contribute to the nation's grassroots development. Today, CMSMEs are critical components of the national economy, accounting for 45% of manufacturing value-add, 80% of industrial employment, 90% of total industrial units, 25% of the labor force, 80% of export earnings, and 31% of the country's GDP, most of which originates from the SME sector.

Recognizing the significant impact CMSMEs have on the economic well-being of a cross-section of the population, the bank has made this sector a priority in its pursuit of portfolio expansion.





Facing COVID-19 challenges:

CMSME financing is now at the center of the banking sector's attention because of its significant role in socio-economic development. But COVID-19 laid bare and exacerbated weaknesses that existed beforehand. 2021-2022's allocation of Tk 20,000 crore but CMSMEs are facing numerous challenges in accessing the stimulus package. The main challenge is the disbursement of the investment to the selected firms through our channel in the form of subsidized advances. The bank wants to be a proud partner in the implementation of the nation's dream by subsidizing the CMSMEs at their early stages and remaining a trusted partner throughout their graduation to national level. SJIBL's SME Investment Division has adopted strategies in its business and operations in triangulation of international, national, and regulatory visions to provide a comprehensive array of investment products and solutions to CMSMEs across the country. In 2022, SJIBL had disbursed BDT 88,700million among 1,492CMSME clients under the stimulus package.

Strategic Focus in 2022:

Shahjalal Islami Bank Limited (SJIBL) wants to be a proud partner in the implementation of the nation's dream by subsidizing the CMSMEs at their early stage and remaining a trusted partner throughout their graduation to national level. SJIBL's SME Investment Division has adopted strategies in its business and operations in triangulation of international, national, and regulatory visions to provide a comprehensive array of investment products and solutions to Cottage, Micro, Small and Medium enterprises (CMSMEs) across the country.

SJIBL is heavily focused on cottage and microenterprise financing, cluster financing, new entrepreneurship development financing, promoting rural people and rural women's entrepreneurship, creating business networks for CMSME entrepreneurs, and providing financing to unbanked new entrepreneurs in untapped areas. As planned under the initiatives for 2022, the bank has maintained its close collaboration with various CMSME activities, such as;

- CMSME financing of the Bank ensures inclusive & sustainable economic growth through CMSME development with Cluster Based Financing in the country.
- Rural Branches having SME Investment concentration above 80% of their portfolio size are treated as SME focused Branch.
- Signed an Agreement with Bangladesh Bank regarding Refinance Scheme of Tk.25000 crore against Term Investment in the CMSME Sector to ensure investment facilities for CMSME entrepreneurs with relatively low profits and easy terms through our bank and Credit Guarantee Scheme (CGS).
- Term investments given to cottage, micro, small and medium enterprises will be considered eligible for refinancing under this scheme Clustered CMSME entrepreneurs should be given maximum priority for refinancing. Furthermore, women entrepreneurs, entrepreneurs with special needs, and entrepreneurs affected by any calamity (such as river erosion, inundation, cyclone, flood, drought, monsoon, fire, earthquake, building collapse, epidemic like covid-19 etc.) will get refinancing facilities under this scheme on a priority basis.
- To challenge the situation of the COVID-19 pandemic, a new product titled "CGS" has been designed to assist CMSEs with no/insufficient collateral to obtain credit facilities under the Credit Guarantee Scheme (CGS), which will facilitate the stimulus package for the CMSE segment.
- As instructed by Bangladesh Bank, SJIBL has taken another initiative to support the promising startup ecosystem in the country. The start-up fund has been constituted in the form of a refinance scheme. This new refinancing scheme from the Bangladesh Bank adds to a growing support program for startups.
- Organizing an Entrepreneurship Development Training Program "Skill for Employment Investment Program (SEIP) Project to development of capacity building skill on 25 Potential Entrepreneurs 100 hours 20 working days of our bank in collaboration with Bangladesh Bank.
- Organized 08 training sessions and provided training to 373 officers of the bank through the online training program.
- Participated in focus group webinar discussions, a baseline promotional survey, workshops, and programs in different districts.
- Disbursing women entrepreneurs under the Bangladesh Bank Islamic Refinance Scheme from all over the country who have businesses in the agriculture and food processing industries, boutiques, mini-garments, beautification parlors and fitness centers, handicrafts, and other sectors.
- 5,890 investment proposals, amounting to BDT 60,130 million, have been received from all branches of our bank.

Outlook 2023:

In 2023, the bank plans to further enhance its growth and boost business in the CMSME sector. To achieve this, a campaign program will be organized in 28 locations, covering 140 branches across the country, to promote CMSME financing among branch officials.

The bank aims to encourage its existing pool of corporate clients to connect with their suppliers of various accessories and raw materials, who maintain their supply chain as backward linkage support providers, thus expanding their business opportunities.

As part of the bank's efforts to support women entrepreneurs, the Bangladesh Bank Islamic Refinance Scheme will continue to provide disbursements to women entrepreneurs from all over the country with new start-up businesses in the CMSME sector.

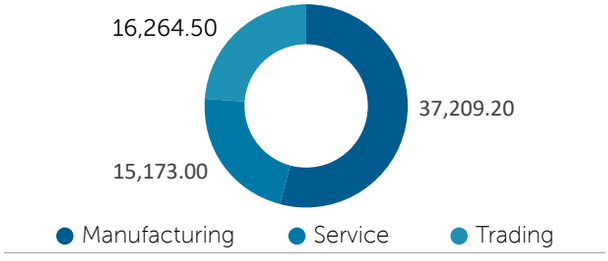
New clients with new start-up businesses in the CMSME sector can also receive disbursements under the Refinance Scheme of Tk. 25000 crore and the Credit Guarantee Scheme (CGS), which facilitates the CMSE segment under the stimulus package and thus enables them to access the necessary financing for their businesses.

The bank aims to emphasize the importance of supporting women entrepreneurs by ensuring that at least 10 percent of the disbursed investment under the Start-Up Fund is given to them.

Moreover, new borrowers who require financing but have not yet been financed can benefit from the bank's services. As of December 2022, SJIBL had financed 889 investment clients with a total amount of Tk. 3170 million, comprising 4.52% of the total CMSME investment portfolio, and the bank plans to continue supporting new borrowers in the year 2023.

SECTOR WISE CMSME EXPOSURE IN 2022

(BDT in million)

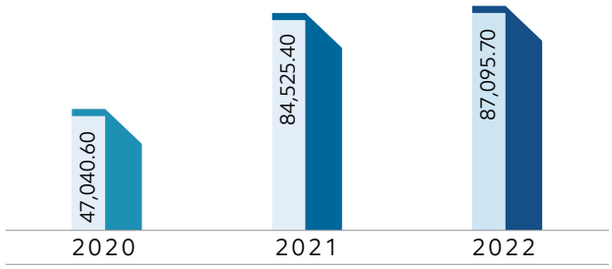


Financial Highlights of 2022:

- The CMSME portfolio stood at Tk. 70,100 million.
- In 2022, a total of Tk. 47,040 million was disbursed to various CMSME clients, up from Tk. 46,362 million in 2021, representing a 1.46% increase.
- The Cottage, Micro, and Small Enterprise portfolio stood at Tk. 30,145 million, compared to the previous year's Tk. 29,908 million, with a growth of 0.80%.
- The Medium Enterprise Portfolio stood at Tk. 42,828 million, compared to the previous year's Tk. 42,609 million, with a growth of 0.50%.
- In 2022, 2,482 new CMSE borrowers were added to the CMSE portfolio, totaling Tk 9,438 million, with 132 new customers joining the mid-segment.

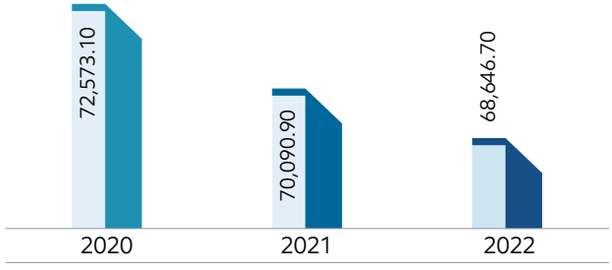
SME DISBURSEMENT

(BDT in million)



SME PORTFOLIO

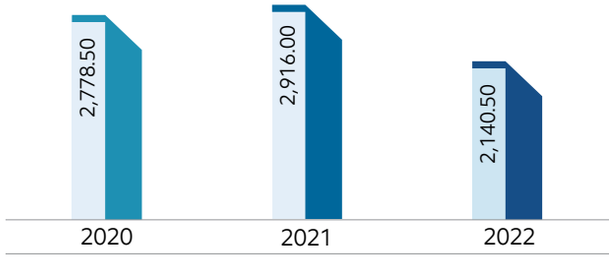
(BDT in million)



CMSME Women Entrepreneurs:

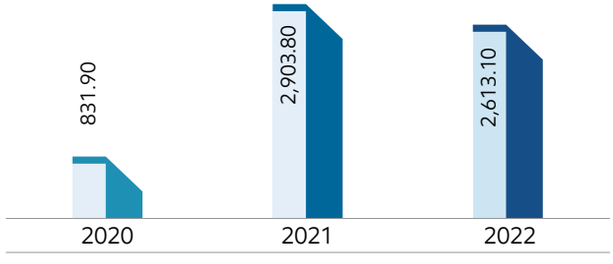
PORTFOLI IN WOMEN ENTREPRENUERS

(BDT in million)



DISBURSEMENT TO WOMEN ENTREPRENUERS

(BDT in million)



The Initiative for the Development of Women Entrepreneurs:

- To fulfill the policy of the Bangladesh Bank regarding financing women entrepreneurs, SJIBL places great emphasis on maintaining 10% of its total CMSME (Cottage, Micro, Small and Medium Enterprises) investment portfolio, with a target to increase this to at least 15% by 2024.
- To encourage women entrepreneurs to take up CMSME initiatives, SJIBL provides a Refinance Facility from Bangladesh Bank at a lower profit rate.
- To help women entrepreneurs overcome financial challenges caused by the COVID-19 pandemic, the government announced a stimulus package of BDT Tk. 20,000 crore for the CMSME sector in the country. SJIBL has prioritized disbursing the total allotted portion of the package to women entrepreneurs.
- To simplify the investment application process for CMSME entrepreneurs, including women entrepreneurs, SJIBL has created a simplified investment application form in Bengali to reduce difficulties in meeting documentation requirements.
- To extend investment facilities to new women entrepreneurs, SJIBL has instructed all branches of the bank to find at least three women who are interested in starting or expanding their businesses within the catchment area, provide training in their field of interest for capacity building, and extend investment facilities to at least one of those who receive training.
- To ensure prompt services for women entrepreneurs, SJIBL has established a separate "Women Entrepreneurs' Dedicated Desk" in each branch of the bank, which provides support to prospective women entrepreneurs in the preparation of business proposals, marketing strategies, and related areas.
- To prioritize women entrepreneurs for extending investment facilities and taking capacity-building initiatives for their existing and prospective female clients.
- To create greater access to finance for SMEs, particularly women entrepreneurs, in different cluster areas, SJIBL also allows investments under the Credit Guarantee Scheme.
- To improve entrepreneurship skills, SJIBL arranges day-long workshops for CMSME women entrepreneurs to listen to their opinions and requirements and provide solutions.

SJIBL has an exclusive branch named "Uttara Ladies Branch," which is dedicated to promoting and supporting women's entrepreneurship. Overall, these initiatives demonstrate SJIBL's commitment to supporting women entrepreneurs in their business ventures and helping them overcome challenges they may face along the way.

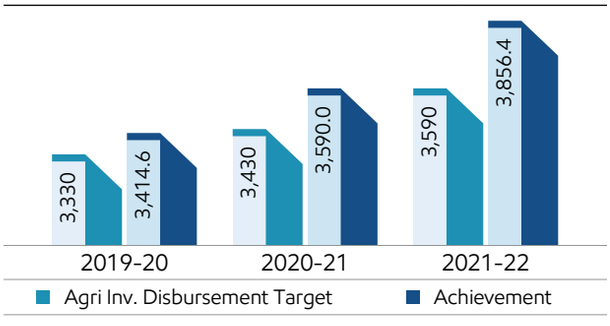
AGRICULTURAL INVESTMENT

Agriculture is one of the major driving forces behind the economic development of Bangladesh, and Shahjalal Islami Bank Limited strongly believes that the development of the country cannot be imagined without the development of the agriculture sector. The bank has emphasized investment in agriculture for the overall development of the country. Despite a declining trend in the agriculture sector's contribution to GDP, about 40.60 percent of the labor force is directly or indirectly dependent on this sector. Recognizing the importance of agricultural finance in creating self-employment opportunities, ensuring food security, and promoting socio-economic development, Shahjalal Islami Bank Limited has been providing agricultural investment through its own network and Micro Finance Institute linkage.

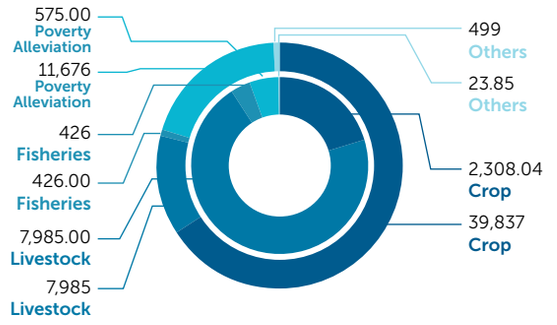
In the financial year 2021-2022, Shahjalal Islami Bank Limited continued its good performance in achieving its targets, disbursing Tk 385.64 crore among 69,633 beneficiaries in the agriculture sector, exceeding its target of Tk 359.00 crore, which is 107.42% of the total target. The bank has also successfully achieved the targets of Bangladesh Bank in most years and received a "Letter of Appreciation" from the Governor of Bangladesh Bank for achieving the Agricultural and Rural Investment Disbursement Target in several fiscal years.

In the last three fiscal years, Shahjalal Islami Bank Limited has consistently achieved its targets in the disbursement of agricultural and rural investment, demonstrating its commitment to the development of the agriculture sector and the country's overall economic growth.

FISCAL YEARLY AGRI TARGET GIVEN BY BB VS ACHIEVEMENT OF SJIBL (BDT in million)



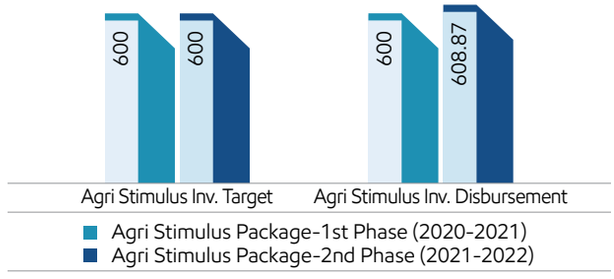
AGRI INVESTMENT



As a development partner and Sharia-based bank, Shahjalal Islami Bank Limited is actively participating in the disbursement of the stimulus package declared by the Government. The Central Bank has allotted Tk. 60.00 crore for the agricultural sector in the first phase and a further Tk. 60.00 crore in the second phase. Shahjalal Islami Bank Limited has successfully disbursed 100% of the stimulus package, with Tk. 60.00 crore in the 1st phase distributed among 221 clients and Tk. 60.00 crore in the 2nd phase distributed among 233 clients. The bank has contributed to the disbursement of the stimulus package within the allotted budget of Bangladesh Bank and has received an appreciation letter from them. Shahjalal Islami Bank Limited has been recognized as one of the largest contributors to the disbursement of the stimulus package. In addition, to ensure the country's food security and increase food production, Shahjalal Islami Bank Limited has also signed an agreement with the Central Bank under the refinancing scheme of Tk. 5,000 crore.

AGRI STIMULUS PACKAGE TARGET GIVEN BY BB VS ACHIEVEMENT OF SHAHJALAL ISLAMI BANK LIMITED

(BDT in million)



Retail investment

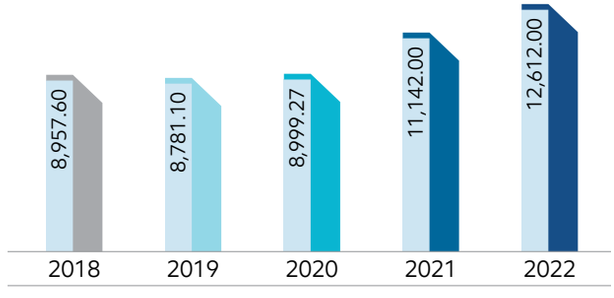
As inhabitant of second largest muslim country people of Bangladesh are more prone to islami banking. But up to now renowned Islami Banks of this land were not focused on retail investment. They have dug deep in large and SME investment. We were also not exception of this. But for last 4-5 years we have invested a healthy chunk of our human resource and capital resource to widen the horizon of retail investment area. As the per capita income of country is rising and the economy of Bangladesh has reached a new height, individuals are much eager to improve their living standards. Over all such investment penetration in our country is lower than rest of the world. To establish a long term policy for retail investment we have to adapt our policies, compatible both with Islamic shariah and customers necessity. To make our customers happy and wowing them we have diversified our product in way to meet their exact demand. The model we have developed so far is adaptive of changes in consumer demand and changes in economic policy. All professional like service holder, businessman and self-professional from all sectors and from all strata of the society have their equal and convenient access to our investment. This process also facilitates the financial inclusion of the people in the economy.

Performance indicator over the years

The way we improve through retail investment's relentless marketing and dynamic leadership is as follows:

YEAR ENDED RETAIL INVESTMENT PORTFOLIO

(BDT in million)



Product outlook: Front Face

i. Household durable investment scheme (HDIS)
ii. Investment scheme for executive (ISE)
iii. Education investment scheme (EIS)
iv. Marriage investment scheme (MIS)
v. Investment scheme for doctors (ISD)

vi. Car purchase investment scheme (CPIS)

vii. Overseas employment investment scheme (OEIS)

viii. House building investment scheme (HBIS)

ix. Semi-pacca House building investment scheme

Product outlook: Back Face

i. Customer's happiness

ii. Market reputation

iii. Trained human resource

iv. Life style based personalized investment product

v. An eagerness to grab more market share

Achievement in 2022

- Marketing through branch end instead of any 3rd party marketing company so that we may create our portfolio in solid ground with customers of actual need.
- Initiation of a call center equipped with necessary human resource to provide instant solution from a single location. It will remove the burden on branch officials and at same way increase customer satisfaction.
- Established a monitoring & recovery unit to keep the health of retail investment asset upright, to warn those customers who are at the verge and to reduce non performing investment at a tolerable margin.
- Cross selling of other investment product through retail product to new investment client and even to the existing one.
- Reducing turnaround time through discussion.
- Achieved substantial growth in retail investment even in tailored profit rate.

Looking forward to 2023

- Launching some new product to penetrate the untapped investment area and locality
- Inclusion of more digitized investment product which can be easily accessible through mobile app and other digital platform.
- Increasing synchronization between marketing authority and approving authority to reduce customer's hassle.
- Searching high net worth investment client to improve bank's profitability.
- More concentration on housing investment portfolio to increase safe investment and to meet peoples demand for living places.

Investment Monitoring Division

NPI Monitoring as a part of NPI Management:

SJIBL management is intensively emphasizes on potential surge in NPIs due to COVID-19 during last 3 (three) years. The management is keen enough to have an empirical assessment of potential scenarios and draws lessons from crises for effective NPI treatment since it is important to have an early and realistic assessment of investment losses to avoid adverse incentives for banks.

Until the Covid-19 pandemic broke out in 2020 and then Russia-Ukraine war started last year (not much direct impact on Bangladesh economy), Bangladesh experienced positive annual growth since 1974-75, a staggering 7.80% GDP growth. The impact of recession, pressure on reserves, energy mismatch, commodity shortage, inflationary pressure – all are worldwide phenomena. Bangladesh is not alone in facing the ongoing global inflationary spiral, energy crisis and market disruptions.

While the war is still unfolding and impacts are expected to perdue in time and across sectors, a first set of global challenges are already observed. The diagram below highlights some of the global crisis that have arose and continue to escalate due to the outbreak of the COVID-19 pandemic as well as the continuing Ukraine-Russia conflict.



As a consequence, some investments become non-performing in the aftermath of a crisis, and banks have to deal with an increased level of NPIs in a way that preserves their own viability, and the stability of the financial system at large. If NPIs are mounting in the balance sheet of the Banks, central bank may feel the necessity to intervene in order to safeguard financial stability. Despite a challenging environment in the current COVID-19 crisis, banks have continued to provide funding to the real economy and losses in banking books have been quite limited. This suggests that once moratoria and other support measures will be unwound, the real economy and banks may be heavily affected and NPI levels will eventually rise. Against this background, it is necessary to analyze the new risks of and the effectiveness of potential policy responses, concerning the build-up of NPIs on banks' balance sheets. After defining the unique characteristics of the current crisis, the Shahjalal Islami Bank Ltd. (SJIBL) management empirically assess the status quo of NPI levels in the Bank and sketch potential scenarios of their development in the future.

Monitoring with the objective of handling NPI – recognition and resolution in 2022:

NPI identification methods and NPI resolution measures are strictly linked. If NPI identification is inadequate, in terms of speed and scope, NPI resolution measures tend to become ineffective and there would be the proliferation of zombie firms and zombie banking. That is why, SJIBL Management was very much eager and meticulous about identifying the up-coming NPIs through-out the year and designed strategies and guidelines combined with Branch Management who are in closest contact with the stress and non-performing clients.

HOW SJIBL CONTROLLED NPI in 2022:

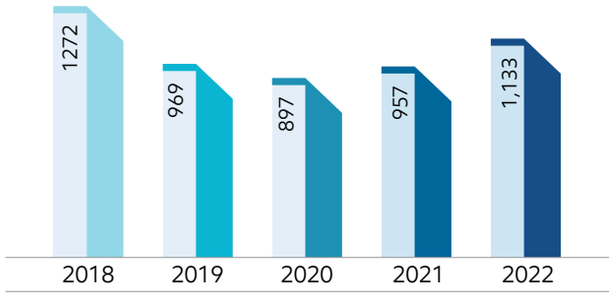
To contain NPI, SJIBL strengthened their corporate governance in light of Shariah Principles. The Bank Management followed objective oriented governance practice. Members of the board took keen interest to understand and promote the risk management activities. They are also committed to strictly follow banking rules and regulation and accordingly imposed guidelines and strategies for the management to be followed.

The Bank also emphasize deep analysis of the prospective investment clients in terms of the viability of the business/ project, considering expected EBIT (Earnings Before Interest/Profit and Taxes) from the business to repay the installment, marketing strategy of the business to take the competitive advantages, working capital requirement and subsequently debt financing need, industry risk and prospect analysis. The bank also reviewed the repayment behavior of the investment client, experience of the owner on a particular business arena, succession plan, and attitude of the management.

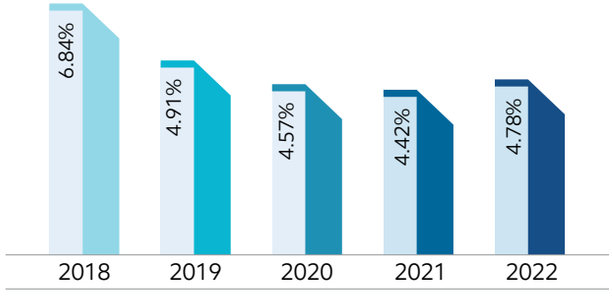
Security coverage of the investment is one of the influential indicators to minimize the risk of the investment. The value of the collateral which is rightly priced and title of the collateral which is proper are key tools to reduce NPIs. Banks management concentrate on identifying the liability at the early stages which may have the probability of becoming NPI.

In consequent to the above NPI handling resolutions, SJIBL managed to maintain its CL Rate below 5%.

YEAR WISE TOTAL NPI (Fig. in Crore)



YEAR WISE % OF NPI



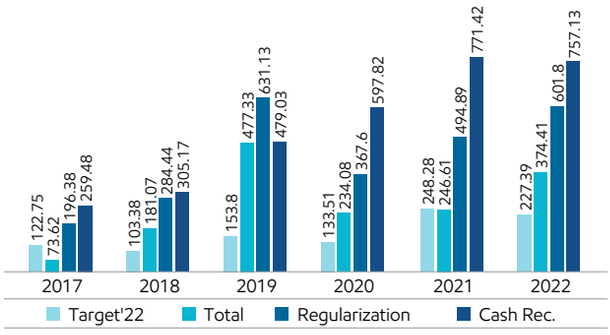
The Lessons Learned in 2022:

Last year, the country has to chalk out an innovative and prudently effective financial management to take advantage together with the high uncertainty about the future path of the pandemic and the heterogeneity in estimated sluggish repayment behavior of the investment clients across countries. This implies the scenarios of excessive systemic risk, in which government interventions was justified and cannot be ruled out. To find an effective and efficient strategy dealing with potentially high NPI levels in the future, SJIBL management examine previous crises and establish five main lessons about NPI identification, recognition and resolution that are all also likely to be of importance during and post situation of the COVID-19 pandemic:

1. If NPIs are not identified and recognized efficiently, both in terms of speed and scope, NPI resolution effectiveness is undermined, which in turn will have negative effects on profitability because of amplified zombie lending and bank zombification.
2. If Banks do not have the right incentives to implement early and effective NPI identification and recognition measures it will lead to continued financing of zombie firms.
3. The Management ensured that banks assess current investment values realistically, which can be achieved by effective Asset Quality Reviews (AQRs), stress tests, adequate accounting rules and specific inspections that impede banks masking their risk. Realistic investment value assessment will incentivize banks to recognize NPIs early and to handle them efficiently, i.e. either by internal workouts or by initiate legal actions.
4. Forbearance are not well suited to solve the NPI resolution problem efficiently.

Regular review of Stress accounts and early identification of NPIs and repeated interaction and multifaceted actions in respect to the Non-Performing Investment Clients, the Special Asset Management Department has been able to achieve satisfactory recovery as depicted herein below:

RECOVERY & REGULARIZATION AGAINST TARGET 2022



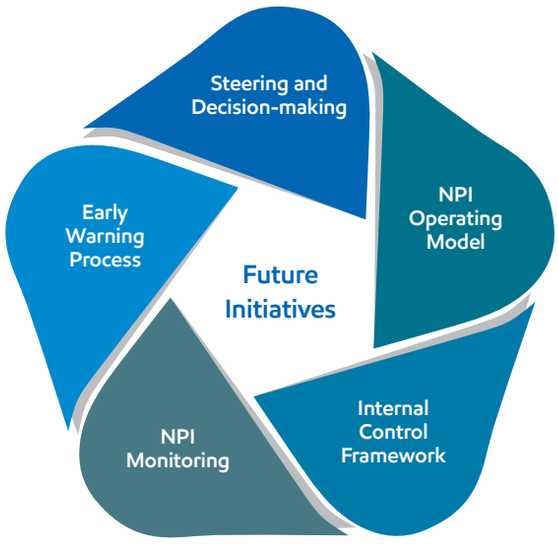
Prominent accomplishments of recovery drive:

Formation of prudent timely guidelines and execution of its effective implementation has resulted in the following accomplishment in 2022:

- Classification rate is 4.78% (including OBU) in 2022.
- Recovery Target was Tk. 757.13 crore in 2022.
- Cash recovery of Tk. 227.39 crore in 2022 from NPI clients and stressed accounts.
- Total Recovery/Regularization amount was Tk. 601.80 crore from NPI and stressed accounts which is 79.48% against target.
- Recovery percentage soared by 15.33% in 2022 from 2021.

Future Initiatives:

An NPI workout framework should and would include the following in the year 2023: 1) Steering and decision-making; 2) NPI operating model; 3) Internal control framework; 4) NPI monitoring, and 5) Early warning processes.



01. **STEERING AND DECISION-MAKING:** For any bank, the NPI strategy and operational plan forms a vital part of the overarching strategy and should therefore be approved and steered by the management body. In particular, the management body would: annually and regularly review the NPI strategy including the operational plan; oversee the implementation of the NPI strategy; define management objectives and incentives for NPI workout activities; periodically monitor progress made in comparison with the targets and milestones defined in the NPI strategy, including the operational plan.

02. **NPI OPERATING MODEL:** This is a subset of the bank's operating model and overlaps with the Risk Operating Model. The first key component of the NPI Operating Model is the NPI workout division. Better banks tend to utilize dedicated NPI workout division (WUs) which are separate from units responsible for investment origination - reducing potential conflicts of interest and better use of dedicated NPI expertise from junior staff through to management level. SJIBL management plans to strengthen, energize and motivate the members of NPI workout division i.e. Special Asset Management Division (SAMD) to meet-up the target for the coming year.

03. **INTERNAL CONTROL FRAMEWORK:** SJIBL would implement effective and efficient control

processes for the NPI workout framework, in order to ensure full alignment between the NPI strategy and operational plan, on the one hand, and the bank's overall business strategy (including NPI strategy and operational plan) and risk appetite, on the other. Where these controls detect weaknesses and misalignments, procedures should be in place in order to address them in a timely and effective manner.

04. **NPI MONITORING:** The monitoring system should be based on NPI targets approved in the NPI strategy and related operational plans which are subsequently cascaded down to the operational targets of the NPI WUs. A related framework of performance indicators should be developed to allow the management body and other relevant managers to measure progress.

Clear processes should be established to ensure that the outcomes of the monitoring of NPI indicators have an adequate and timely link to related business activities such as pricing of credit risk and provisioning.

NPI-related performance and progress can be grouped into several high-level categories, including but not necessarily limited to:

- ✓ High-level NPI metrics;
- ✓ Customer engagement and cash collection;
- ✓ Forbearance activities;
- ✓ Liquidation activities;
- ✓ Other (e.g. NPI-related profit and loss (P&L) items, foreclosed assets, early warning indicators).

05. **EARLY WARNING PROCESSES:** In order to monitor performing investments and prevent the deterioration of asset quality, SJIBL would implement adequate internal procedures and reporting to identify and manage potential non-performing clients at a very early stage. Early Warning Indicators (EWIs) are more important for banks having NPIs.

Offshore Banking Unit

The term "offshore" holds a distinct meaning within the financial world, particularly in relation to Offshore Banking. This banking area is dedicated to facilitating international business operations by providing investment opportunities to foreign companies and collecting deposits from sources outside of the bank's home country. The popularity of Offshore Banking has grown due to the lower borrowing rates it offers. Since 2008, the bank has been providing Offshore Banking services with great efficiency and professionalism.

Despite various obstacles in 2022, the Offshore Banking Unit (OBU) achieved a record profit of USD 5.45 million, the highest in the bank's history. OBU developed a strategic plan to overcome the challenges of the foreign currency crisis and rapidly increasing prices in the international market. As a result of the strategic policy, the OBU reduced its exposure by 19% in 2022 compared to 2021, although total disbursements saw a 3.24% growth in the same period.

In 2022, the Offshore Banking Unit played a crucial role in fulfilling the bank's commitments to overseas correspondence by ensuring refinancing facilities were provided on time. The relaxation of certain regulations by the Bangladesh Bank helped to minimize the disruption caused by the Ukraine-Russia War. The OBU recorded a 350% and 527% growth in its export and import businesses, respectively, in 2022 compared to the previous year.

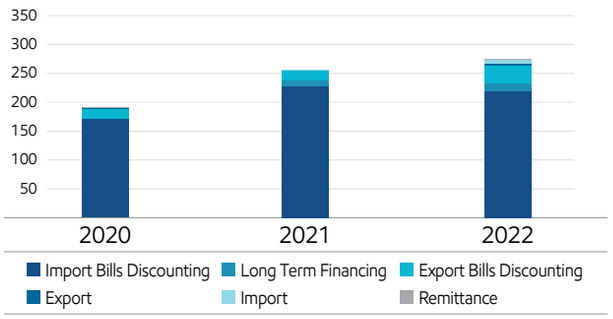
Financial Highlights of 2022:

- The outstanding investment of OBU at the end of 2022 was USD 147.49 million (BDT 15,235.76 million), which represented 6.43% of the bank's overall investment portfolio.
- OBU discounted 2,562 import bills for USD 245.91 million and 688 export bills for USD 28.65 million. Additionally, OBU disbursed long-term financing of USD 13.23 million in 2022.
- OBU advised 790 letters of credit (L/Cs) and certified 876 export documents (EXPs). It made exports of USD 6.31 million against 889 bills and imports of USD 5.08 million against 31 contracts.

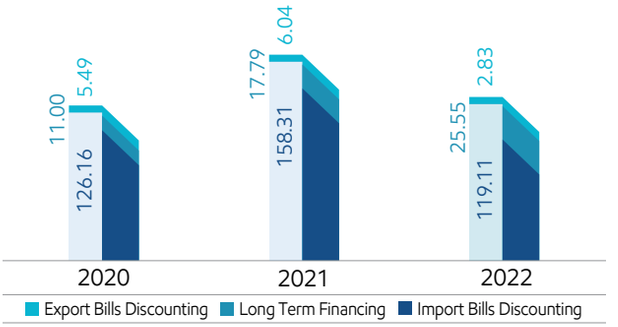
Future Strategies:

- Develop a plan to mitigate the impact of the Ukraine-Russia war on the bank's operations.
- Diversify borrowing sources to reduce concentration risk.
- Achieve cost competitiveness to improve profitability.
- Enhance business with wholly foreign-owned enterprises in Export Processing Zones (EPZs), Private Export Processing Zones (PEPZs), Economic Zones (EZs), and high-tech parks.

OBU BUSINESS (Million USD)



OBU EXPOSURES (Million USD)



Card Division

Shariah based SJIBL Islamic Credit Card:

In 2019, the bank introduced a Shariah-compliant, EMV-compliant Islamic Credit Card. SJIBL credit card has followed the "Wakalah"concept to operate the Credit Card operations. "Wakalah"is a process where the bank will apply an advocacy fee or commission on every card transaction from the cardholder. During this process, the bank will provide a Quard facility to a cardholder, and he or she will keep that amount as "Amanat" for the bank. As and when required, the cardholder will charge his or her card to purchase goods and services. As requested by the cardholder, the bank will pay the transacted amount to the respective providers and take some fees from cardholders named "Uzrat of Wakalah."

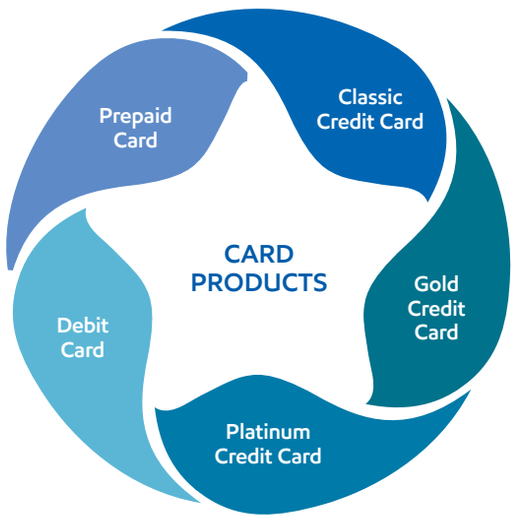
The bank sends each and every transaction alert to the customer through SMS and email. 2FA (Two Factor Authentication) ensures more security in the case of online (e-commerce) transactions.

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

SJIBL Debit Card:

Shahjalal Islami Bank has introduced EMV chip-based debit cards, which ensure more security. Besides that, the bank sends each and every transaction alert to the customer through SMS and email. 2FA (Two Factor Authentication) ensures more security in the case of online (e-commerce) transactions.

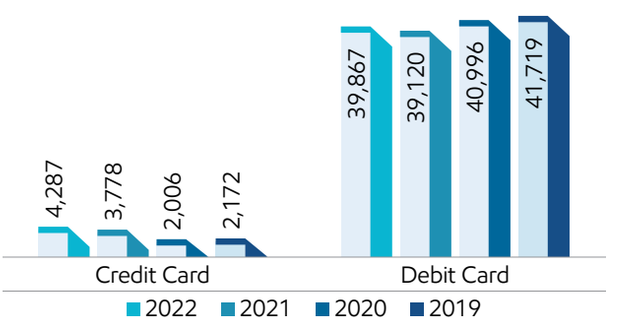
SJIBL Card Products



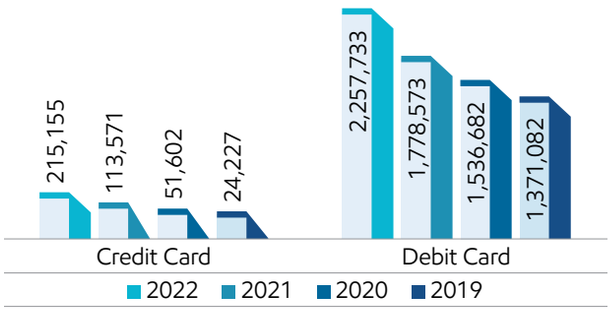
Key Business Performance in 2022

The popularity of Islamic credit cards in Bangladesh has led to their mainstream adoption. In response to customer demand, Shahjalal Islami Bank launched its highly anticipated Shariah -Compliant Credit Card in 2019, which has become widely popular. The card's financial and operational performance can be seen in the accompanying graphical representation:

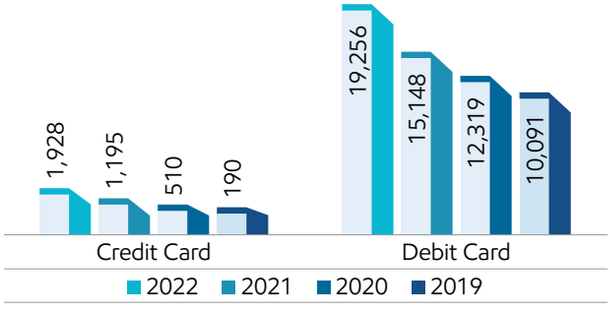
NUMBER OF CARD ISSUANCE



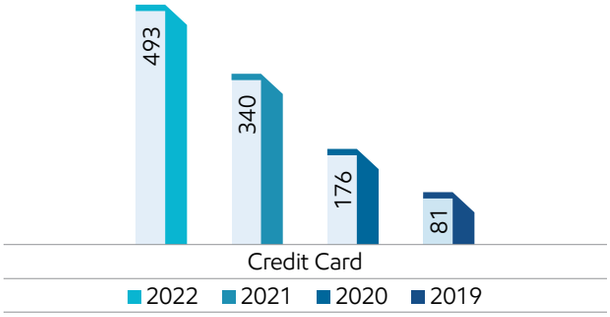
NUMBER OF CARD TRANSACTION



AMOUNT OF CARD TRANSACTION



CREDIT CARD INVESTMENT



Priority Pass Service:

- Bank introduced Priority Pass service for SJIBL Platinum Cardholder(s), which allows SJIBL Platinum Cardholder(s) to access 800+ international airport lounges.

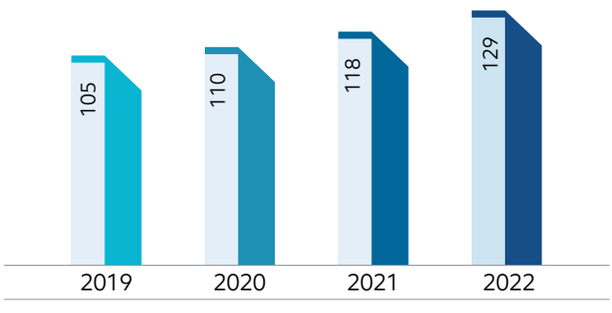
ATM Service:

The bank has placed a strong and serious emphasis on alternative delivery channels to facilitate customers' round-the-clock transactions. In addition to the more than 10,000 shared ATMs from the ITCL network, the bank installed 129 ATMs across the nation, and the number is steadily increasing.

Number of ATM

Year	No. of ATM
2019	105
2020	110
2021	118
2022	129

NUMBER OF ATM

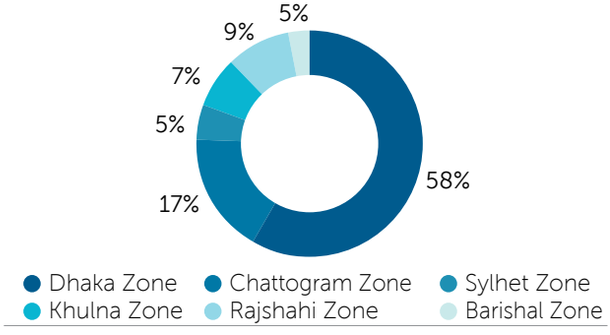


Zone wise ATM status:

Zone wise ATM Summary

Zone	No. of ATM
Dhaka Zone	75
Chattogram Zone	22
Sylhet Zone	7
Khulna Zone	9
Rajshahi Zone	12
Barishal Zone	4
Total	129

ZONE WISE ATM SUMMARY



Transaction Summary @ SJIBL ATM

Year	No of ATM	ONUS (SJIBL Cards)		OFF US (Other Bank Card)		Grand Total	
		No of Trxn	Trxn Amount (BDT In Million)	No of Trxn	Trxn Amount (BDT In Million)	No of Trxn	Trxn Amount (BDT In Million)
2018	86	509,893	4,382	293,470	2,757	803,363	7,139
2019	105	672,342	6,037	292,232	2,871	964,574	8,909
2020	110	737,873	6,753	365,774	3,997	1,103,647	10,750
2021	118	850,882	8,676	527,476	5,613	1,378,358	14,289
2022	129	1,041,016	9,881	626,384	6,421	1,667,400	16,302

"24/7 Seamless Contact Center"

The goal of the Card Division is to become the first choice of customers for cards by providing them with exceptional service. In order to achieve this objective, the division is continuously expanding its range of Islamic credit card services to ensure customer security and convenience. To keep up with the growing demand for digital banking services, the Card Division has taken several steps to enhance the customer experience.

- The bank has established the SJIBL Call Center to ensure that its customers receive round-the-clock, seamless support. The call center is staffed by highly trained and dedicated support executives who are available 365 days a year to provide quick and easy access to customers. To reach the call center, customers can simply dial the short code number 16302, which guarantees prompt and efficient support, anytime, day or night.



- The Card Division has established strategic partnerships with a substantial number of discount and EMI providers in the country, offering its cardholders a wide range of facilities and benefits. These partnerships have been designed to enhance the customer experience and provide them with greater value for their money. In a continuous effort to expand the offerings, the Division is actively working to onboard more partners in the near future. With a constantly growing network of providers, the Division is committed to providing its cardholders with an unparalleled experience, convenient access to a variety of discounts and flexible payment options.

Key Initiative in 2022

- Internet Banking & Mobile Banking Apps:



- The bank provides Internet banking through its web portal. Through the Internet Banking (IB) of the bank, customers can manage their financial transactions, accounts, and other banking-related activities using a PC, laptop, or other smart device with internet access. The aim is to provide customers with a convenient and secure way to access their financial information and complete transactions without having to visit a physical bank branch. The Internet Banking Service of the bank offers several key benefits, including 24/7 access to account information, the ability to complete transactions and transfer funds quickly and easily, improved security through the use of secure login procedures and encryption technology, and reduced dependence on physical bank branches.

- **Mobile Banking Apps:** SJIBL has introduced a mobile banking app, "SJIBL Net," to provide its customers with an additional convenient and secure way to access their financial information and complete transactions. The app offers features such as account management, bill payments, fund transfers, and more.
- **QR Cash Service:** SJIBL Net also offers a unique service called "QR Cash," which allows customers to withdraw cash from a bank branch using QR code scanning without the need for a cheque. This service has gained significant popularity, with over 18,771 transactions being made through QR code scanning in 2022.
- **User-friendly Experience:** The objective of SJIBL Net is to provide a user-friendly experience for customers with clear navigation, intuitive design, and fast performance. The app is constantly being updated and improved based on customer feedback to ensure that it meets the evolving needs of its users.

EMI & Discount partner(s):

In the year 2022, seven partners were successfully onboarded under the EMI category and sixteen partners were successfully onboarded under the discount category. This resulted in a total of 23 new partnerships being established.

EMI Partner(s) in 2022

Sl No.	Merchant Name	MoU Date
1	Own The World Company Ltd.	4/5/2022
2	Ujala Point Gadget & Gear Park	7/24/2022
3	Showa Electronics	8/17/2022
4	Square Hospital Limited	9/13/2022
5	Akash Electronics	10/12/2022
6	Mobile Museum	4/16/2022
7	Mapal International (TorayvinoBD)	11/27/2022

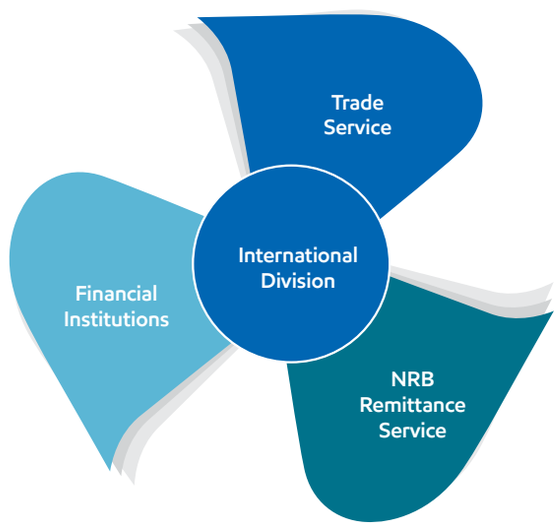
Discount Partner(s) in 2022

Sl No.	Merchant Name	MoU Date
1	City Hospital Ltd.	1/24/2022
2	Biman Bangladesh Airlines	2/3/2022
3	Delifrance Bangladesh	2/23/2022
4	Own The World Company Ltd.	4/5/2022
5	Prem's Collections	5/10/2022
6	Manyavar	4/27/2022
7	US-Bangla Airlines	6/12/2022
8	Sikder Resort & Villas	8/17/2022
9	Heritage Resort	9/22/2022
10	Hotel Bengal Blueberry	9/12/2022
11	Yashoda Hospital	9/1/2022
12	Mapal International (TorayvinoBD)	11/27/2022
13	Babuland Limited	10/19/2022
14	Royal Buffet Restaurant	11/17/2022
15	Hotel Grand Royal	10/18/2022
16	Nazimgarh Resort Ltd.	11/30/2022

Fig.: BB Agri Stimulus Package Target Vs Achievement

The supervision of Shahjalal Islami Bank's foreign trade-related transactions, the facilitation of trade payment settlements, the mitigation of various risks associated with foreign trade, the maintenance and improvement of correspondent relationships internationally and locally, and the arrangement of NRB remittances through Money Transfer Operators (MTO) fall under the purview of the International Division.

Currently, International Trade Services are provided from 19 AD branches, 2 Central Processing Centers (CPC), and 1 Offshore Banking Unit (OBU), all under the supervision of the International Division. The International Division coordinates, supervises, and supports the International Trade Transactions of the AD branches through the following units:



While the world slowly recovers from a once-in-a-generation pandemic, the Russia-Ukraine war has erupted, leading to a rise in commodity and fuel prices worldwide. As a result, Bangladesh has been facing a foreign currency crunch since mid-year. Despite the US Dollar crisis in the country, inflow through NRB remittances and exports has increased significantly, helping the bank to settle all foreign obligations in due time.

Financial Institutions:

The Financial Institutions unit covers a wide spectrum, facilitating bank trade business through 437 correspondents around the globe in 57 countries. The bank successfully maintains such relationships around the world to facilitate international trade transactions. The bank maintains 35 Nostro accounts in nine major currencies with reputed international banks around the world, in all of the important global financial centers. The bank also enjoys sufficient credit lines from Correspondent Banks to add their confirmation to Letters of Credit for facilitating international trade.

Due to the perspective of AML/CFT compliance and de-risking, correspondent relationships around the world are reducing day by day. Despite this tough situation, the bank was able to establish new relationships with 17 world-renowned banks in 2022. Through effective negotiation with its foreign counterparts, the bank increased its credit line facilities from USD 550 million to above USD 560 million in 2022 to facilitate its international trade.

Trade Service:

The bank is providing better service to AD branches, OBUs, and CPCs through the Import Trade Service Sub Unit and Export Trade Service Sub Unit. It ensures full compliance and timely replies to regulatory queries. The bank has also implemented a strict monitoring process to detect any incorrect or missed reporting and violations of trade service regulations.

To communicate the latest updates and share knowledge among members of the SJIBL AD Forum, the bank conducted a meeting of the SJIBL AD Forum in 2022.

NRB Remittance Service:

To increase remittances from wage earners through its services, the bank entered into new agency agreements in 2022. The agreements were made with National Exchange Company Ltd. in Italy, NEC Money Transfer in the United Kingdom, and Direct Remit Ltd. in the United Kingdom. The bank also maintains effective relationships with 16 other exchange houses.

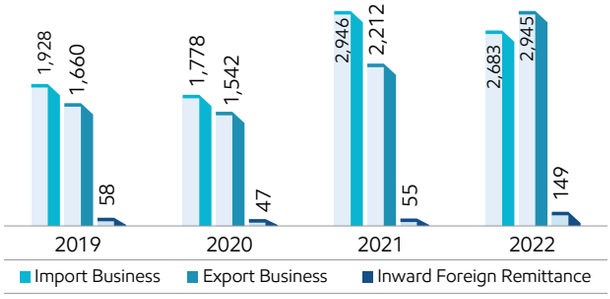
Moreover, the bank is actively in touch with and corresponds with companies worldwide. The objective is to ensure that NRBs residing in various countries have access to the bank's large payment network.

International Business Performance:

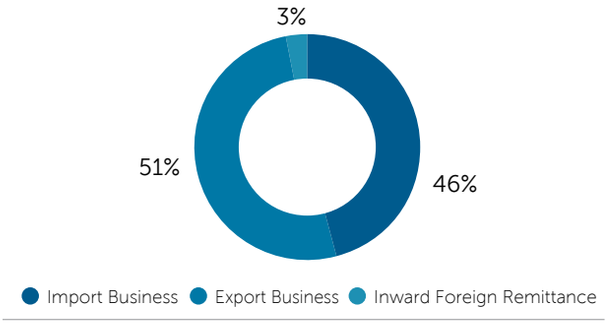
Total foreign trade business handled during the year 2022 was USD 5,777 million as against USD 5,213 million in 2021, registering an increase of USD 564 million, i.e., 10% positive growth. The particulars of the foreign exchange business are given below: -

COMPARISON OF FOREIGN EXCHANGE BUSINESS

(Million USD)



FOREIGN EXCHANGE BUSINESS 2022



Foreign Trade Business position compared to the industry:

SL	Items	2022		2021	
		Country	SJIBL	Country	SJIBL
1	Import Business	81,824	2,683	82,549	2,946
2	Export Business	54,695	2,945	44,223	2,212

Major Achievement of 2022:

- The bank onboarded as participating Issuing Bank by Asian Development Bank (ADB) under its Trade and Supply Chain Finance Program (TSCFP).
- The bank onboarded as participating Issuing Bank by Export Import Bank of India under its Trade Assistance program (TAP).
- NRB remittance drawing arrangement executed with NEC Money Transfer, Direct Remit Ltd and National Exchange Company.

Future outlook:

The bank intends to:

1. Focus on maintaining full compliance with regulatory, internal, and international rules in its trade service;
2. Enhance its focus on quality service to ADs, OBUs, and CPCs and reply to regulatory queries timely and completely;
3. Focus on enhancing agency arrangements, correspondent banking relations, and nostro accounts around the world;
4. Focus on foreign trade centralization for consistency and to minimize the risk involved in foreign trade transactions; and
5. Improve its domestic and global image in order to grow from strength to strength.

Plan for 2023:

To facilitate foreign remittance inflows from non-resident Bangladeshis, efforts will be made to enhance at least three agency arrangements with exchange houses abroad in 2023.

To provide more facilities for importers in international trade, attempts will be made to negotiate with our foreign counterparts to enhance our credit line facilities to USD 800 million in 2023.

To improve FC fund management, the bank will attempt to establish a nostro account in Singapore Dollar in 2023 and meet any rational demands from business and operational units.

To facilitate international trade transactions, the bank will strive to meet all demands from business units for establishing correspondent banking relationships.

To communicate the latest updates and share knowledge among SJIBL AD forum members, quarterly meetings are planned for 2023.

To update trade personnel's skills and address changing issues related to software, systems, regulations, and procedures, workshops and seminars will be held as needed.

Post COVID-19 Situation and Opportunity for Digital Transformation

The COVID-19 pandemic has caused a change in consumer behavior, fueling the demand for digital banking services. Financial institutions, including SJIBL, have prioritized digital transformation to meet the changing needs of their customers. The virus has accelerated the shift towards digital delivery in the financial industry. SJIBL is also embracing this transformation, positioning itself to deliver a seamless and convenient digital banking experience to its customers.

Key Initiatives in 2022:

In 2022, SJIBL IT division has taken a series of initiatives which will help the Bank to improve customer experience in the coming days.

- **Implementation of Corporate Payment Module:** The bank introduced an in-house-developed solution named Corporate Payment Module, which improved the banking experience for corporate customers. Implemented in 2022, the module streamlines banking activities and offers convenience through account management, fund transfers, bill payments, and account statements accessible via the bank's website or mobile app. The module saves time, increases transaction efficiency, and enhances security with multi-factor authentication. The bank is dedicated to offering best-in-class banking solutions.
- **Standardization of Information System Management System:** The bank has adopted ISO 27001, a widely recognized best practice for information security management, to ensure better Information and Communications Technology (ICT) security. The ISO 27001 standard provides a systematic approach to managing and protecting sensitive information. The bank's adoption of the standard shows its commitment to information security and its willingness to adopt best practices. The standard requires the bank to continually review and improve its information security processes and practices. As a result of following ISO 27001, the bank has been certified as an ISO 27001 compliant organization, demonstrating its commitment to information security and providing assurance to stakeholders about its robust information security management processes and practices.
- **Implementation of Automated Sub-Branch:** The Bank has automated the Sub-Branch activities and integrated it with the Core Banking System. This module has opened the door of opportunity to spread the Bank's business is rural and urban areas.
- **Implementation of Centralized Trade Finance:** The bank recently implemented a Centralized Trade Finance module that fully automates trade finance operations, providing numerous benefits, particularly to non-AD branches. The centralized system ensures consistency in services across branches and gives non-AD branches access to trade finance tools. Automation simplifies the process and reduces errors, resulting in faster and more accurate services and improved customer satisfaction. The implementation is part of the bank's strategy to modernize and become a leading player in the trade finance industry, offering a seamless and efficient experience. This marks a major milestone in the bank's effort to transform its operations.
- **Mobile Application based Service Enhancement:** The Bank recently launched the SJIBL NET iOS Mobile Application for Apple Phone users, a major achievement for the technology department. The comprehensive application enables customers to perform various banking transactions, such as fund transfers and real-time account information, without visiting a branch, providing greater flexibility and control. The application is user-friendly and offers a range of features, demonstrating the bank's commitment to innovation and customer satisfaction. The mobile application is a significant accomplishment for the technology department and the bank, leveraging technology to enhance services and provide a convenient and efficient way to access banking services.
- **Ensuring ICT Security:** The SJIBL is taking proactive steps to enhance its cybersecurity posture through employee education, including regular training and awareness programs led by experts in the field. This proactive approach to cybersecurity not only reduces risk but also fosters a secure culture within the organization, equipping employees with the knowledge and skills to protect against modern threats.
- **People Process and Technology:** The Bank takes a comprehensive approach to securing its operations by balancing investments in People, Process, and Technology. By hiring skilled employees, streamlining processes, and deploying advanced technologies, The Bank minimizes risk and ensures efficient business operations. This holistic approach helps the bank stay ahead of evolving cyber threats and maintain security and efficiency.

The IT Division made significant strides in 2022 by upgrading various modules of its core banking software and in-house-developed software. These upgrades were aimed at enhancing the efficiency and quality of customer service while also allowing the division to manage large amounts of data with ease. As a result, customers can expect a smoother and more seamless experience when using the bank's services.

Future Plans for 2023:

- **Implementation of Assisted EKYC:** The bank is looking to enhance the accuracy of its customer verification process through the implementation of assisted EKYC by leveraging biometric data from customers and cross-referencing it with the Election Commission's database. This will result in a more secure and streamlined KYC process.
- **Enhancement of Services through Digital Platforms:** The bank is dedicated to elevating the customer experience by offering a comprehensive range of services through its digital platforms, including Internet Banking, Mobile App, e-Account, Corporate Payment Module, and Website. By leveraging innovative technologies, such as Bangla QR, IDTP, and a Machine Learning and AI-based Investment System, the bank aims to simplify and streamline the customer experience while maintaining the highest level of security and convenience.

Strengthening of Cybersecurity Measures: To enhance the safety and security of our customers' sensitive information, the bank is proactively reinforcing its cybersecurity defenses in response to the growing threat of cyberattacks. This comprehensive effort will encompass frequent security assessments, timely software upgrades, and the integration of cutting-edge security technologies. Our goal is to provide our customers with peace of mind, knowing that their valuable data is protected by industry-leading security measures.

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 2022 Banking Operations Division strived to equip all resources to enable the bank to serve the customers promptly.

Key Achievements 2022:

- Arranged to introduce the "Automated Challan System (ACS)" toward issuance of Government Treasury Challan at SJIBL.
- Ensured timely submission of Annual Reporting of FATCA to Internal Revenue Services under U.S. Government.
- Ensured to provide SMS Notifications to all the CASA account holders of SJIBL.
- Developed SMS Notification Guidelines.
- Ensured and continuously monitoring the Branches to keep up-to-date information of the Customers in the Core Banking Solutions which is a prerequisite for proper customer service.
- Developed the policy guideline for development of Corporate Payment Management Policy (CPM).
- Introduced a guideline for making Accounts 'Inoperative and 'Dormant' & reactivation thereof according to the Guidelines of Bangladesh Bank.
- Developed the procedure for introduced collection bill of NESCO (Northern Electric Supply Company) through all over the Branches of SJIBL.
- Initiated a process to introduce e-Register of Non-Issue notes (Mutilated, Torn, Soiled & Claimed) for all the Branches of SJIBL.

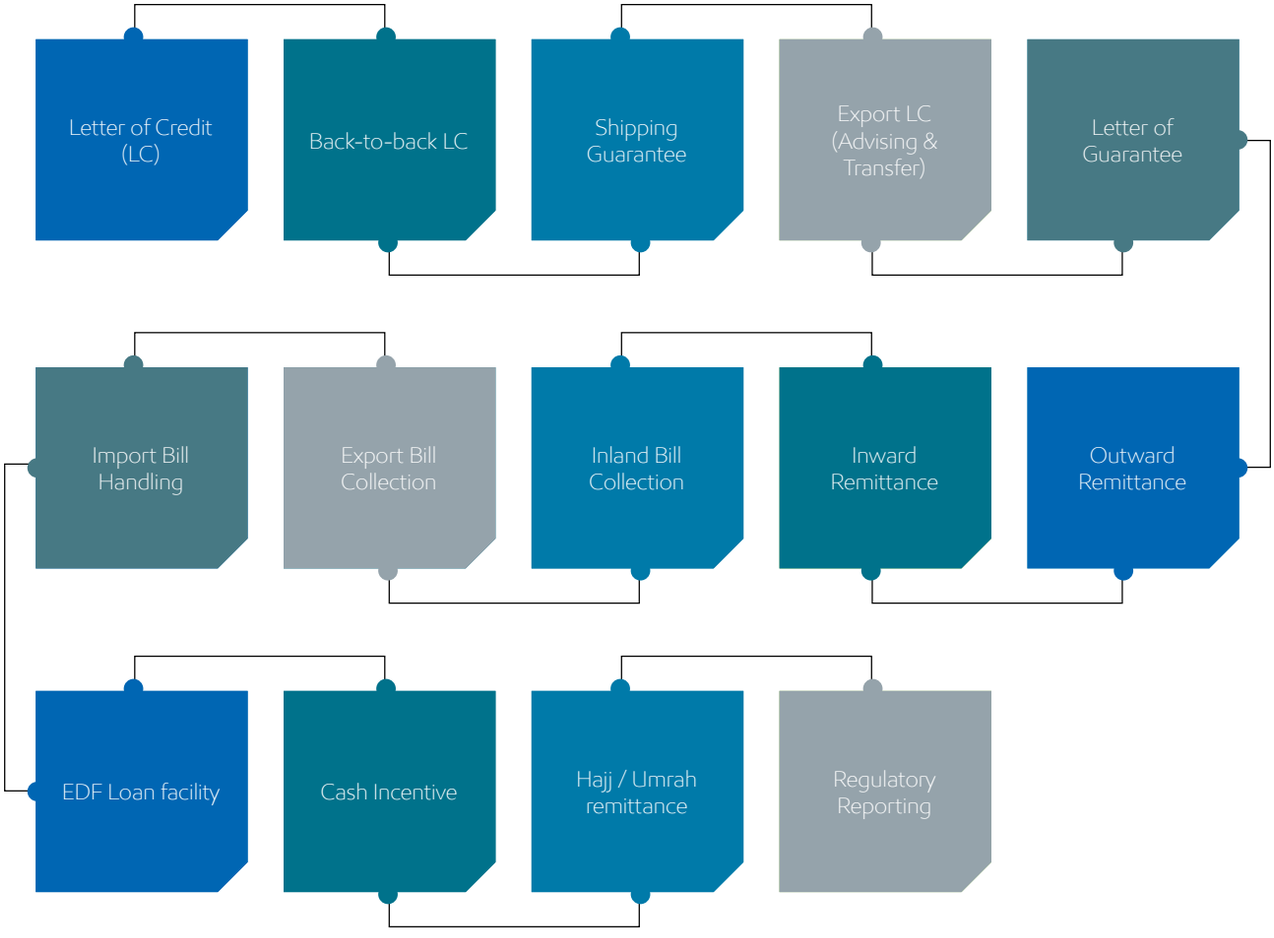
Future Plans 2023:

- It is planned to start "Centralized Account Opening Services" for CASA account customers after observing all documentation formalities, which will reduce operational risks at the branch level as well as rationalize the related volume of man-hours incurred.
- It is planned to introduce the opening of Term Deposit, Scheme Accounts through "e-Account
- It is planned to introduce a payment method in a digital manner to Bearer over the counter without cheque by using SJIBL NET.

In order to ensure more efficient cash and client services at branches, BOD has a future plan to introduce a Cash Deposit Confirmation Slip. If introduced, the Cash Deposit Confirmation Slip will ensure accurate cash deposits by the clients while minimizing cash-related fraudulent activity to a significantly lower level, and it will also increase the accountability of the tellers.

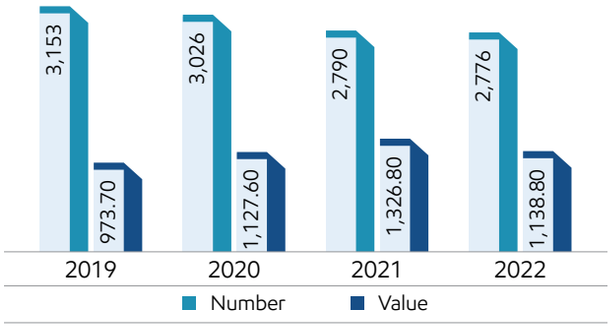
Central Processing Centre (CPC)

CPC facilitates international trade (the exchange of different goods and services across various geographical borders) of non-AD branches, which is one of the core activities of the bank. The bank's management established the Central Processing Centre (CPC) in Dhaka at the corporate head office and the Central Processing Centre - Chattogram (CPCCTG) at the zonal office in Chattogram on January 1, 2013 and September 1, 2020, respectively, with the goal of delivering international trade services to the doorsteps of clients of non-AD branches. It has got trade specialists who are professional and seasoned to make sure that all of its trade finance requirements are taken care of with precision and skill. This team of specialists goes the extra mile to ensure that customers` experiences with the below-mentioned services are nothing short of exceptional.

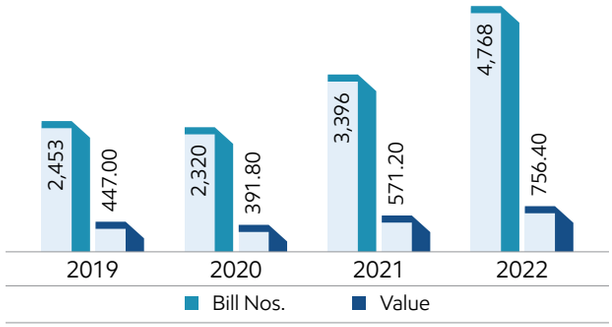


Year	Import (LC/LCAF)		Export (Local/Foreign)		Remittance (Outward & Inward)	
	Number	Value	Bill Nos.	Value	Nos.	Value
2019	3153	973.7	2453	447.0	1833	217.2
2020	3026	1127.6	2320	391.8	1438	83.8
2021	2790	1326.8	3396	571.2	1780	77
2022	2776	1138.8	4768	756.4	2194	234.4

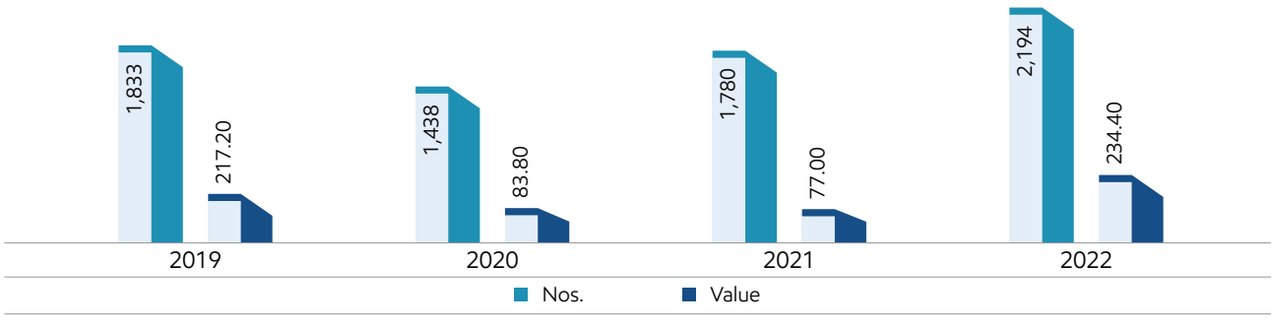
IMPORT Figure in USD (Lac)



EXPORT Figure in USD (Lac)



REMITTANCE Figure in USD (Lac)



Initiatives:

International trade plays a significant role in the development and growth of the country. The internet and technology have made it much easier for businesses in this area. Risks have also become multidimensional. CPC is very concerned about the fast-changing environment, which is becoming uncertain and risky due to the integration of international markets. The main theme of CPC is to provide the best services with the highest level of compliance. Members of the CPC team are taking all possible steps to properly address the issues, developing tools and techniques for effective management of trade service activities.

Future Plan:

- Faster and more efficient process implementation; reduced turnaround time; greater control; and the quickest decision making.

- Full centralization of trade services (both AD and non-AD).

Shariah Inspection and Compliance Division

Shahjalal Islami Bank Limited started its journey in 2001 with its commitment to the principles of Islamic Shariah and avoiding Riba (interest) from all of its operations. It also promised to promote Shariah-based welfare banking as opposed to interest-based banking. Since its inception, Shahjalal Islami 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. 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).

As an independent division of Shahjalal Islamic Bank Limited, Shariah Inspection & Compliance Division, with a pool of Muraquibs who are well conversant in FiqhulMuamalat 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:

- Conducting regular Shariah Audit and Inspection at the branches and divisions of Head Office.

- Monitoring Shariah compliance status of the branches and divisions of Head Office.
- Providing Shariah opinion on different Shariah issues.
- Providing Islamic banking training to the new and existing officials.
- Innovating existing and new products and services.
- Coordinating with the Management and Shariah Supervisory Committee.

Muraquibs perform Shariah audit functions all year. The objective of a Shariah audit is to examine the status of the implementation of Shariah principles in the transactions of the branches and the evaluation and assessment of Shariah control systems that are in place. If an audit observation is raised regarding a particular transaction or investment deal, the income from that transaction is treated as doubtful and transferred to the Compensation Realized Account.

Overview on 2022:

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

- Publishing of "Shahjalal Islami Bank Shariah Guidelines" is a landmark success of Shariah Inspection and Compliance Division which will improve the level of Shariah literacy of the manpower and enable them to practice Islamic Banking activities following principles of Islamic Shariah in a better way.
- Conducted Risk based Shariah Audit at 132 branches and investment related Divisions of the bank.
- Designed and prepared Product Program Guidelines (PPG) of Commodity Murabaha product and PPG of Quard Product to facilitate overseas education of the Students.
- Arranged 4 (four) meetings of Shariah Supervisory Committee and 01 (one) meeting 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 06 (six) meetings of Shariah Inspection Report Review Committee in presence of and chaired by the Managing Director.
- Obtained membership of Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), a global body setting standards of Islamic Finance and Banking.
- The Division arranged training programs for enhancing Shariah knowledge and awareness of the employees.

Plan for the year 2023:

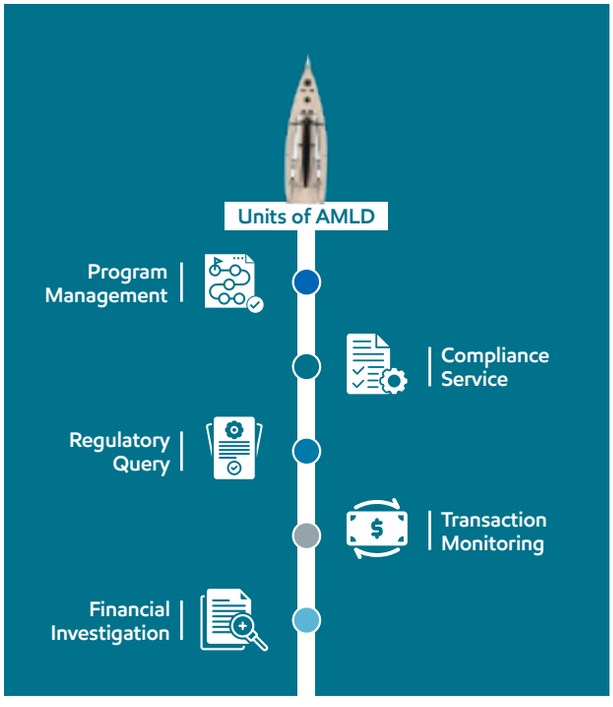
To ensure maximum level of Shariah compliance in all operational dimensions of the bank, the division has made a calculated plan for the future. The highlighted points of the plan for the year 2023 are given below:

- Arranging 6 (six) meetings of Shariah Supervisory Committee and 02 (two) meetings of Shariah Sub-committee and 6 (six) meetings of Shariah Inspection Report Review Committee to review and confer decision on the issues referred by the board of directors and management of the bank.
- Introducing the integrated software of Shariah documentation for facilitating the functions of Shariah compliance.
- Helping in integrating the features of Musharaka Inland Documentary Bill (MIDB) and Musharaka Foreign Documentary Bill (MFDB) in the CBS to ensure better Shariah Compliance.
- Arranging Product based training for officials of the bank to enhance awareness regarding Shariah compliance.
- Taking necessary steps to obtain membership of IFSB (Islamic Financial Services Board) and CIBAFI (Council for Islamic Banks and Financial Institutions).
- Establishing a Shariah Monitoring Cell to monitor the Shariah Compliance status of the branches and divisions of Head Office.
- Establishing a Shariah Research Cell for conducting research on Shariah issues including product development, providing Shariah opinion, translating & writing books on Islamic banking etc.

Anti-Money Laundering Division (AMLD)

Money laundering and terrorist financing (ML&TF) are two of the core risks facing banks. Banks that are used as channels for ML&TF are facing great challenges in adequately managing their assets, liabilities, and operations, as well as in attracting genuine clients. Banks also run the risk of being

excluded from the international financial system. The adverse consequences of ML&TF are reputational, operational, legal, and concentration risks for banks. In terms of ML&TF risk, the banking sector is in more trouble than ever before due to the negative economic consequences of COVID, the Russian-Ukraine War, inflation, and the global economic crisis. To mitigate the ML&TF risk, SJIBL has a comprehensive AML/CFT compliance program and a strong Central Compliance Committee (CCC). AMLD has been directly supervised by the CAMLCO. The division has the following units for its smooth functioning:



Overview on 2022:

SJIBL is committed to preventing money laundering and terrorist financing through the bank. To strengthen the bank's Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Compliance Program, the division has implemented the following measures, among others:

- Introduced a "Focal Person Approach" by designating Compliance Function employees for specific business units of the Bank to enhance AML/CFT monitoring.
- Observed an "AML/CFT Awareness Week" to increase awareness among bank employees and customers.
- Launched a Container Tracking Solution, in addition to a Vessel Tracking Solution from Lloyd's List Intelligence, to prevent Trade-Based Money Laundering (TBML).
- Conducted inspections of 133 branches to assess AML and CFT compliance, as per CCC instruction.
- Conducted 48 Correspondent Banking Relationship reviews to mitigate TBML risk.
- Reviewed and updated the Money Laundering and Terrorist Financing Risk Management Guidelines.
- Reviewed and updated Guidelines for the Prevention of Trade-Based Money Laundering.
- Reported a total of 97 accounts to BFIU, including 6 marked as 'STR' and 91 marked as 'SAR'.

Plan for the year 2023:

In addition to the existing Anti-Money Laundering/ Countering the Financing of Terrorism (AML/CFT) activities, the following policies, procedures, and controls will be implemented to strengthen the Bank's risk management framework:

- Develop a policy for Credit Backed Money Laundering (CBML) to mitigate the CBML risk in the Bank.
- Use Transaction Screening Service (TSS) to screen all cross-border SWIFT transactions to mitigate sanction risk.
- Provide job-based training to employees at different levels of the Bank to enhance their knowledge of appropriate AML/CFT practices.

Agent Banking

Opportunities of the Agent Banking

The expansion of the agent banking network will assist the bank in rapidly expanding its reach to a greater number of geographical areas, sourcing deposits, and generating revenue while reducing costs. Agent banking refers to the accessibility of useful and reasonably affordable financial services and products, such as lending, payments, and savings, that satisfy customers' needs in an ethical and sustainable way. Customers can conduct financial transactions in real-time, keep track of the status of their transactions and checks, and immediately access their money with the assistance of an agent.

According to data from the Bangladesh Bank as of September 2022, 16.78 million accounts were opened through the agent banking channel, with a male contribution of 50.07% and a female contribution of 48.84%. The total deposit was BDT 306, 631.97 million, of which 78.95% came from rural areas and 21.05% came from urban areas. Regarding the deposit composition, 53.75% contributed low and no-cost deposits, while 46.43% contributed high-cost deposits, which occurred within 20,117 agent locations.

Financial access through agent banking makes it easier to go about daily life and assists families and businesses in making plans for everything from long-term objectives to unforeseen emergencies. Account holders are more likely to use additional financial services like investment coverage to launch and grow enterprises, make investments in their children's or own health or education, manage risk, and recover from financial setbacks, all of which can enhance their overall quality of life. It helps financial institutions get payments on schedule, which are:

- **Speedy:** Speedy transaction processing; no standing in line at the bank.
- **Cost-effective:** transaction fees are lower than branch fees
- **Convenient:** Agents are located close to where customers live, work, and shop and are open more hours than bank branch.

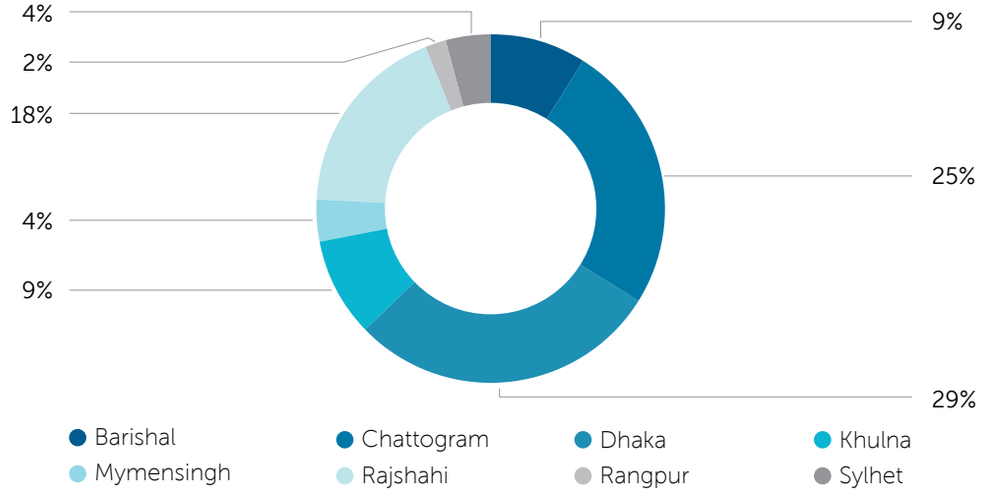
SJIBL Agent Banking Performance

At present, the bank provides agent banking services through 111 agent banking outlets. As of December 2022, the bank had opened 25,612 accounts across a number of categories, disbursed 13,263 remittances (PIN-based), and processed 13251.43 million of total transactions.

Geographical Coverage

SL	Division Name	Number of Outlets	District Coverage
1	Barishal	10	**42**
2	Chattogram	28	
3	Dhaka	32	
4	Khulna	10	
5	Mymensingh	4	**Upazilla Coverage**
6	Rajshahi	20	**92**
7	Rangpur	2	
8	Sylhet	5	
Total		**111**	

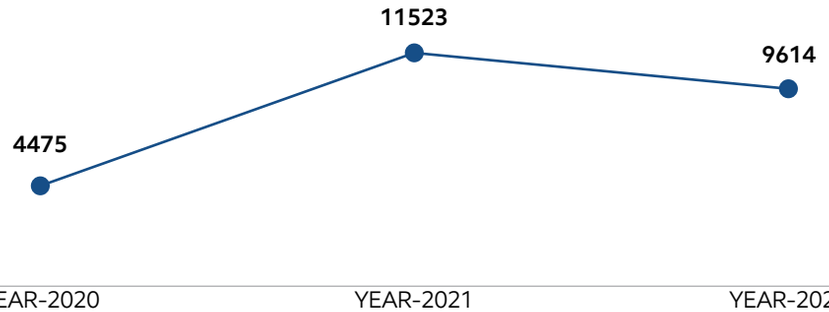
AGENT OUTLET COVERAGAE



KYC Performance

Particulars	Year-2020	Year-2021	Year-2022
Mudaraba Savings deposit	3368	8858	6894
Al Wadiah current deposit	160	273	173
Mudaraba Term Deposit Receipt	209	454	815
Scheme Deposit	738	1938	1732
Total	**4475**	**11523**	**9614**

KYC PERFORMANCE

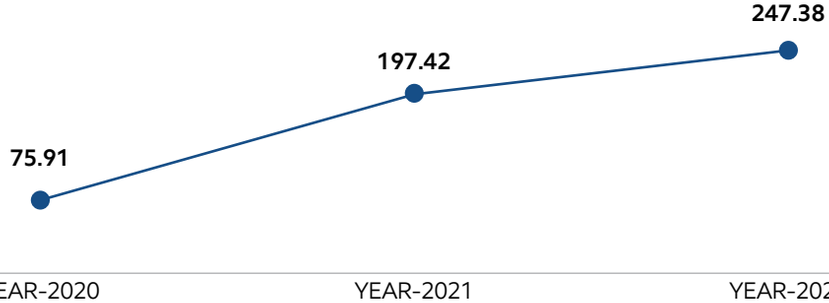


DEPOSIT PERFORMANCE (Amount in Millions)

Account Name	Year-2020	Year-2021	Year-2022
Mudaraba Savings deposit	30.31	94.59	80.30
Al Wadiah current deposit	3.36	6.13	8.52
Mudaraba Term Deposit Receipt	33.00	64.55	124.98
Scheme Deposit	9.24	32.17	33.57
Total	**75.91**	**197.42**	**247.38**

DEPOSIT PERFORMANCE

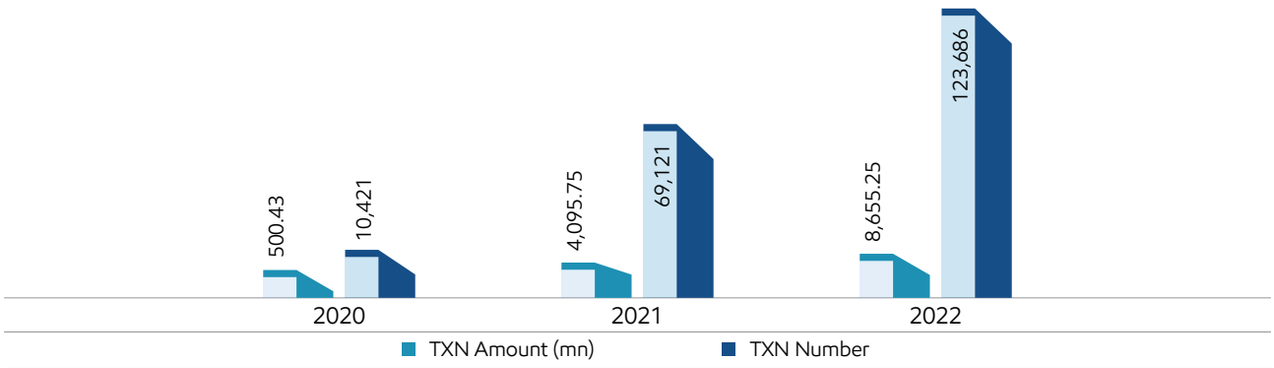
(Amount in Millions)



Transaction Performance

TXN Type	Year-2020		Year-2021		Year-2022	
	TXN (in Number)	TXN Amount (in Millions)	TXN (in Number)	TXN Amount (in Millions)	TXN (in Number)	TXN Amount (in Millions)
Cash Deposit	6,744	213.85	38,114	1,661.88	55,421	2996.96
Cash Withdrawal	2,825	100.36	18,212	737.73	35,081	1480.61
Fund Transfer	47	3.07	4,304	397.49	15,262	1431.65
EFTN	-	-	2,782	256.82	5,992	419.38
RTGS		-	625	116.65	4,188	918.82
Branch	805	183.15	5,084	925.17	7,742	1407.82
Total	**10421**	**500.43**	**69121**	**4095.75**	**123686**	**8655.25**

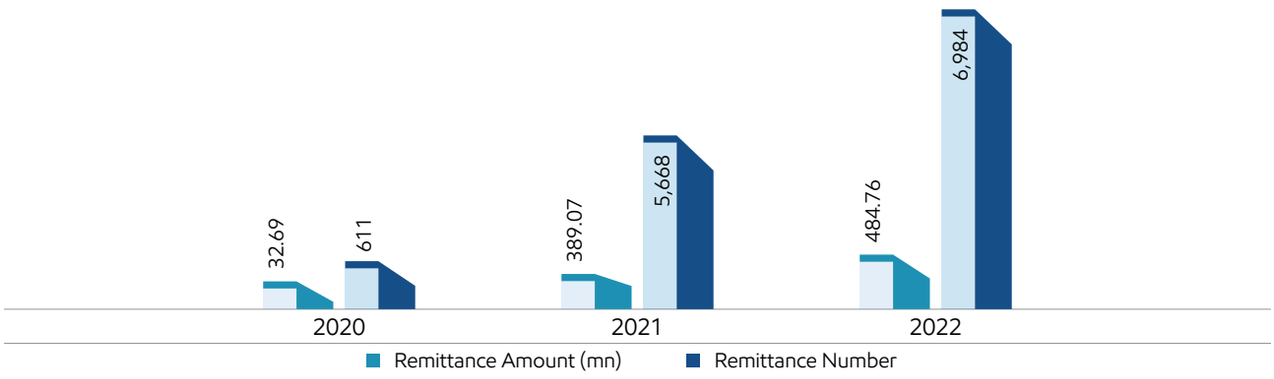
TRANSACTION PERFORMANCE



Remittance Performance

Year-2020		Year-2021		Year-2022	
Number	Amount (in Millions)	Number	Amount (in Millions)	Number	Amount (in Millions)
611	32.69	5,668	389.07	6,984	484.76

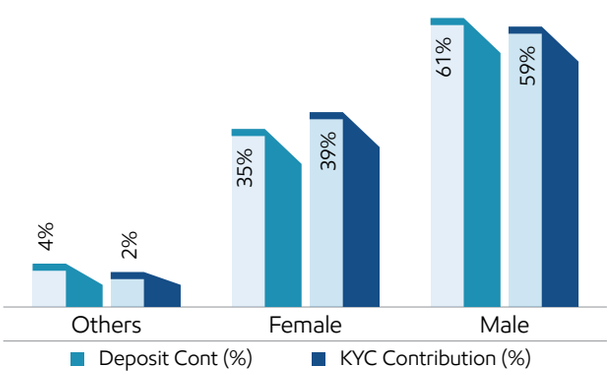
REMITTANCE PERFORMANCE



Gender wise Contribution-2022

Particulars	KYC Contribution (%)	Deposit Cont (%)
Male	59%	61%
Female	39%	35%
Others	2%	4%

GENDER WISE CONTRIBUTION-2022

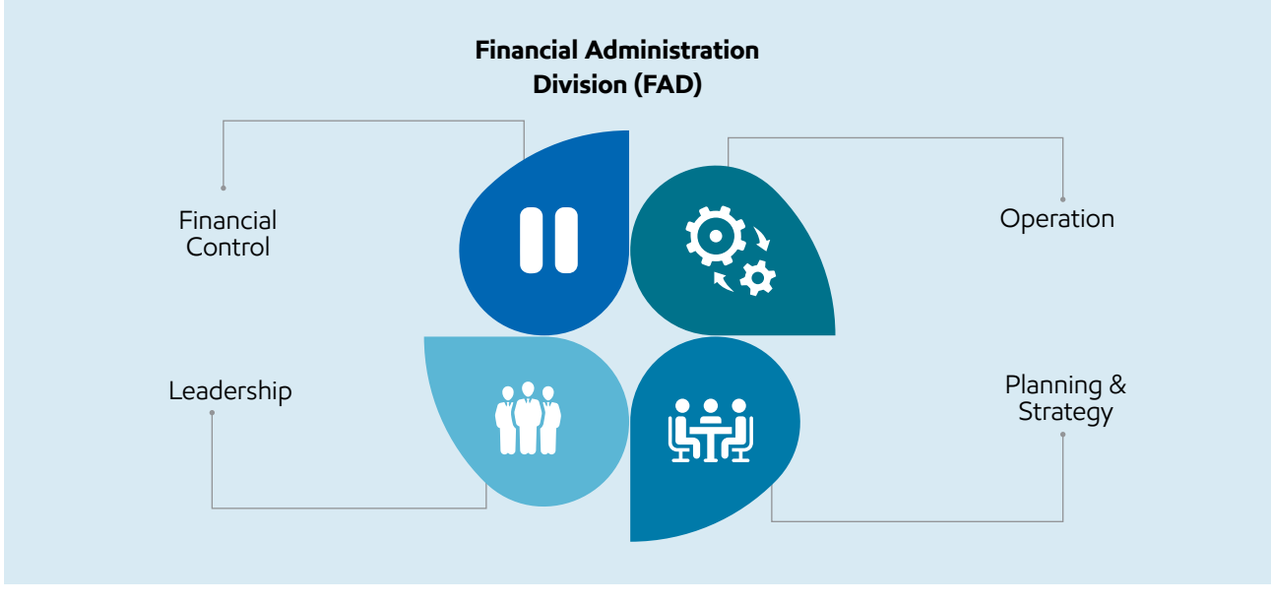


Geographic expansion of agent banking is considered the most effective measure of financial inclusion, as it enables customers to access financial services quickly and conveniently, without long waiting times. Agent banking can help to promote financial inclusion and increase financial participation, particularly in underserved communities, by providing a wider range of financial services that help people better manage their finances, make investments, and plan for the future. Overall, the geographic expansion of agent banking is a key factor in enhancing financial inclusion and providing more equitable access to financial services for all individuals, regardless of their location.

Financial Administration Division (FAD) has been carrying out the responsibilities of planning, organizing, directing, supervising and controlling the financial undertakings of the bank in order to support bank's commitment to its stakeholders through financial accountability. The division plays a crucial role in ensuring smooth operation of the bank's activities subject to internal control measures. The responsibility includes applying management principles to the financial assets and liabilities of the bank, while also playing an important role in fiscal management. The goals of the division are to support the bank in its vision by ensuring financial stability.

Financial Administration Division ensures:

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



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: 25240 nos.
- Amount: Tk. 13587 Million

Payment Processing and Book Keeping:

- No. of Bills/Vouchers: 24674Nos
- No. of Transactions: 69719 Nos
- Voucher Maintenance

GL Control:

- Monitoring of different GL of 140 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 involve continuouslyon evaluating, planning and adjusting the strategy necessary 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 strategy for business improvement initiatives

Key Initiative in 2022

In order to manage through another year of extraordinary global turbulence and position the Bank for recovery, 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 profitability as under:

- Contribute handsome amount of profit earned through successfully managing the Bank's portfolio in Capital Market. In 2022, total income from capital market was BDT32.05 crore against investment of BDT224.18 crore which was 13.23% 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 minimize operating cost while ensuring the highest value for money in every types of expenditure as well as maximizing the utilization of Bank's assets.
- Conducted Business Review Meeting with Branches at regular intervals in order boost up profitability.
- Review of Dynamic Profit Rate application in General Account

Special Achievement

The Bank has received a number of Awards on Annual Report 2021 from different prestigious bodies around the globe as recognitions of its best work, accountability, transparency and good governance.

1. **22th ICAB National Award for Best Presented Annual Report-2021**
   - i) First Position in Private Sector Bank Category
   - ii) Second Position in Corporate Governance Disclosures Category
   - iii) Second Position in Integrated Reporting Category
2. **SAFA Best Presented Annual Report Awards-2021**
   - i) Gold inPrivate Sector Banks Category
   - ii) Gold in in SAARC Anniversary Award for Corporate Governance Category
   - iii) Bronze in Integrated Reporting Category
   - iv) Silver in Overall Category
3. **9th ICSB National Award 2021 for Corporate Governance Excellence**
   - i) Gold Award in Islami Banking Companies Category
4. **ICMAB Best Corporate Award-2021**
   - i) Gold Award in Private Commercial Bank (Islamic Operation) Category

Future Strategy

The Division is committed in ensuring streamlined operation of the bank by extending necessary support very quickly and efficiently in order to help management in devising comprehensive and sustainable strategies of the bank. FAD is also committed to seek out further areas for improvement to ensure excellence of the highest degree in every aspect of the bank while ensuring the highest value for money in every types of expenditure.

The year 2022 was one of the toughest year for the Treasury operation. Many bumping, ups & down had experienced treasury thus Bank itself in this year. Year started with severe liquidity scarcity particularly in foreign Exchange market which ultimately create pressure in money market also. As the foreign exchange reserves depleted fast, the local currency lost its value by about 20 per cent against the US dollar in 2022 and the major depreciation took place between August and September. In fact, liquidity in the banking system began to tighten in September 2021 after banks were forced to buy more US dollars to plug a shortfall of the American greenback that resulted from a jump in demand for letters of credit among importers. As a result, banks' excess cash deposited at the central bank has decreased substantially since September 2021. On the other hand, jumps in expenses amid high inflation, which has strained households' capacity to save, have resulted in a slowdown in the expansion of deposits, the main source of funding for banks.

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 stress in 2022. In this year money market dealers were mostly busy in managing liquidity with minimum cost due to force to buy more US dollars from Bangladesh Bank, high appetite of new credit.

Treasury Division



Foreign Exchange Desk

Year 2022 was really tough time for FX desk. Foreign Currency Market was extremely volatile, inter-bank market was almost dry. In September 2022, the central bank fixed uniform buying and selling rates of the US dollar in order to contain the volatility in the foreign exchange market, which has been caused by a dollar shortage driven by higher import bills amid lower export and remittance receipts. The move eased the volatility initially to some extent but has largely failed to overcome the crisis.

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 2022.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 huge sale of USD during 2022.The Exchange rate of Bangladeshi Taka started to depreciate from August 2021 and stood at BDT 103.30 at the end of December 2022 and the exchange rate depreciated by about 20 percent as compared to its level at the end of December 2021.

We have a separate Foreign Exchange (FX) desk where experienced dealers are engaged in foreign currency transactions. 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 2022 Corporate FX Desk handled a total volume of USD 560 million compared to USD 301 million in 2021.

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 severe foreign currency scarcity has created a genuine stress on the banking sector and on the whole 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 2022, 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 2022, 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. Foreign Currency shortage has deepened and the crunch may linger since the factors responsible for the current situation such lower growth of foreign remittance and negative growth of financial accounts are still there. Central Bank plans a market-based exchange rate from July 2023 which innate downward adjustment of the local currency against the greenback. Bangladesh Bank is going to set a new lending rate formula in July 2023 for commercial banks in which the rate will be fixed based on the weighted average rate of a six-month treasury bill plus a 3% premium. In 2023, the banking industry will face the challenge of mobilizing deposits due to the higher pressure of inflation. SJIBL treasury would take its cautious position on balance sheet growth and Net Open Position (for foreign currency). 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.

REVIEW OF
SJIBL SUBSIDIARY

Operating environment in 2022

Bangladesh's stock market had a lackluster year in 2022 after posting double-digit returns for the previous two years. The capital market of Bangladesh had a tough ride due to economic challenges resulting from different global and domestic adversities. Dhaka Stock Exchange (DSEX), the broad market index of the country, plunged by 549.8 points or 8.1% and ended at 6,207 points. fell 8.1 per cent in 2022, while daily average turnover fell by 35 per cent.In 2022, Foreign Portfolio Investors' (FPI) involvement in Bangladesh's stock market continued to decline.

However, the listing of government securities led the market capitalization to rise by BDT 2,187.4 billion or around 40% during the period, though excluding debt securities, it has declined by 7.9%. Despite the year started on a positive note owing to investors' optimism regarding the economic recovery from the impact of COVID 19 restrictions, the momentum could not be sustained for long as fears loomed around the Russia-Ukraine conflict, instigating an intense bearish sentiment in the capital market of Bangladesh that compelled the stock market regulator to impose a 2% lower circuit breaker in order to calm the ailing market. However, this couldn't alleviate investors' worries much as a result of the subsequent contractionary policies taken by the Bangladesh Bank to tame the effects of rising inflation, soaring dollar rates, depleting foreign currency reserve and declining balance of payments. Meanwhile, the capital market also felt the heat as the core index plunged below the psychological threshold of 6,000-mark, propelling the stock market regulator to reinstate the floor price by the end of July 2022. The floor price, however, could not entice investors for long, as economic fears were exacerbated by a decade-high inflation in August 2022, following a 20-year high hike in fuel and energy prices. Moreover, the government's austerity measures in the face of power and energy crisis in the country have affected the operations of already struggling manufacturing companies, putting further strain on their financial performance. Meanwhile, the imposition of floor price curbed liquidity in the market, causing the daily average turnover to fall by 35% to BDT 9.5 billion as compared to that of the previous year since the market had been concentrated on selective stocks while the majority of stocks were stuck at the floor price without having potential buyers who deemed the reference price as overvalued. However,the stock market regulator has recently lifted the floor price restrictions from 168 scrips to enhance liquidity in the market, but the 1% lower circuit breaker on those scrips turned out to be an impediment in attracting investors 'participation and rather resulted in the single-day turnover falling to a 30-month low on December 26, 2022. Despite continuous efforts from the regulators, including timeline extension by the Bangladesh Bank to adjust the capital market exposure of banks, the market has displayed a dismal performance in 2022.

Particulars	2018	2019	2020	2021	2022
Market Cap (BDT in Billion)	3,873	3,396	4,482	5,422	7,609
DSEX Index	5,386	4,453	5,402	6,757	6,207
Avg. Daily Turnover (BDT in million)	5,510	4,803	6,489	14,749	8,002
Market P/E (Times)	14.6	11.9	16.5	17.1	14.11

Key Drivers

- Attractive market valuation in many sectors.
- Regulatory interventions with supportive policies such
- Surplus liquidity in market.

Shahjalal Islami Bank Securities Ltd. (SBLSL) is one of the top brokerage houses in Bangladesh and a fully owned subsidiary of Shahjalal Islami Bank Limited. SJIBSL is 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 & complianttrade 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	2021	2022
Margin Investment outstanding	3,502	3,545
Operating income	**671**	**553**
Operating profit	337	209
Net profit(loss)	253	60
Operating profit margin (%)	10%	6%

Market Outlook for 2023

The capital market is expected to remain shaky in 2023 and volatility is likely to persist due to concerns regarding the global recessionary outlook and the slashed GDP growth forecast of Bangladesh for FY'23. The prime index, DSEX, may hover around 5,300-6,500 points while the average daily turnover is expected to oscillate between BDT 6 to 8 billion. Investors are likely to remain watchful amidst the possibility of persistent inflationary pressure, upward adjustments in interest rate cap and crunched liquidity in the money market. Moreover, soaring energy prices and input costs are likely to affect the top-line growth and profitability of the major manufacturing companies, while a decline in discretionary spending in the economy may have an adverse effect on the capital-intensive sectors such as construction, electronics, automobiles etc. Meanwhile, the possibility of a resurgence of political movements ahead of the national election may also exacerbate the worries of the investors. However, market sentiment is expected to stabilize by the latter part of the year, as economic tensions are expected to ease due to recent decline in LC opening and import bills, as well as receiving of the IMF and othermulti-lateral agencies loan installments, which will pave the way to a possible improvement in the country's balance of payments deficit and foreign exchange volatility during the period. Moreover, the stock market regulator is expected to continue frequent policy updates, including lifting of floor price restrictions, in order to restore investors' confidence and enhance market participation. Besides, the launch of ATB, and commodity exchange is expected to take place by next year, allowing investors to diversify their investment portfolios. Meanwhile, companies with soundfundamentals in the FMCG and Pharma sectors, along with well-governed Banks and NBFIs may stand out in 2023, while Cement, Engineering and Textile sector may suffer the most. Hence, with the anticipation of a gradual economic recovery, the capital market is also likely to be driven towards a vibrant momentum by the latter part of the year.

Strategy for 2023

- 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.

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

2022 was challenging year for banking sector due to ongoing Russia Ukraine war prolonged impact of COVID 19 pandemic. In 2022 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 38.83%, investment growth was 9.53% and total assets growth was 8.32% keeping NPI at 4.78%. SJIBL's ROA and ROE for the year 2022 was 1.08% and 16.92% 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 generated before changes in operating assets and liabilities in 2022 was BDT 6,734.13 million and net Operating Cash Flow after changes in operating assets and liabilities shows inflow of BDT 3,881.60 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.

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. 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 2022 the bank has proposed 15% dividend which consists of 12% cash dividend and 3% 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	2022	2021	2020	2019	2018
Total Dividend	15%	15%	12%	10%	10%
Cash Dividend	12%	10%	7%	5%	-
Stock Dividend	3%	5%	5%	5%	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 2022, SJIBL maintained CRAR well above the minimum requirements of 12.50%. The CRAR of SJIBL was 14.38% in 2022.

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 upgraded the Credit Rating of the bank in 2022 with "AA+" (Pronounced as Double A Plus) in the long term and "ST-2" for the Short Term based on audited financial statements of 2022 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 2022, total equity of SJIBL stood at BDT 21,870.14 million which was BDT 19,802.99 million in 31 December 2021, representing a growth of 10.44% 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.

Sustainability

REPORTING



MESSAGE FROM THE MANAGING DIRECTOR & CEO ON SUSTAINABILITY

Rising global commodity prices, supply chain disruptions, and slowdown in external demand have led to high inflation, a sharp widening of the current account deficit, depreciation of the taka and the rapid decline of foreign exchange reserves. Nevertheless, Bangladesh's overall risk of debt distress remains low.

Just like countries around the world, Bangladesh is dealing with the impact of global shocks – first from the pandemic and then from the ongoing war in Ukraine. The robust economic recovery of Bangladesh from the COVID-19 pandemic was interrupted by Russia's invasion in Ukraine. SJIBL, as a responsible stakeholder has been addressing the situation in light with Bangladesh Bank's directions as well its internal guidelines.SJIBL as a sustainable organization has been addressing Environmental, Social and Governance (ESG) aspects properly.

Environmental Stewardship

The recently concluded 27th Conference on Climate Change, COP 27, in short finally agreed to set up a loss and damage fund to pay reparations to developing nations ravaged by extreme weather events caused by climate change. Bangladesh is also working to cope up with COP 27 issues by addressing climate change aspects.

At SJIBL, we recognize our responsibility to support the minimum consumption of energy, water and other limited resources. Taken electricity, fuel, toner and computer paper consumption into consideration, SJIBL emitted approximately 2,859 metric ton carbon in the year 2022 which we are committed to reduce in coming years.

Our lending activities do not include lending to businesses that are treated as High Risk as per Environmental as well as Social Risk Assessment and Red Category as per DoE categorization. Tree Plantation Program has been conducted by SJIBL to combat the climate change and facilitate the harmony of the environment. We have also strengthened the financing in the sustainable and green initiatives identified by Bangladesh Bank. In 2022, we disbursed TK.88,103.87 million as Sustainable Finance.

Graduation from Least Developed Country (LDC)

Bangladesh has been endorsed by the United Nations to graduate from Least Developed Country (LDC) Group in the year 2026. In one hand, it may bring improved credit rating of the country and attract higher foreign direct investment. On the other hand, this graduation may pose challenges like affecting certain preferential treatment like reducing subsidy to agriculture and infant industry, concessional loans etc.

Shahjalal Islami Bank Limited has engaged itself into this journey by expediting SME & Agri growth, enhancing inclusive growth under the umbrella of banking services and addressing key environmental issues. As per Bangladesh Bank circular, minimum 50% out of total branches has to be established in rural areas which SJIBL complies each year.

In 2022, SJIBL participated School Banking Conference in Patuakhali district as Lead Bank and after pandemic, SJIBL is the only bank in banking industry to conduct such school banking conference as lead Bank in the year 2022, because we believe inclusive growth is our responsibility beyond profit.

Corporate Social Responsibility initiatives

SJIBL published Sustainability Report for the 1st time in line with Global Reporting Initiatives (GRI) for the year 2021. This report is a reflection of our commitment to the society we serve. During pandemic, we emphasized upon healthcare related CSR since most educational institutions were closed. From early 2022, we started to refocus on education related CSR by returning into mainstream. We also started the practice to make CSR from Net Profit After Tax(NPAT) apart from compensation and zakat fund as per regulatory requirement of Bangladesh Bank. Besides, up gradation of SJIBL's CSR policy in line with Bangladesh Bank's new CSR Guideline has been accomplished.

Apart from CSR on education, health and environment, SJIBL sponsored Tk.6.68 million including different promotional activities of sports, art and culture in the year 2022. In that year we disbursed Tk.25.3 million

additional CSR exceeding our yearly CSR budget in response to different national and humanitarian need that justifies our dedication to the society as stakeholder.

Digital Transformation

Bangladesh government has started campaign under the slogan "Cashless Bangladesh" with a view to ensuring minimum 75% of all national transactions without any cash meaning digitally within the year 2027. In this backdrop, it can be noted that we have already launched Central Circular Management System (CCMS), cash withdrawal through scanning QR Code, SJIBL Net-Mobile Apps, 24/7 Call Centre, introducing online facility in every branches, e-Account opening, upgraded work stations while many newer tech-based products and services are in the pipeline to be implemented in the near future. SJIBL is committed to get the nation rid of digital divide.

Future Outlook

SJIBL is planning to unveil Green Sukuk Bond and investment in Impact Fund while keeping the momentum towards the environment friendly initiatives or projects. Newly established Branches, ATM Booths as well as Agent Banking Outlets will be brought under the features of solar powered in coming days.

Moreover, accelerated efforts will be reinforced to introduce many more digital asset and liability products and services for exploring new corridors of potential businesses and transforming its customers towards digital platform.



Mosleh Uddin Ahmed
Managing Director & CEO

ABOUT SUSTAINABILITY **REPORTING**

Climate change is one of a handful of global challenges that has the power to affect the lives of everyone on Earth and is already doing so in many cases. Although it is a global challenge, as individuals it can affect our health, ability to grow food, housing, safety, work, and socio-economic progression.

Bangladesh's current contribution to global greenhouse gas (GHG) emissions is not significant. But with its large population and fast economic growth, if the country follows a 'business-as-usual' development pathway, GHG emissions will increase substantially. Bangladesh also faces a high level of air pollution, which costs about 9% of GDP annually. Improved air quality standards across multiple sectors will improve health and increase climate resilience. The country's 2021 Nationally Determined Contributions (NDCs) commit to reducing emissions by 21.8% by 2030. With strong implementation, technology development and uptake, and regional collaboration, Bangladesh can exceed these commitments.

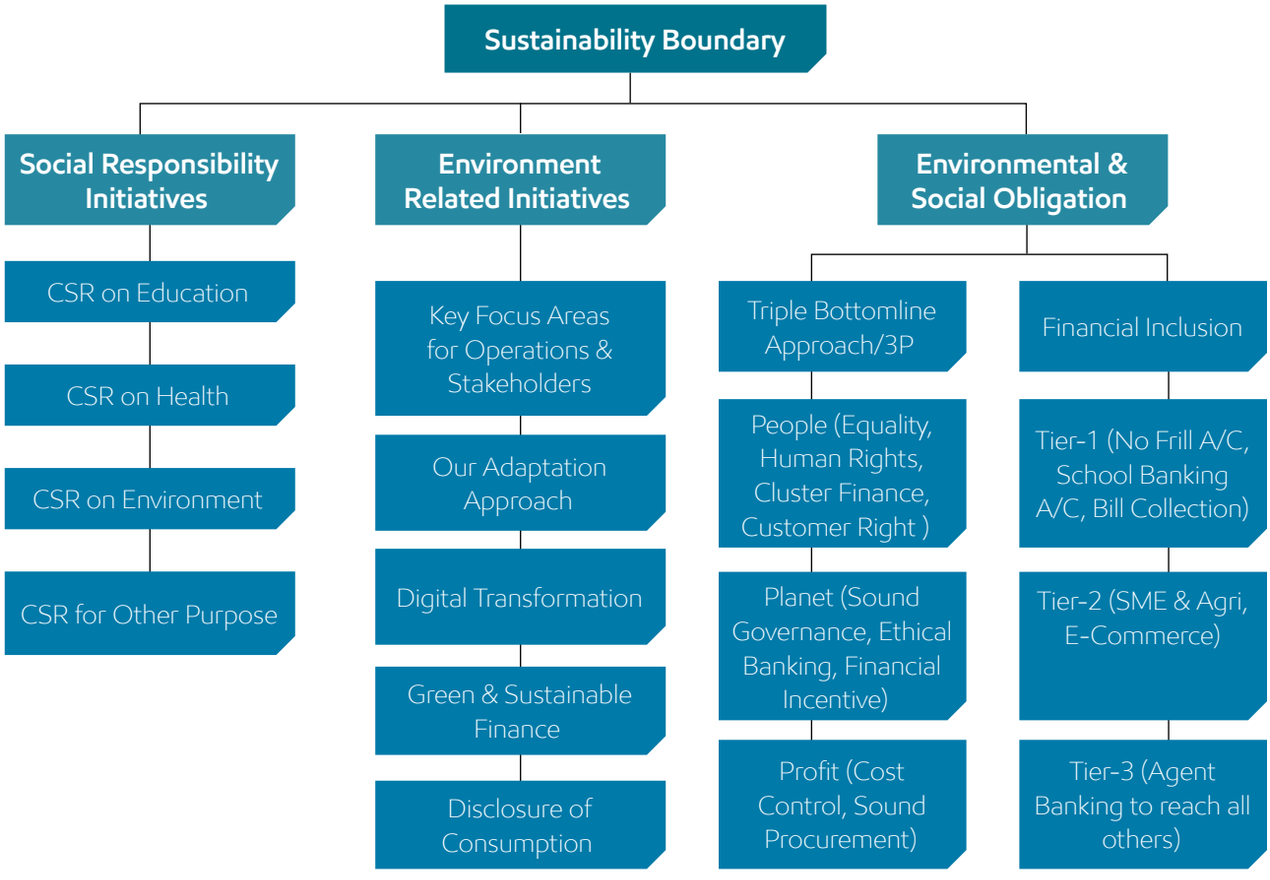
Scope of this Report

Shahjalal Islami Bank Limited has a thorough understanding of climate change and focuses on long-term initiatives that have a positive effect on environment.

This report covers all significant economic, social and environmental impacts resulting from SJIBL's activities from January 01, 2022 to December 31, 2022. 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 2021.

Content and Boundary of this Report

The content of this Sustainability Report mainly considers following aspects:



While banks primarily deal with economic motif, environmental and social responsibility cover the role of true stakeholder of the earth.

Total Outstanding amount of Green Finance:

Tk.5,432.54 million

Number of visitor of SJIBL Official Facebook:

58,023



ENVIRONMENTAL INITIATIVES

SOCIAL INITIATIVES





DISCLOSURE OF CONSUMPTION

Total Outstanding amount of Sustainable Finance (including Green Finance):

Tk.120,831.51 million

Number of Transaction via QR Code:

13,277

Total Outstanding amount of CMSME Finance:

Tk.2,140.50 million

CSR donation:

Tk.325.42million

Number of Agent Banking Outlet

111

Electricity Consumption:

61,72,056 kilowatt

Toner Consumption:

773 kg

Computer Paper Consumption:

Tk.57,710 kg

Water Consumption:

9,67,67,710 liter

Fuel Consumption:

1,30,126 liter



SUSTAINABILITY ACTIVITIES **AT A GLANCE**



Number of Female Employees

470

Number of No-frill Account (cumulative):

5,632

Total email delivered:

124,642,280

Number of Total School Banking Account(cumulative):

30,143

No. of Cash Waqf Account(cumulative):

122

Total E-Statement of Credit Carddelivered:

69,929

SOCIAL RESPONSIBILITY **INITIATIVES**

Now-a-days Social Responsibility Initiatives are the synonym of Corporate Social Responsibility where company looks beyond mere profit. Charity (Islamic principles of Ihsan), equality, diversity, fair trade, labor right, inclusive growth, reduction of carbon foot print etc. are the most important pillars of Social Responsibility Initiatives. Keeping all these principles in mind, Shahjalal Islami Bank Ltd. recognizes its social responsibility as a conscientious corporate institution and integrates Corporate Social Responsibility as an integral part of its value system.

1.1 Corporate Social Responsibility (CSR)

CSR is a voluntary process of activities by businesses. It essentially reflects one of the core values and commitments to social, environmental and community objectives. As such, CSR is now widely recognized and appreciated as a positive tool to help promote sustainable development. In both developed and developing countries, the businesses are, therefore, now found to be pro-active about embracing CSR in their operational activities. There are new conceptual variants of CSR in the present time. New phrases like ethical business, socially responsible behavior, sustainability, triple-bottom line, social innovation, benefit corporations, social business etc., have been put into practice. SJIBL has its own guiding principles for CSR.

1.1.1 Guiding principles of CSR of Shahjalal Islami Bank Ltd

Policies and circulars of Bangladesh Bank as well as Shariah practices are the two major driving forces for CSR of Shahjalal Islami Bank Ltd. Bangladesh Bank identifies regulatory aspects of CSR while shriah standards are set by different Islamic banking organization/forums like Islmaic Development Bank (IDB),The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) etc. SJIBL's CSR policy goes through this dual approach.

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 bene¬fit of present and future generations.



Climate change aspect of CSR

Companies' CSR practices can play a key role in promoting sustainable development by reducing carbon emissions. Human activities are estimated to have caused approximately 1.0°C of global warming above pre-industrial levels, with a likely range of 0.8°C to 1.2°C. Global warming is likely to reach 1.5°C between 2030. Corporate houses cannot avoid this reality.

As a responsible stakeholder, Shahjalal Islami Bank Limited has spent Tk.2.60 million for tree plantation in different areas of Bangladesh in the year 2022 to combat global warming.

Ethical Aspect of CSR

Due to the globalization of markets and businesses, an ever-increasing number of businesses have to deal with ethical issues. SJIBL considers different CSR issues under the banner of ethical responsibility like financial inclusion campaign, women empowerment etc.

In 2022, SJIBL has disbursed Tk.2,613.10 million for women entrepreneurship mainly for ensuring woman empowerment. Scholarship is also given to female students.

Economic aspect of CSR

Russia-Ukraine war has caused huge inflation to economies all over the world and Bangladesh is no exception. Rising price of daily commodities has caused huge sufferings specially to the lower-middle and lower class people. SJIBL donated Tk.100 million to Prime Minister's Relief Fund in 2022.

In-House CSR

SJIBL's Group Insurance Policy works as supplementary to In-House CSR. However, staffs apply when their treatment cost is not covered by group insurance policy of SJIBL. In the year 2022, Tk. 21.30 million Health Insurance Premium was paid against 469 number of claims by bank's staff.

1.2 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.





Relief distribution in Sylhet

The Shahjalal Islami Bank Foundation was established in 2006 to implement SJIBL's corporate social responsibility and philanthropic activities in Bangladesh. Its mission and strategic intent are to advance our stakeholders and society through the creation of long-term positive impacts by engaging community-related socio-economic and environmental issues. The objectives of SJIBL's CSR are as follows:

- To promote health,
- To provide emergency relief,
- To facilitate access to quality education
- To expand the financial literacy programs,
- To facilitate sustainable income generation through entrepreneurship programmes

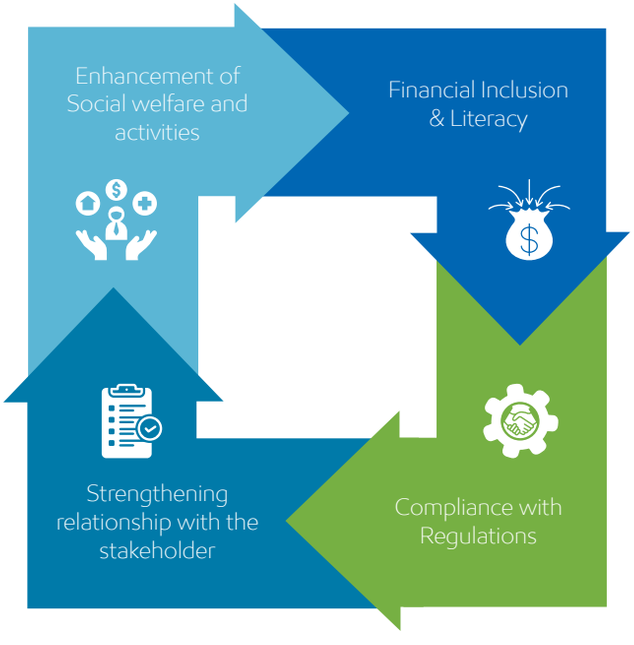
- supports climate action and environmental initiatives.

The Sustainable Finance Unit (SFU) of the bank ensures that funds are properly administered and disbursed in accordance with the bank's vision, objectives, and areas of focus. We have a well-defined structure for reviewing and monitoring our CSR initiatives. The SFU of the bank and the Foundation regularly review the progress. The SFU of the bank has created policy guidelines on Corporate Social Responsibility and internal systems and processes to monitor and evaluate our CSR programs. This not only helps in designing the target group but also in monitoring and evaluating the program in a structured way.

1.3 Management and Operational Guidelines

The Shahjalal Islami Bank Foundation is SJIBL's charitable arm, responsible for various philanthropic and social outreach programs. The Foundation Division of the Bank plans and deploys the necessary resources for annual community development activities. Established in 2006, the Foundation is monitored, guided, supervised, and reviewed by the Sustainable Finance Unit (SFU) of the Bank, which also prepares the related CSR budget.

SJIBL has a policy on Corporate Social Responsibility (CSR) to have a positive impact on the community and society by setting clear directions, principles, and frameworks. The Corporate Social Responsibility (CSR) Policy aims to promote awareness and understanding of the values and importance of community development among all employees of the Bank and provide them with opportunities to participate in community development activities. The Foundation follows the policy's objectives and the SFU's guidance for performing CSR activities.



We have a well-defined structure to review and monitor our CSR inventions. The SFU of the bank as well as the foundation review the progress on a regular basis. The SFU of the bank has created Policy Guidelines on Corporate Social Responsibility and internal systems and processes to monitor and evaluate our CSR programs. This not only helps to design the target group but also to monitor and evaluate the program in a structured way.

Selection & Monitoring
Target Group for CSR is selected and CSR project monitoring is carried out at various levels.

Evaluation
Timely evaluation of selected project is carried out by SFU to assess if CSR goes to the right direction.

Reporting
The Foundation of the Bank report both internally to SFC, RMC and externally to Bangladesh Bank after implementation of CSR project.

1.4 Sector-wise CSR allocation

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

SJIBL's CSR Scenario in the last two consecutive years (amount in million):

Sectors	Minimum Threshold	Year-2022	Year-2021
Education	30%	50.72	23.31
Healthcare	30%	30.27	51.48
Environment & Disaster Management	20%	15.19	33.39
Blanket Distribution	20%	98.81	68.51
Others Including PMs Relief Fund		130.43	56.24
Total	**100%**	**325.42**	**232.93**

The new CSR policy of Bangladesh Bank requires banks to allocate their CSR budget from Net Profit After Tax (NPAT). Shariah compliant banks must prioritize CSR funding from NPAT, followed by compensation realized account, doubtful account, zakat fund, and other income that excludes director's income. SJIBL has already begun complying with the policy and has allocated a portion of its profits for implementing CSR programs that benefit the underprivileged in the community since 2021.

1.4.1 Education

We believe that education provides a pathway to a successful future. We focus on improving equitable access to quality education. This essentiality means investing in programs that provide financial, network, and resource support to make education accessible to communities, irrespective of their socio-economic background. With our focus on financial literacy, we work to enable the successful transition of youth into the workforce and society.



SJIBL donated Tk. 15.00 million to the Prime Minister's Education Assistance Trust

Through our education programs, we strive to level the educational playing field and give individuals across the socioeconomic spectrum equal opportunities to thrive and maximize their potential. Our efforts are geared towards ensuring that everyone has access to a good-quality, holistic education, which we hope will raise the ambitions and ultimately the quality of life for youths across the country.

1.4.1.1 Supporting Access to Education

Shahjalal Islami Bank Limited continuously strives to expand access to education and learning opportunities, recognizing their importance in enabling individuals and communities to have a brighter future. We endeavor to support individuals from lower-income backgrounds, giving them the opportunity to create a better future for themselves and their families. Our dedication to this cause has been sustained throughout the whole year as we endeavored to ensure that underprivileged children could still continue their learning and development.



SJIBL Provided Tk.41.9 million to the poor and meritorious students

1.4.2 Health and Community Well-Being

We believe that health and well-being are the cornerstones of resilient communities. Our focus is on increasing access to affordable essential healthcare, medicines, medical supplies, devices, and sporting facilities for all. Additionally, we provide timely humanitarian aid, disaster relief, and support to targeted communities.

Activity	Number of beneficiaries	Amount in BDT & Million
Curative healthcare support towards a group of people / individual patients	65,062+	13.64
Cost of running of hospitals/diagnostic/ clinics etc.	77,669+	15.69
Preventive public health and hygiene initiatives	4,000	0.55
Free medicine/health equipment to individual / a group of patients	1,21,755	52.69
Related research issues	01	0.40
Total	**2,68,487+**	**82.97**

1.4.3 Climate Change Management

The banking industry has yet to move out of the box to do environmental CSR. Implementation of a tree plantation program and blanket distribution are traditional CSR programs for all, not excluding SJIBL.

Sl. No	Particulars	2022	2021
1.	Amount Spent for Tree Plantation	Tk. 2.60 million	Tk. 1.00 million
2.	Number of Trees planted & distributed	85,000.00	25,000.00

1.5 Cash Waqf

The cash waqf is a special type of endowment that differs from the ordinary real estate waqf. Usually, cash from the waqf fund is channeled to different orphanages and madrasas with a view to helping the common people. The GL balance of SJIBL Cash Waqf is Tk 13.01 million as of December 31, 2022. The amount raised from SJIBL's cash waqf is donated to different welfare organizations like Anzuman Mofidul Islam, Al Markajul Foundation, etc. every year.

1.6 Special Focus Area of SJIBL for CSR

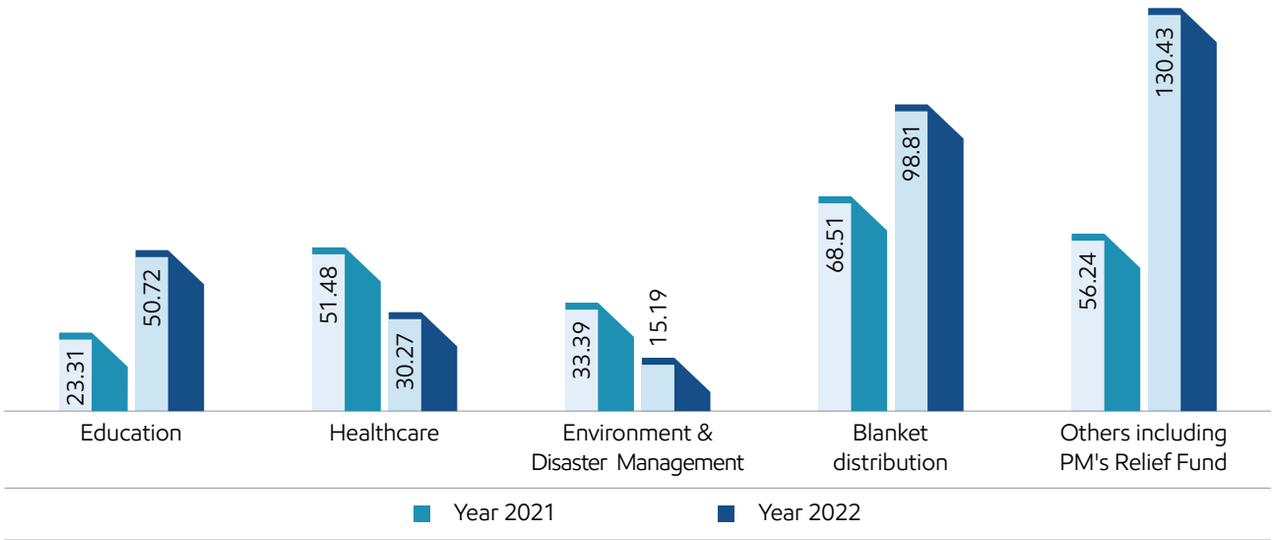
- More emphasize on student Scholarship.
- Tree Plantation Program for minimizing environmental issues.
- Blanket Distribution during winter through branches.
- CSR from Net Profit After Tax (NPAT) apart from other CSR sources.

In 2008, Bangladesh Bank initiated mainstream CSR activities and instructed scheduled banks to participate in CSR voluntarily. Bangladesh Bank has so far tried to link CSR activities through the following policies and guidelines:

- Perspective Plan of Bangladesh (2021-2040)
- National Sustainable Development Strategy
- National Agricultural Policy
- National Financial Inclusion Strategy
- National Disaster Management Policy
- UN-declared Sustainable Development Goals (SDGs)

SJIBL is contributing to the given sectors that are considered eligible for CSR by Bangladesh Bank by diverting its key focus from blanket distribution. In the private sector, scholarships are now given with priority with a view to facilitating the academic activities of the poor but meritorious students. Another common CSR is tree planting, which is done to address climate change risk. During the pandemic period from 2020 to 2021, CSR in the healthcare sector got the highest priority. In the post-pandemic situation, education CSR again came into focus. With this, CSR has been added through the Prime Minister's Fund.

CSR YEAR-ON-YEAR PROGRESS



Proponents argue that corporations can increase long-term profits by operating with a CSR perspective, while critics argue that CSR distracts from businesses' economic roles. However, there is no debate about one thing: the resulting impact of CSR has transformed the outlook of businesses towards society all over the world.



▲ *Financial Assistance to poor people in Patuakhali district.*

1.7 CSR related Case Study

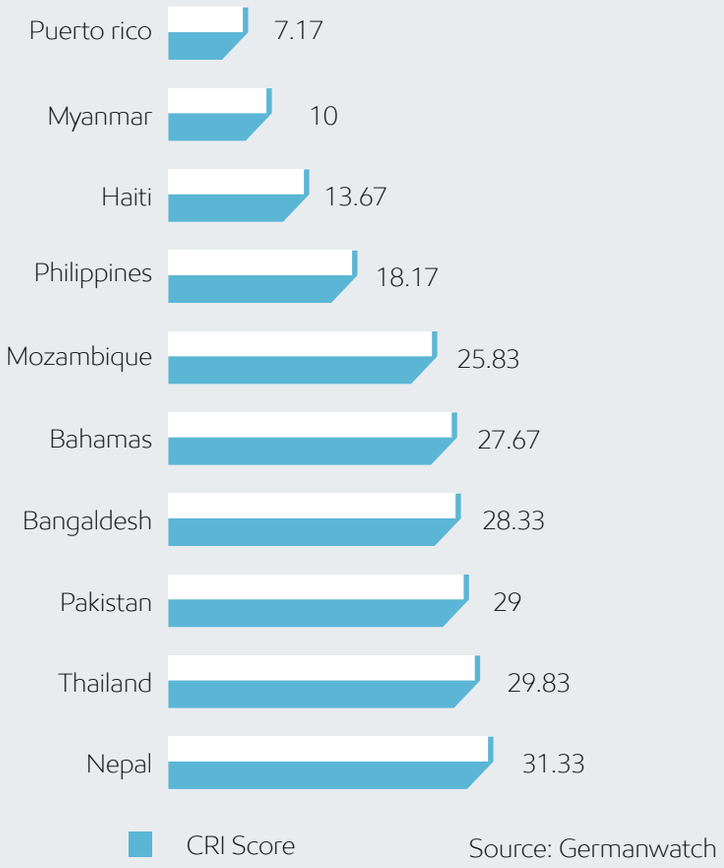
How a MBBS student became a complete doctor with Financial Assistance of SJIBL Foundation

Itana Azad was a bright student of Dighlia Thana in Khulna. She got admission to Dhaka Medical College. But her family was not comfortable enough to run her study due to financial constraints. Itana read the scholarship advertisement of SJIBL, which was published in a daily newspaper. She applied to become eligible for the SJIBL scholarship. At that time, SJIBL came forward and approved her scholarship to complete her MBBS. This fund helped her complete her studies smoothly. Otherwise, my father would have had to bear pain to find an alternative to get the money", Itana Azad said.

ENVIRONMENT RELATED **INITIATIVES**

The Long-Term Climate Risk Index (annual averages)

Countries most affected by extreme weather events in 2000-2019



Bangladesh's losses in 185 extreme weather events over the past two decades

Fatalities

572.5

Fatalities per 1,00,000 inhabitants

0.38

Losses in PPP

$1,860.04M

Losses per unit of GDP

0.41%

Despite being responsible for only 0.56% of global emissions, Bangladesh suffers the consequences of climate change. However, the country has made incremental improvements in its capacity to adapt over the last fifteen years and developed a model that holds lessons for its South Asian peers. Bangladesh mainstreams climate resilience in its national development programs and has a sophisticated financial architecture to support it. It earmarks 6%-7% of its annual budget for climate change adaptation, and its efforts have been recognized by awards like the UN's Champions of the Earth, proving that Bangladesh is on the right track to address climate change.

2.1 Risk & Opportunity Matrix

SJIBL recognizes the potential social and economic risks associated with climate change and environmental degradation, which can impact the organization's economic performance in terms of income, expenses, or operational changes. One of the most significant risks of not participating in the fight against climate change is global warming, which can lead to adverse effects such as rising sea levels and ecological imbalances. SJIBL is committed to measuring, developing strategies, and managing the risks and opportunities associated with climate change. In addition, SJIBL has identified and mapped the risks and opportunities related to climate change, which include:

Risk Matrix

	Risk Type	Risk Trigger	Risk Probability	Description	Risk Response Strategy
	Reputation Risk	Negative publicity for supporting projects or activities that have a negative impact on the climate.	Likely	Reputation risk is the risk caused by, among other things, negative publicity around the bank's business activities or negative perception of the Bank regarding compliance with climate change regulations.	• No finance in high risk investment projects in 2022. • No negative report through media regarding SJIBL's involvement into environmental and social issues.
	Investment Risk	Inability of borrowers to make repayment.	Likely	Risks that may arise due to the impact of climate change that affect the borrowers' businesses and ultimately increase the Bank's investment risk.	• No new finance in conventional brick field. • ESDD is conducted in all applicable investment projects.
	Market Risk	Changes in customer preferences.	Likely	Market risk is the risk that arises due to changes in customer preferences towards low-emission products.	• SJIBL has established refinance agreements with Bangladesh Bank to finance eco-friendly products/ projects/ initiatives.
	Legal Risk	Legal risks arising from climate change.	Likely	The risks that can arise are demands related to climate change regulations in national and international law.	• No investment is allowed without environmental clearance certificate.
	IT Risk	Replacement of existing products and services with lower emission alternatives.	Likely	Technology risk is one of the transition risks that tends to have a strategic and substantive impact on the Bank's operational activities.	Our bank is working to generate MIS from core banking software to report Sustainable Finance more accurately to Bangladesh Bank.

Opportunity Matrix

	Opportunity Type	Opportunity Trigger	Probability of Opportunity	Description	Strategies to Realize the Opportunity
	Products and Services	Increased diversification of financial assets	Very Likely	Changes in customer preferences to low-emission products provide opportunities for the Bank to increase the diversification of financial assets.	SJIBL has many clients for following green products: • ETP • Solar System • Energy Efficient Machinery
	Technology	Use of new technology	Very Likely	Digital-based products and services are the main means of banking during the pandemic. Moreover, the digitalization process has the potential to support emission reductions and paper savings.	Since the era of the Covid-19 pandemic, SJIBL's digitalization effort is the answer to customer needs. Our recent technology include- • SJIBL-Net • Call Centre • QR Code • Automated Challan
	The Market	Improvement in sustainability performance	Likely	The Bank's disclosure of ESG aspects provides an opportunity for an external rating agency to raise its sustainability performance.	SJIBL realizes the importance of transparency in ESG disclosure by publishing an annual Sustainability Report that uses the Global Reporting Initiative (GRI) Standards.
	Energy Sources	Deriving energy lower-emission sources.	Likely	Sustainability factors such as the use of low-emission energy sources are one of the factors that are increasingly considered by investors when making investment decisions.	• SJIBL Head Office is LEED Certified Green Building. • SJIBL has 19 solar powered branches.
	IT Risk	Replacement of existing products and services with lower emission alternatives.	Likely	Technology risk is one of the transition risks that tends to have a strategic and substantive impact on the Bank's operational activities.	Our bank is working to generate MIS from core banking software to report Sustainable Finance more accurately to Bangladesh Bank.

2.2 Key Focus Areas for Operations & Stakeholders

Reduce use of paper

Technology adoption and use of automation to minimise paper-based processes

Providing convenient machine based physical cash/cheque handling solutions (Like RTGS, EFTN etc.)

Increasing the focus on minimising paper-based operations in core banking services (Like QR Code based transaction)

Supporting Eco-friendly Business Operations

Investment in energy efficient capital machinery (Like ETP Finance)

Lending to natural energy providers
Lending for natural resource conservation projects

Financing in waste reduction projects.

Conserving Natural Resources Internally

Conserving energy and material usage (paper)

Total consumption saved minimum Tk. 116.31 million through digitalization.

Our story of environmental protection begins and ends with our stakeholders collectively in order to mitigate the indirect impact against a backdrop of resource conservation and environmental protection.

Shareholders

SJIBL's Board has approved Sustainable Finance Policy of the bank in its 332nd Board meeting held on 2 December, 2021. Besides, CSR Policy of Shahjalal Islami Bank Ltd was approved in 352nd Board meeting held on dated 14 December, 2022.

Customers

- Begin and continue dialogue for advocating management of environmental and social risks of their businesses
- Activation of environmental and social due diligence having assesed impact with an exclusion list (i.e.Total ESDD done by SJIBL for 400 number of investment projects)
- Participation in the awareness raising program on Environmental and Social Risk Managment System

Employees

- Create awareness to ingrain the importance of natural resource conservation and the adoption of environmental and social best practices to encompass sustainable business case.
- Continuous training, monitoring and capacity building on ESG and environmental and social risk management system together. (In 2022-Total number of zoom-based and in-house training and workshop on Sustainable Finance conducted by SJIBL was 03 and the number of trainee were 285 staffs.)

Business Partners

- Collaboration with key players in the industry and connected stakeholders in support of sustainable banking propositions and formulation of sustainable financing culture across the country progressively. (SJIBL has 215 number of enlisted local vendors so far)
- Active participation in formulating environmental and social strategies and taxonomies at national level aspirations

2.3 Our Adaptation Approach

COP 27 has made the fundamental decision that climate change poses an existential threat that requires immediate action. If we truly value one another and all living beings, we must acknowledge the climate emergency and confront it with the necessary seriousness and determination. Otherwise, the already challenging situation we face will only worsen exponentially with every fractional degree of warming.

Bangladesh is tackling the issues of COP 27 through adaptation and mitigation processes.

Our commitment is to support green growth by channeling our capital into sustainable financing options in order to make our portfolio exposure greener. Aligned with this, we continuously seek opportunities to aid our customers, who are eager to reduce their environmental impacts and facilitate climate change adaptation. We rely on two approaches to ensure a low-carbon economy:

Towards a Low Carbon Economy	Managing Our Environmental Threat
Adaptation Approach	• Tree Plantation Programme • CSR for disaster management like Blanket distribution
Mitigation Approach	• Green & Sustainable Finance • Avoid environmentally harmful finance • Control resource consumption like paper, electricity etc.

Our approach towards realizing a low-carbon economy revolves around our concerted efforts in enabling our customers and business partners to make a sustainability transition while managing and mitigating the direct impacts our business has on the environment.

Shahjalal Islami Bank Limited remains cognizant of its role in protecting the natural environment and contributing to it through a variety of interventions. On the occasion of World Environment Day and Cleanliness Day, the bank spread awareness among its employees, aimed at combating air pollution and reducing its ill effects on human health. The awareness-raising program encouraged employees to cycle, walk, use mass public transport, plant more trees, and share ideas that they could adopt to lower their individual carbon footprint.



Observing tree plantation on the death anniversary of the father of the nation

SJIBL undertakes large-scale plantations of native trees with the aim of improving the quality of common lands by arresting land degradation, which also supports the revival of biodiversity in environmentally risk-prone areas. This initiative also reduces the pressure on native forests and common lands for providing fodder, fuel wood, and water while supporting the livelihoods of poor rural households.

In 2022, SJIBL successfully conducted a tree plantation program through its 100 branches across the country, aimed at minimizing the negative externalities of the environment, particularly in rural areas, and reducing land contamination and erosion.

Trees Planted
80,000

Trees Distributed
5,000

Different types of fruits, forests, and herb plants, such as Teak, Mahogany, Coconut, Guava, and Neem have been planted based on the nature of the weather and soil of the selected location, along with ensuring the primary protection by building a fence around the plant. Around 80,000 trees have been planted, and more than 5,000 plants have been distributed among the students from different educational institutions.





▲ *Planting and Distributing sapling by SJIBL across the country*

2.4 Disclosure of Consumption

2.4.1 Reduction of GHG

We monitor energy consumption throughout the year, including electricity, fuel used for generators and office cars, as well as the use of toner and paper consumption, which are the major parameters for calculating Greenhouse Gas (GHG) emissions in the bank. Energy conservation and transitioning to clean energy are key pillars of SJIBL's efforts to reduce its environmental footprint. It is not only integral to the Bank's commitment to becoming carbon-neutral by 2030, but also helps reduce dependency on fossil fuels, drives business resilience, and improves cost efficiency. The computation of energy consumption and emissions is outlined below:

Items	Consumption in 2022	CO2 Emission in Metric Ton
Electricity	61,72,056 kilowatt	2,670
Fuel for Generator	68,399 liter	68.4
Fuel for Car (Office)	61,727 liter	61.7
Computer Paper	57,710 kg	57.7
Printer Ribbon/Toner	773 kg	0.77
Total CO_2 Emission		2,858.57 Metric Ton

2.4.2 Water

Understanding the importance of preserving water as a shared resource, the Bank has always encouraged

responsible consumption across its facilities. A rainwater harvesting system has been set up at SJIBL's facilities to maximize water efficiency.

Particulars	Amount In BDT	In Liter	Per Employee Water Consumption
Mineral Water	1,394,792.00	33,209,333.33	34,559.90 liter
Other than Mineral Water/WASA Bill	2,669,451.83	63,558,376.90	
Total Water Consumption	4,064,243.83	96,767,710.24	

*Assuming per 1000 liter is equal to BDT 42 as per wasa bill calculation

2.4.3 Waste Management

Responsible disposal of waste is an important aspect of SJIBL's effort to reduce its environmental footprint. In line with this endeavor, the bank continues to enhance its policies and practices on this front.

Particular	Year 2022
Total Banks paper & tissue consumption on average	130,570 kg
Total Banks solid waste generated on average	487,637 kg

2.4.4 Paper Consumption

SJIBL has been reducing paper consumption significantly. In the year 2022, minimum Tk.116.31 million equivalent paper consumption was saved.

Particulars	Total number	Consumption Saved in BDT & Million
SJIBL ATM Card punched through SJIBL ATM Booth	1,041,016.00	4.68
SJIBL Credit Card punched	7,697.00	0.03
EFTN-Outward	1,451,383.00	6.53
EFTN-Inward	921,771.00	4.15
RTGS-Outward	142,820.00	0.64
RTGS-Inward	94,244.00	0.42
On the basis of cost of per page of MICR cheque book Tk.4.50		
Email Delivered	124,642,280.00	99.71
Transaction through SJIBL e-Wallet	89,283.00	0.07
E-Statement of Credit Card	69,929.00	0.06
On the basis of cost of per page of computer paper Tk.0.80		
Total Consumption Saved in 2022		**116.31**

2.4.5 Other Non Renewable materials

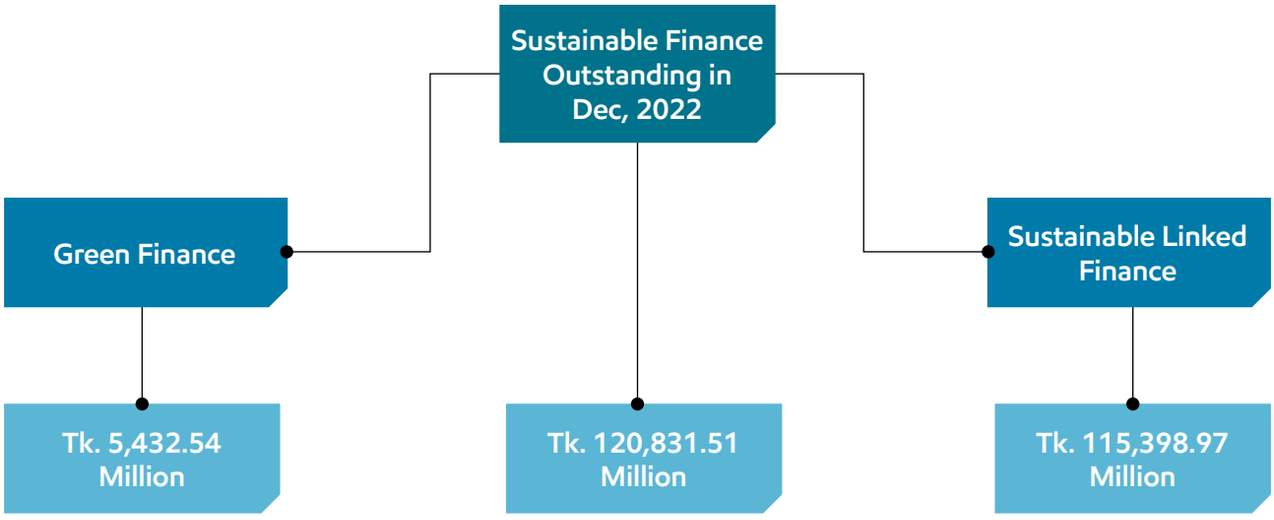
As a shariah-compliant bank, SJIBL always encourages consumption of some non-renewable items, which are as follows:

Non-Renewable Items	Year -2021	Year -2022
Calendar printed in PCs (Both wall & Desk)	1,71,000	78,000
No. of Account Opening Form printed	2,40,000	2,73,700
No. of Cheque Book issued	1,58,000	1,63,000
No. of Deposit Book issued	2,02,000	3,34,568

SJIBL's consumption of cheque books, deposit books, etc. is increasing due to the growth of its customer base and their demands. It's not waste or overconsumption in the true sense of the word. The growth of deposit, investment, export, and import naturally demands more use of papers like cheque books, account opening forms, etc.

2.5 Green & Sustainable Finance Status in 2022

SJIBL is a leading Shariah-based bank that understands how its lending practices can impact the environment. The bank has always worked to create positive environmental impacts, both directly and indirectly, and has taken steps to mitigate any negative impacts of its operations. SJIBL considers various environmental, social, and governance criteria when making lending decisions to ensure that it funds the right institutions.

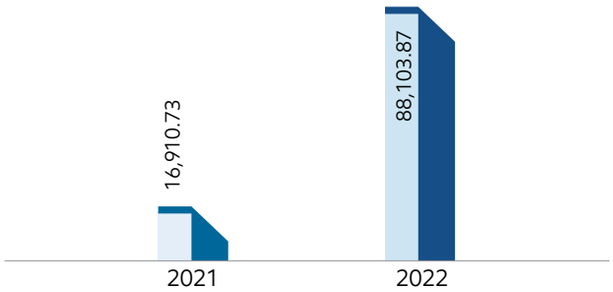


2.5.1 Sustainable Finance Disbursement position in the year 2022:

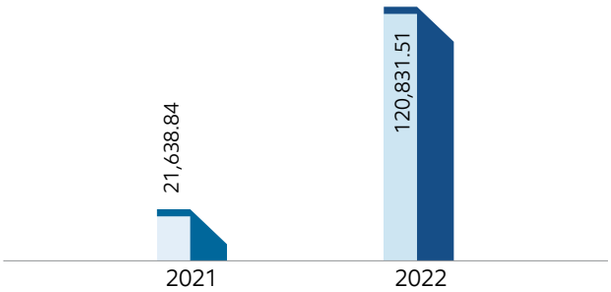
(Amount in BDT & Million)

Category	Sub-Category	Disbursement as of December 31, 2022	Disbursement as of December 31, 2021
Green Finance	Renewable Energy	1.00	20.73
	Energy & Resource Efficiency	90.75	364.70
	Liquid Waste Management	1,574.14	0.60
	Recycling & Manufacturing of Recyclable Goods	16.60	-
	Environment Friendly Brick Production	52.22	1.00
	Green/Environment Friendly Establishments	1,538.31	30.00
	Green Agriculture	331.29	81.58
	Green CMSME	931.11	2.98
	Green SRF	326.52	1.00
(a) Total Disbursement in Green Finance		**4,861.94**	**502.59**
Sustainable Linked Finance	Sustainable Agriculture	3,509.42	3,804.48
	Sustainable CMSME	13,331.44	8,530.62
	Socially Responsible Financing	8,257.30	875.24
	Working Capital and Demand Investment of Green Products/Projects/Initiatives	23,132.65	1,605.86
	Priority Green & Eco Friendly Products for Trading Sector	35,011.12	1,591.97
(b) Total Disbursement in Sustainable Linked Finance		**83,241.93**	**16,408.17**
Total Disbursement in Sustainable Finance (a+b)		**88,103.87**	**16,910.76**

DISBURSEMENT POSITION OF TOTAL SUSTAINABLE FINANCE INCLUDING GREEN FINANCE



CUMULATIVE OUTSTANDING OF TOTAL SUSTAINABLE FINANCE INCLUDING GREEN FINANCE

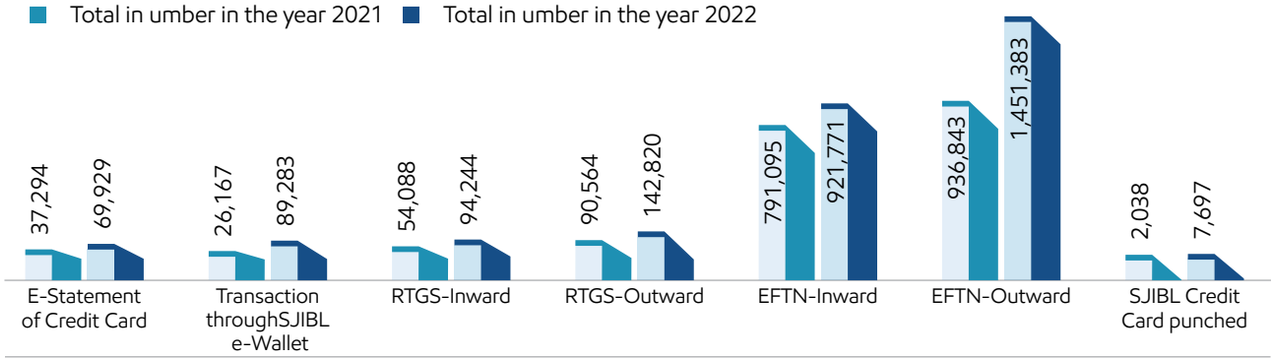


Both the green finance and sustainable finance of SJIBL have registered remarkable growth in 2022 compared to 2021. Not only did the disbursement increase, but the cumulative outstanding also increased satisfactorily. This is because of the increased emphasis on eco-friendly finance, as well as the bank's endeavor to refrain from at least environmentally harmful finance. The success can also be attributed to the sincere attempt of SJIBL's SFU to segregate sustainable finance from conventional finance.

2.6 Digital Transformation

The rapid pace of digital adoption has had an impact on how our customers use financial services. Customers expect to access financial services at speed and on the go without compromising security. In order to cater to these evolving customer behaviors, we focused on a multi-faceted approach to develop cutting-edge digital solutions, form strategic partnerships, and enhance our digital infrastructure. These initiatives have improved our efficiency and competitiveness, enabling SJIBL to generate long-term value for our stakeholders while thriving as a business.

SJIBLS GROWTH OF DIGITAL TRANSFORMATION

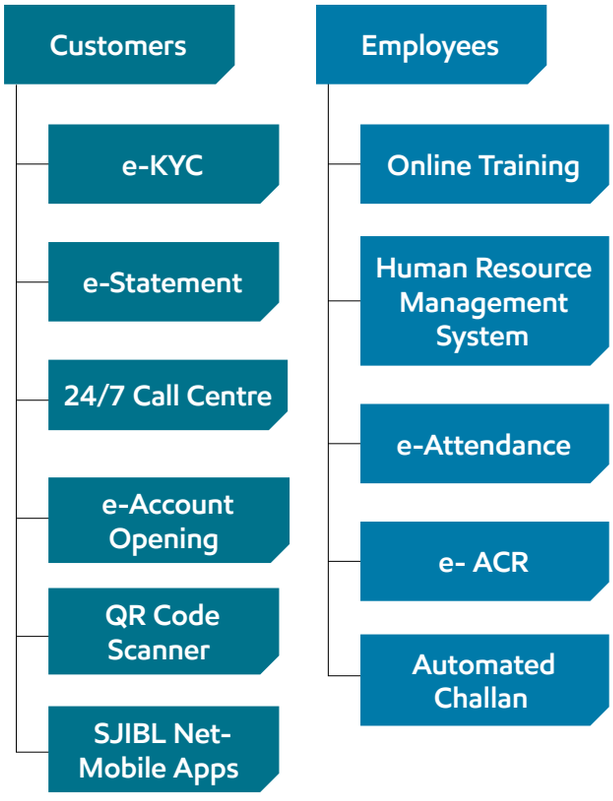


At SJIBL, embracing technology to enhance the efficacy of business operations has been a priority inculcated into our everyday operations. As we become more tech savvy and transformative in terms of the digitalization of our offerings, our improved digital channels, systems, and processes support us in harnessing our digital future.



▲ *Workshop on Automated Clearing through RTGS system*

We strive to align our technology adoption and digitalization efforts with those of the government and central bank while complying with all applicable regulations related to digitalization and technology for commercial banking operations. SJIBL has successfully utilized digital mechanisms in the following segments of its operations:



Our commitment to digitalization is rooted in our ambition to lead the banking industry. We strive to offer our corporate and financial institutional customers a distinctive banking experience that centers on digital transformation. We believe that we have made significant progress in this direction and are well-positioned to capitalize on market opportunities. As part of our strategy, we have implemented an Information Security and Management System (ISMS) and obtained ISO/IEC 27001:2013 certification. This underscores our dedication to complying with relevant regulations and protecting the security and confidentiality of customer data.

In 2022, we made further improvements to our enhanced online digital banking platform, introducing newer services online. It is noteworthy that SJIBL's official Facebook page has been visited by 58,023 individuals. With a diverse portfolio, we have provided funding and financial support to critical sectors of the economy, including healthcare, information technology, telecommunication services, SMEs, and others. As SMEs are the largest employers in the local economy, we are committed to enhancing our product offerings and streamlining our internal approval processes to better serve this important market segment.

2.6.1 Connecting Stakeholders through Digitalization

Our digitalization strategy is designed to create value for all stakeholders of the bank by aligning digitalization efforts with their aspirations. We aim to achieve our financial goals and move towards a more sustainable future by investing in technology that streamlines operations, improves efficiencies, and reduces costs.

Shareholders/Investors

- Online AGM
- Communication via digital channels
- Online access to investor information

Employees

- Remote working capabilities
- E-learning platforms
- Virtual meetings
- Virtual employee engagement

Suppliers

- Independent and transparent online bidding portal
- Well diversified supplier portfolio
- E-learning platforms
- Virtual meetings
- Virtual employee engagement

Customers

- Mobile banking services
- Automated and remote banking services
- QR payments
- ATM Booths

Regulatory Authorities

- Digitalised Regulatory Reporting

Business Partners

- Connectivity via virtual platforms
- Information access via digital channels
- E-learning platforms
- Virtual meetings
- Virtual employee engagement

Connecting Stakeholder

ENVIRONMENTAL AND SOCIAL OBLIGATIONS

The world economy is facing a complex situation due to multiple factors, such as the war in Ukraine, energy shortages in Europe, protectionism in the United States, and increasing debt burdens in developing countries. These economic issues have caused various social problems. Similarly, in Bangladesh, tighter regulations from the Bangladesh Bank have resulted in a decrease in the opening of LCs. The bank has advised against opening LCs for luxury and other goods where possible, leading to a reduction in volume. Despite these challenges, Bangladesh has prioritized social causes such as financial inclusion, social welfare, and a public-oriented approach.

Against this backdrop, SJIBL has streamlined its efforts to focus on issues that make the institution socially responsible and ensure sustainable balanced growth in the economic, social, and ecological spheres. The bank is committed to social and environmental well-being and believes that sustainable growth is a counterfeit ideology without being socially responsible in business conduct and contributing to society. Therefore, SJIBL aims to be a proud development partner of the communities where it operates by concentrating beyond short-term quantitative gains.

Sustainable HR Policy to convert Human Resources into Human Capital in true sense

e-account,e-kyc, call center, SJIBL Net to remove digital divide

Agent Banking, School Banking & Other No Frill account to ensure inclusive growth

SME, Green Finance, Education Scholarship for Community Welfare

Blanket Distribution, Tree plantation for addressing climate change issue

SJIBL has faced pandemic and post-pandemic challenges along with its customers with prudence and efficiency. However, just as the economy was recovering, the Russia-Ukraine war led to inflation and a dollar crisis in the local market, causing another disaster. SJIBL began to face these economic hurdles while also addressing social issues as a responsible stakeholder in society. We adopted a Triple-Bottom Line Approach and an inclusive growth strategy to address these social issues.

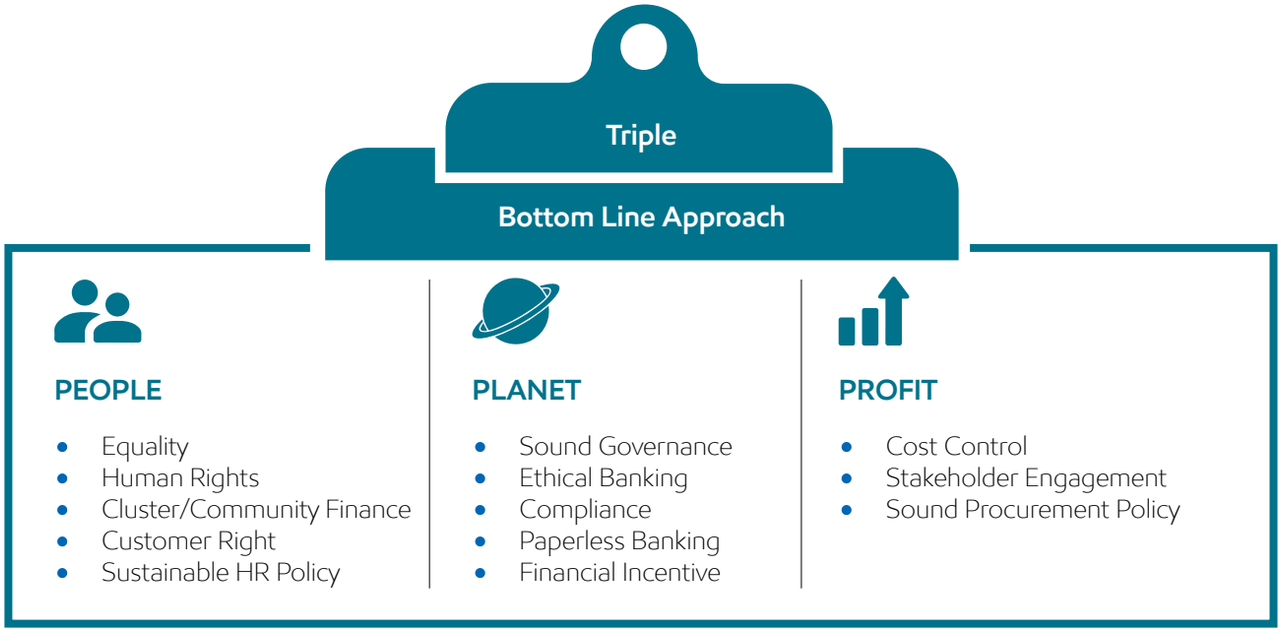
3.1 Triple Bottom Line Approach/3P

The graduation of Bangladesh from the Least Developed Country (LDC) status has brought a new socio-economic reality that has impacted the business environment, with business sustainability becoming a key challenge. To address this challenge, we at Shahjalal Islami Bank are implementing the well-known Triple Bottomline approach to become more sustainable.

As part of this effort, we have published our first Sustainability Report in line with the internationally recognized Global Reporting Initiative (GRI) standards, which evaluate an organization's sustainability in different environmental and social parameters. Additionally, we work to ensure Environmental, Social, and Governance (ESG) practices in our organization and with other stakeholders in a professional manner.

With the growing concern about the adverse impact of climate change on our habitat, economy, lifestyle, and future generations, the banking sector is also affected. As societal expectations change, banks must become more transparent and specific about how their products and services create value for their customers, clients, investors, and society as a whole.

Against this backdrop, SJIBL has adopted the Triple Bottom Line approach, which incorporates three dimensions of performance: social, environmental, and economic. This approach differs from traditional reporting frameworks as it includes ecological and social measures that can be difficult to measure. Shahjalal Islami Bank Limited has been addressing several social and socio-cultural issues related to sustainability for all its stakeholders, including itself, ranging from the workplace to the community.



3.1.1 PEOPLE

Equality

At SJIBL, female recruitment compared to male recruitment is satisfactory compared to the overall industry. As of 2022, SJIBL has 474 female employees. We highly encourage female entrepreneurship, and Tk. 2,613.10 million was disbursed to women entrepreneurs in the year 2022. According to the policy of Bangladesh Bank as regards financing women entrepreneurs, SJIBL is giving best emphasis to maintaining 10% of the total CMSME Investment Portfolio for females, and the percentage will have to be raised to at least 15% by the year 2024.



SJIBL nominated Female Agent to run Agent Banking

Human Rights

The Universal Declaration of Human Rights was unanimously accepted by all members of the United Nations in the year 1947. It incorporates all basic issues, ranging from child rights to adult rights. As a responsible stakeholder, SJIBL complies with the following in pursuance of this declaration:

Human-Rights Indicator	SJIBL's Position
Child Labor	SJIBL doesn't recruit any child in its operation.
Minimum Wage	SJIBL has ensured minimum Tk.24,000 monthly wages for all its support staffs.
Decent & Safe Working Environment	SJIBL's Head Office is a LEED Certified Green Building having sufficient safety initiatives.

Cluster/Community Finance

Targeting different small communities, SJIBL disburses SME finance to various sectors such as light engineering, chatal, poultry feed, Karuponno, handloom, stone crusher, dry fish, shoes, medical surgical equipment, and others every year.

In addition to investment, SJIBL also provides training to promote entrepreneurship among these communities. In 2022, SJIBL continued to make changes and re-engineer its investment risk management process with a sharper segment focus. The cumulative outstanding in cluster finance was Tk 2,820.5 million as of December 31, 2022.

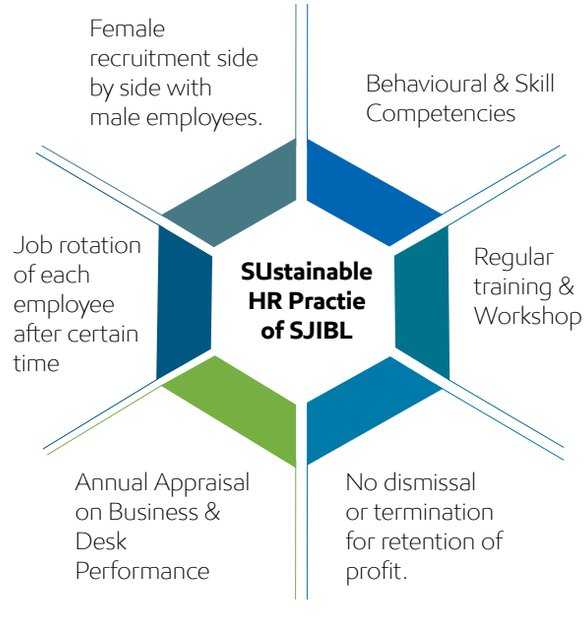
Customer Right

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. It is even enshrined in the bank's slogan, "Committed to Cordial Service," and it is at the heart of all the bank offers.

- SJIBL introduced compliant/suggestion box in each and every branch.
- All regulatory notifications are displayed in branches.
- SMS are sent to customers on each transaction.
- In case of revising provisional profit rate of deposit or investment products, the same is informed to all concerned customers.
- Meetings are arranged between banker-customer whenever required at branch and Head Office level.

Sustainable HR Policy

The bank's Human Resource Division (HRD), as a facilitator of people transformation, is committed to the ideals of building the workforce of the future, while enabling the bank to become a thriving hub for talent. It is focused on investing in the development and well-being of people, which contribute to productivity and performance enhancement. It helps the bank achieve its targets and objectives. Our sustainable HR Policy includes the following:



SJIBL has a total of 2,835 employees, of whom 474 are female. In 2022, we organized 168 workshops and trainings to address both the quantity and quality of work of our staff, as well as their timeliness and problem-solving abilities. The performance evaluation of our staff also takes into account their job knowledge, leadership skills, management abilities, and relationship-building capabilities.

3.1.2 PLANET

Sound Governance

In order to ensure sound corporate governance, SJIBL meticulously follows all guidelines and circulars of the Bangladesh Bank and the Bangladesh Securities and Exchange Commission (BSEC). Independent Directors are free to give their opinions in board meetings. Our Corporate Governance policy consists of the following:

- Code of Corporate Governance
- Policies to prevent Insider Trading
- Fair disclosure of related party transactions.
- No intervention by Board into Management affairs.
- Whistle blowing

Ethical Banking

SJIBL is one of the few banks in the banking industry of Bangladesh that did not terminate a single employee during the last 2 years due to pandemic-led financial shock. Besides, SJIBL declares an integrity award each year to motivate employees towards ethical banking. In the year 2022, SJIBL allowed profit waivers to many investment clients under humanitarian grounds for an amicable settlement of investments.

Branch/Area	Number of Clients	Amount of waiver (in million)
Ashugonj	2	11.98
Bangshal	4	80.8
Barishal	2	8.85
Madhabdi	3	1.49
Mitford	2	63.26
Muradpur	3	3.37
Other Areas	14	42.7
Total waiver given under humanitarian ground	**19**	**212.45**

Compliance

In 2022, SJIBL has successfully addressed the complaints received from both customers and Bangladesh Bank, with the percentage (%) of complaints settled standing at 100% for customers and 93.18% for Bangladesh Bank. SJIBL implemented a fully functional Disaster Recovery Site to run most of the critical business services from the Disaster Recovery Site, located in Kashimpur, Gazipur. It can be mentioned that suspicious accounts are reported each year to the BFIU of Bangladesh Bank as part of an active drive against money laundering.

Redressal of customer complaints each year justifies SJIBL's sound governance practice:

Complaints Received From	Particulars	Year-2022	Year-2021
Customers	Total number of customers complaints received	8	-
	No. of complaints settled	8	-
	% of complaint settled	100%	
Bangladesh Bank	Total number of customers complaints received through Bangladesh Bank	44	22
	No. of complaints settled	41	21
	% of complaint settled	93.18%	95.45%

Paperless Banking

The transition from manual banking to digital banking is certainly not a new phenomenon for Bangladesh's banking sector. But the advent of the coronavirus pandemic has made the paperless and cashless banking process faster than ever before. All the digital products and services of SJIBL, ranging from cards to SJIBL Net, contributed to paperless banking. In addition, the bank has also reduced its consumption of paper significantly in different ways, including by digitalizing various processes.

- Print paper on both side
- More communication via emails than hard copy
- Process automation by work flow management and e-documentation software
- Preserving all circulars in Central Circular Management System digitally to avoid hardcopy print or photocopy etc.
- Zoom meetings to avoid wastage of resources and expenditure.

Financial Incentive

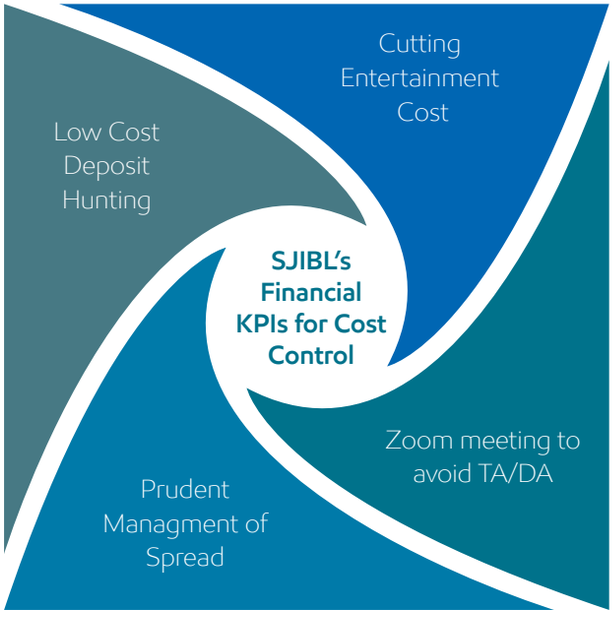
SJIBL provides financial incentives to its customers through various modes. During the pandemic period, SJIBL disbursed refinance under the COVID-19 stimulus package, which is still ongoing. Additionally, SJIBL has been providing refinance to its clients in a routine manner to improve SMEs and other sectors in our country. Export Development Fund (EDF) is facilitated by Bangladesh Bank for exporters, and cash incentives are given for exports. SJIBL clients have also benefited from refinancing for SMEs and technology upgrades..

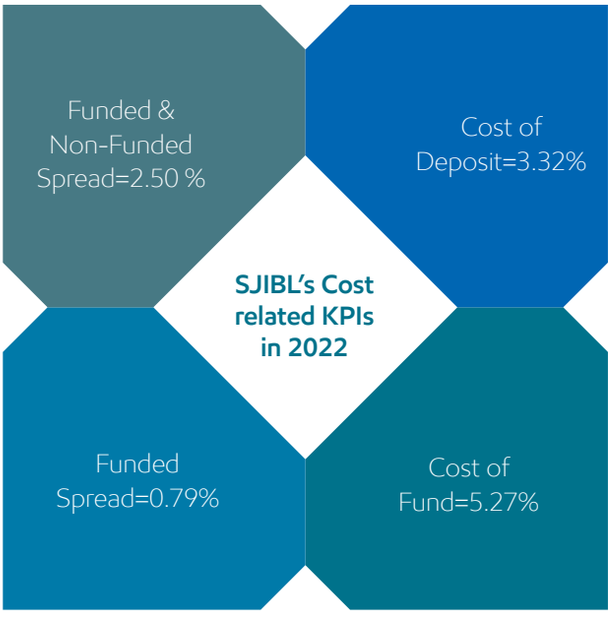
Nature of Refinance	Outstanding as of 31.12.2022
BB Financial Stimulus Fund	Tk.4,703 million
EDF	Tk.34,623 million
Cash Incentive	Tk.726.98 million
TDF Refinance	Tk.79.45 million
CMSME Refinance	Tk.23.00 million

The main objective behind such financial incentives is to help businesses run smoothly at a lower profit rate than commercial enterprises. Because of this refinancing facility, many businesses that would have been forced to close survived.

3.1.3 PROFIT

Cost Control





In order to control costs by banks, Bangladesh Bank issued circulars in 2022, the key features of which are as follows:

- Banks have to control consumption of oil and gas and have to reduce 20% to 25% compared to last year.
- Travel by Air is highly discouraged.
- TADA may be avoided by arranging zoom meetings.
- Leave office just after office time.
- Change of office time to consume daylight most.

Some other factors also indirectly contributed to cost control. For example, cash recovery amounted to Tk. 2,273.90 million and the total recovery/regularization amount was Tk. 6,018.00 million, which helped reduce the cost of funds indirectly.

Stakeholder Engagement

SJIBL conducts an annual general meeting for shareholders each year. The bank has introduced a hotline for customer service that is available 24/7. In 2022, SJIBL revised its salaries to help employees cope with inflation. SJIBL pays government taxes and VAT promptly. Unlike many other shariah-based banks, SJIBL gives zakat institutionally in addition to paying taxes. The growth in the number of account openings is considered evidence of stakeholders' trust in the bank.

Particulars of A/C	Year-2022	Year-2021
Total Number of Deposit A/C	11,04,125	10,20,873
Total Number of Investment A/C	59,779	59,906

Although the number of investment accounts has decreased, the total amount invested has increased consistently with SJIBL's deposits.

Sound Procurement Policy

SJIBL has a sound procurement policy. Every year, it decides a budget for expenditures for the purpose of procurement. In 2022, it approved a Tk. 1,250.00 million procurement budget, including Tk. 700 million for IT investment exclusively. The bank has enlisted 215 vendors, who are selected through a transparent process. Tenders are called for supply, and vendors are selected while ensuring complete transparency and confidentiality.

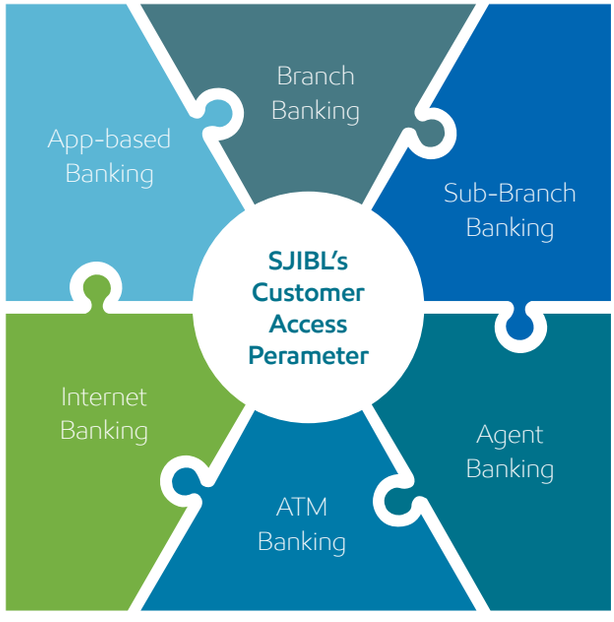
4.1 Financial Inclusion

First National Financial Inclusion Strategy (NFIS) has been developed at the verge of Fourth Industrial Revolution. This strategy has been prepared by following 5C (Commitment, Cooperation, Co-ordination, Co-existence, Comprehensive) principles of national strategy development to reach the ultimate goal of Social cohesion and stability through ensuring the scope of access and usage of quality financial services for all. In line with this, Bangladesh Bank prepared its own Financial Literacy Guidelines to promote financial inclusion through banking channel.

As per Financial Literacy Guidelines of Bangladesh Bank, SJIBL has been implementing Tier-1 mainly by highlighting School Banking through campaign and conference as Lead bank, Tier -2 through digital products like SJIBL Net, Online Banking, SME etc. and Tier -3 through Agent Banking. In the year 2022, number of Agent Banking stood to 111 while the bank ensured online service to all its branches since long. ``

Financial inclusion means providing individuals and businesses, including unserved and underserved populations, with affordable and accessible financial services using technology, while ensuring quality and risk mitigation in a regulated, transparent, efficient, and competitive marketplace. Bangladesh has made significant progress towards achieving its long-term objectives, such as building the Padma Bridge with its own funds and starting the metro rail in the capital. These objectives are part of the country's efforts to achieve inclusive growth and are aligned with the Sustainable Development Goals.

SJIBL follows Financial Literacy Guidelines of Bangladesh Bank which was circulated vide FID circular Number-01 dated: 27th March, 2022. As a bank, SJIBL has multi-pronged strategy to contribute to the financial inclusion of the country:



In pursuance of Financial Literacy Guidelines of Bangladesh Bank, we promote following 03 tiers with a view to expanding our products and services:

SJIBL's 03-pronged Approach to Inclusive Growth

Tier-1

- Promote No-Frill Deposit Accounts and refinance for the unbanked poor people
- Campaign for School Banking account
- Public Interest like Bill Payment
- Cottage Industry

Tier-2

- SJIBL SME & Agri Investment and also refinance
- E-Commerce/F-Commerce/Digital products of SJIBL like SJIBL Net, e-KYC, E-Account, Call Center etc.

Tier-3

- SJIBL Agent Banking to reach all other groups like Pay Roll A/C of Teachers, Co-Operatives, Business Associations etc.

The target groups of SJIBL comprise a cross-cutting community. Tier distribution covers both the financially included and excluded population of the target groups. The excluded people are the un-served or under-served segments who are expected to benefit from the available financial services after financial literacy. Those already included in the financial system are expected to keep pace with the evolution of the financial ecosystem.

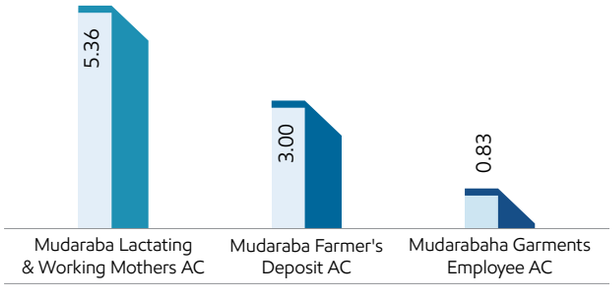
4.1.1 Tier-1 (No Frill Deposit Account & Refinance against, School Banking etc.)

The No Frill account aims to offer the most basic banking service to those from the low-income backgrounds. No charges are levied and ATM cards are offered at free of cost in no-frill accounts. Since last decade, disposable income of common people of Bangladesh has increased substantially for which people are already capable to open savings account with minimum balance, say, 500 taka. Still we offer no-frill accounts since there are many people who are yet to reach formal banking channel in Bangladesh.

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 has emphasized on opening such 10 Taka & 100 Taka accounts regardless of any cost-benefit analysis.

Types of No-Frill Deposit Account	Total Number of Deposit Account as of 31.12.2022	Name of Refinance Category AC against No-Frill	Total Number of Refinance as of 31.12.2022
Mudaraba Savings Garments Employee Account	842	Farmers	13
Mudaraba Savings Farmer's Deposit Account	1,800	Lower Income People	11
Mudaraba Savings Lactating & Working mother Account	2,969		
Mudaraba Savings Leather Employee Account	09		
Mudaraba Lower Income Individual Account	12		
Total	**5,632**		**24**

OUTSTANDING OF NO FRILL ACCOUNTS IN 2022 (CUMULATIVE IN BDT & MILLION)



Despite ongoing economic hurdles such as rising inflation, school banking is increasingly gaining popularity among students in Bangladesh's banking industry. The credit for the surpassing of Tk. 28,000.00 million school banking accounts goes to all scheduled banks, including SJIBL, which has been proactively promoting such accounts.



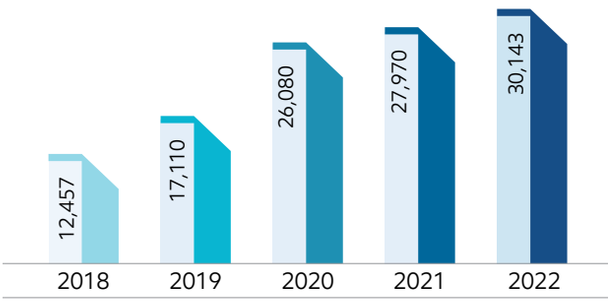
▲ *SJIBL as lead bank conducted school banking conference in patuakhali*

The central bank introduced school banking in 2010 as part of its efforts to widen financial inclusion and make students financially literate. Since then, SJIBL has introduced campaigns led by School Banking Accounts.

In 2022, SJIBL organized a School Banking Conference as the Lead Bank in Patuakhali district, which was postponed two years ago due to the pandemic. After the pandemic, SJIBL was the only bank in Bangladesh to hold a School Banking Conference as the Lead Bank, which was optional for all scheduled banks as per the directive of Bangladesh Bank for the year 2022.

School Banking Accounts at SJIBL have increased due to the successful conferences held as the lead bank in various districts in recent years, along with the promotion campaigns for school banking. As an incentive for the financial inclusion of minors, we provide pencil boxes to students. This also presents an opportunity for cross-selling since guardians who come with students to open school banking accounts may also open MTDR and other deposit products for themselves.

GROWTH OF SCHOOL BANKING ACCOUNT NUMBER IN LAST 5 YEARS



Alongside this, SJIBL branches conducted financial literacy campaigns in various educational institutions. In rural areas, most people open bank accounts to receive remittances from their relatives. We encourage people to open bank accounts for remittances and other purposes, thereby avoiding informal channels and illegal channels like hundi. Moreover, school students who turn 18 years old can convert their accounts into savings accounts, which is also a success as it ensures that students do not leave the formal banking system once they become mature.

School Banking Literacy Campaign Status as of 31.12.2022			
Particulars	**No of Schools**	**No. of male Students**	**No. of female Students**
Rural	217	13,432	9,558
Urban	365	25,500	18,962
Total	**582**	**38,932**	**28,520**

Since beginning till December 2022, SJIBL has covered 582 number of schools and 67,452 students (including both male and female) in its school banking literacy campaign. We observed School Banking Conference as Lead Bank in Brahmanbaria, Laxmipur and Pabna district in the year 2017, 2018 and 2019 respectively.

Public Interest

SJIBL has agreements with utility organizations such as TITAS, WASA, DPDC, and DESCO, allowing customers to pay their bills at SJIBL branches. Each year, SJIBL collects bills worth at least Tk.10,000.00 million on behalf of TITAS. Additionally, SJIBL monitors and litigates against defaulters under the NI Act and Artha Rin Ain to protect public funds. The bank has enlisted a group of law firms to fight on its behalf. In 2022, SJIBL recovered Tk.465.50 million through ADR/settlement of lawsuits related to default investments.

Cottage Industry

SJIBL has facilitated investment in cottage industries such as pottery, embroidery, and bamboo crafts, which promote the use of local raw materials and minimize rural-urban migration. As of 2022, the cumulative outstanding in the cottage industry sector was Tk. 15.81 million.

4.1.2 Tier-2 (SME & Agriculture Investment, Digital Products)

SME & Agriculture Investment

Shahjalal Islami Bank Limited supports the agro-economy of the country by disbursing investment for crops, fisheries, and livestock. The bank also allows refinancing for the agriculture sector and agro marketing. In 2022, SJIBL disbursed Tk. 3,856.40 million for agriculture investments. Despite the dollar crisis, the bank facilitated the essential import of agricultural products, which significantly contributed to national food security.



Workshop on Entrepreneurship Development Program.

SJIBL recognizes the significant role of the SME sector in driving economic growth and promoting socio-economic development. Therefore, the bank has been financing the SME sector since its inception. In 2022, SJIBL disbursed a total of Tk. 87,095.70 million to different SME clients which was Tk. 84,525.40 million in 2021. As of December 2022, SJIBL has financed 68,650.80 million in terms of CMSME portfolio.



Agriculture Refinance Agreement with Bangladesh Bank

E-Commerce/F-Commerce/Digital Products

Since its inception, SJIBL has introduced various digital products to enhance its services. It started with the introduction of ATM cards and progressed to having all branches fully online. SJIBL has also introduced SJIBL Net,

e-KYC, E-Account, a Call Center, and SJIBL Credit Card with MOUs with local and international bodies to provide customers with additional facilities. To stay competitive, SJIBL has also created an official Facebook page. The bank remains committed to innovation and will continue to add new products to address the evolving market environment.

4.1.3 Tier-3 (Agent Banking to reach all other target groups)

A few years back, SJIBL received approval from Bangladesh Bank to open Agent Banking, as the bank recognized the importance of expanding to rural areas where a significant portion of the population resides. To facilitate this expansion, SJIBL has established a secure Agent Banking Structure with real-time banking services, integrated with the Core Banking System, and 111 agent outlets across Bangladesh. Customers can enjoy real-time transactions and receive instant SMS notifications and system-generated money receipts for each transaction.



Total District Coverage by SJIBL Agent Outlet

42



Total Upazilla Coverage by SJIBL Agent Outlet

92

Pay Roll Accounts

SJIBL offers Payroll Accounts to teachers, cooperatives, and other corporate customers, with waived service charges to encourage their use. These Payroll Accounts have helped to strengthen our low-cost deposit base. As of December 31st, 2022, SJIBL had 84,326 Payroll Accounts, with a cumulative outstanding balance of Tk. 631.76 million.

In order to align with the National Financial Inclusion Strategy, SJIBL still needs to expand its products and services in the following areas, like other banks:



Difficult to Access Localities

SJIBL is yet to open Branches in hilly areas like Rangamati, Bandarban etc.



Demand-induced impediments

No-Frill accounts of 100 taka like leather workers or RMG workers account etc are less demandable.



Supply-led bottlenecks

SJIBL is yet to open branches in many lucrative areas that may help in remittance earnings.

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.

4.2 SJIBL's operations alignment with Sustainable Development Goals (SDGs) of UNO

We're committed to using ESG criteria to achieve the UN's SDGs. We'll establish a solid structure for monitoring and addressing risks and opportunities in our operations, and promote local economic development and community well-being aligned with the SDGs. Our goal is to ensure sustainable financial and operational performance to benefit shareholders and customers, and our planned activities for 2022 include:

Areas of SJIBL's Operation	What we did	Alignment with SDGs
Green Investment	• Tk.88,103.87 million disbursed as sustainable finance including green finance. • SJIBL has 19 partially solar powered ATMs.	
Process of empowerment	• Number of participants of Training & workshops arranged: 5,751. • Tk.2,613.10 million disbursed to female entrepreneurs. • Number of Agent Banking Outlet: 111.	
Governance	• SJIBL was awarded Corporate Governance award from ICSB in 2022. • Capital Adequacy Ratio:14.38% • Risk appetite is also well-controlled for which it is marked as a "Low Risk" organization by Bangladesh Bank.	
Corporate Social Responsibility & Patronization	• CSR: Tk.325.42 million was donated • Sponsor was made of Tk.6.68 million in 2022 for promoting different sectors.	
Financial Growth	• EPS: Tk. 3.26 • Operating Profit: Tk.8,392.20 million • Export: Tk. 2,69,540 million	

Integrated REPORTING



OUR APPROACH TO INTEGRATED REPORT

We are pleased to present our Integrated Report 2022. 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 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, 2022, to December 31, 2022. Business operations, financial performance, financial position, and financial and non-financial information have been considered in our Integrated Report 2022. The report has also covered the impact of the Russia-Ukraine war 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 for 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 (as amended up to date)
- Bank Company Act 1991(as amended up to date)
- 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
Page No. 341

Risk Management
Page No. 233

Sustainable Banking
Page No. 141



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 217.

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

- Risk management
- Regulatory Compliance
- Internal Audit

External Assurance

During the reporting period under review, the bank received external assurance on the following reports:

Sl. No	Description of Report	External Assurance
1	Financial Statements	Hoda Vasi Chowdhury & Co., Chartered Accountants
2	Cash Incentive Audit	Hoda Vasi Chowdhury & Co., Chartered Accountants
3	Corporate Governance	Ahsan Manzur & Co., Chartered Accountants
4	Provident Fund	KM Hasan & Co., Chartered Accountants
5	Gratuity Fund Valuation	Air Consultant
6	Gratuity Fund Audit	KM Hasan & Co., Chartered Accountants
7	Social Security Superannuation Fund	KM Hasan & Co., Chartered Accountants
8	Benevolent Fund	KM Hasan & Co., Chartered Accountants
9	Employees House Building Investment Safety Scheme	Ahsan Manzur & Co., Chartered Accountants
10	Entity Credit Rating	Emerging Credit Rating Limited
11	Mudaraba Subordinated Bond Surveillance Rating	Credit Rating Agencies of Bangladesh (CRAB)

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

Materiality Determination Page No. 217
Our Business Model & Value Chain Page No. 204
Operating Context Page No. 206
Strategic Focus Page No. 211
Stakeholder Identification & Engagement Page No. 186

GUIDING PRINCIPLES OF INTEGRATED REPORT

Conciseness

Reliability & Completeness

Consistency & Comparability

Strategic focus & future orientation

Connectivity of Information

Stakeholder Relationship

Materiality

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.

Availability of the Annual Report

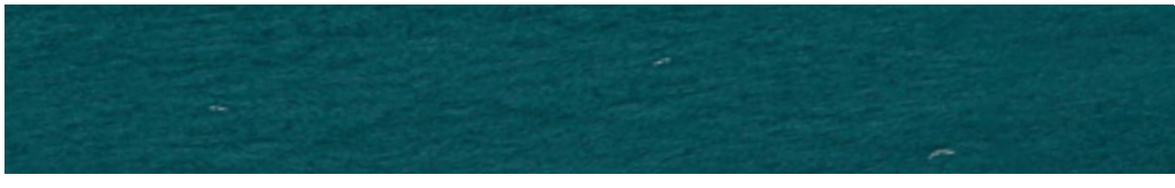
The Annual Report is distributed to all shareholders in digital format prior to the holding of the Annual General Meeting. Additionally, the report is accessible on the website, http://www.sjiblbd.com.

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



1. ELEMENTS OF AN INTEGRATED REPORT

1.1 Organizational overview and external environment

Shahjalal Islami Bank Limited is one of the largest Islamic banks in Bangladesh. The total asset base of the bank amounts to BDT 339,818.87 million. The bank has a legacy of over 22 years and serves over 1,163,904 customers with a workforce of 2,835 employees and 140 branches all over Bangladesh. The bank has a strong presence in the financial market with its specialized products and services through its online services, branches, ATM network, Offshore Banking unit, Agent Banking and many more services related to its core banking activities.

Mission & Vision of Shahjalal Islami Bank Limited

The mission and vision of our bank are given on page 14&15 of this Annual Report.

Culture, Ethics and Values of Shahjalal Islami Bank

Shahjalal Islami Bank Limited is strictly based on ethical values and principles. We have maintained a strong corporate culture that abides by strict ethical policies and values. The details of Culture, Ethics, and Values are given on page 18 of this Annual Report.

Ownership and operating structure of Shahjalal Islami Bank

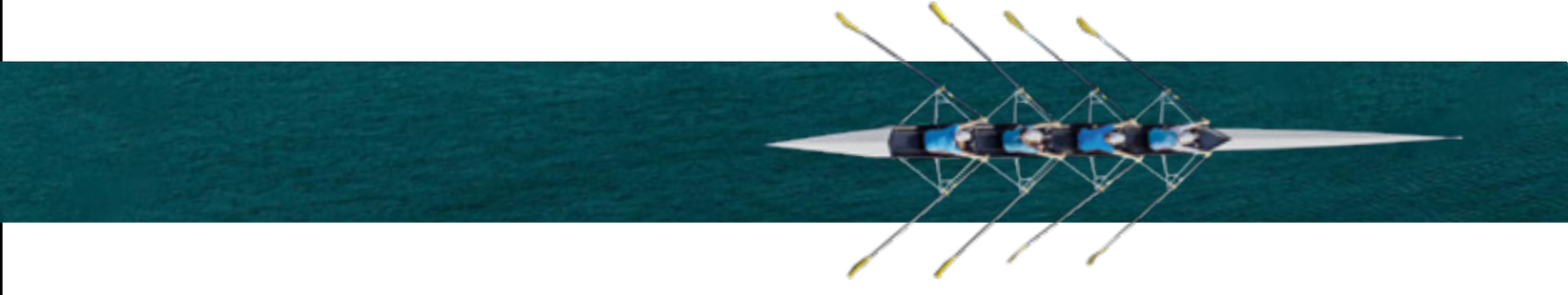
Shahjalal Islami Bank Limited was established as a public limited company on April 1, 2001, under the Companies Act, 1994, as an Islamic Shariah-based commercial bank and commenced its operations on May 10, 2001. Currently, the Bank is operating its business through head office having 140 (one hundred forty) branches, 129 (one hundred twenty-nine) ATM booths, 111 (one hundred eleven) agent banking outlets and 2,835 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 on both the stock exchanges of the country, i.e., Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

Key activities and markets of Shahjalal Islami Bank

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, directives of other regulatory authorities, and the principles of the Islamic Shari'ah. The key activities of the bank include acceptance of deposits, making investments, clearing of checks, remittance of funds, bill payment services, online banking, credit and debit cards, treasury activities, import and export business, social activities, etc.

Competitive landscape and market positioning of Shahjalal Islami Bank

The banking industry holds a dominant position in Bangladesh's financial sector. However, this industry faces numerous challenges, including internal and external risk exposures, some of which are uncontrollable. SJIBL, with over 22 years of experience, has weathered through various industry cycles and economic uncertainties. Consequently, it has created and adapted a framework for risk identification and mitigation that not only safeguards the bank against adverse conditions but also enhances its operational viability, ensuring long-term sustainability.



Competitive Rivalry

Driving Forces	SJIBL's Responses
• Intense competition due to 61 scheduled banks and 35 NBFIs are operating in the market • Intensive pricing wars and low switching costs lead to low customer loyalty • Very little differentiation in terms of products and services	• Intense competition due to 61 scheduled banks and 35 NBFIs are operating in the market • Intensive pricing wars and low switching costs lead to low customer loyalty • Very little differentiation in terms of products and services

Supplier Power

Driving Forces	SJIBL's Responses
• High bargaining power of customers as they are key supplier of money and low switching costs • Higher inflation rate will create pressure on customer's deposits that will increase supplier power • Withdrawal of single digit interest rate may increase supplier	• Focus on retail deposits and acquiring diversified pool of deposit basket • Enhance relationship with existing customers by providing value added services • Making every customer aware of SJIBL's brand name through prudent marketing strategy

Buyer Power

Driving Forces	SJIBL's Responses
• Good investment clients have high bargaining power as they are attractive to all market players • Huge number of banks and financial institutions increase buyer power as they can switch to one another • Potential pressure for price cuts but with improved service quality	• Offering competitive pricing both for deposit and investment schemes • Catering extraordinary and vibrant services to differentiate from peers in the face of intense competition • Focus on retail and SME customers as they have lower bargaining power

Threat of new entrants

Driving Forces	SJIBL's Responses
• Low threat due to higher requirement of capital and regulatory barriers • Already matured and competitive market	• Striving to achieve economies of scale by adopting state of the art technologies, training and hiring competent employees and continuous improvement of efficiency • Being one of the largest and well reputed Islamic Bank SJIBL already has a loyal customer base

Threat of substitutes

Driving Forces	SJIBL's Responses
• Products and services of NBFIs are the major substitutes • Bkash and Nagad are providing quick and easy to accesses financial solutions • EMI facilities are provided by the non-financial institutions on furniture, car, home appliances, etc.	• Offering wider range of innovative products to cater wide range of customer segments • Embrace modern technology to stay up to date and competitive

Position within the value chain

Shahjalal Islami Bank Limited was established on April 1, 2001, as an interest-free Islamic Shariah-based commercial bank. As one of the largest Islami Bank, Shahjalal Islami Bank is fundamentally strong and has solid capital bases in the Banking Industry. Bank's position within the value chain is given below:

BDT in million

Particulars	Banks Position	Industry position	% of market position
Deposit (BDT Million)	227,982	15,880,106	1.44%
Investment (BDT Million)	237,230	13,877,035	1.71%
Export (USD Million)	2,297	54,695	4.20%
Import (USD Million)	1,950	81,884	2.38%
Remittance (USD Million)	149	21,285	0.70%

Key quantitative information of Shahjalal Islami Bank

The key financial and non-financial highlights of Shahjalal Islami Bank Limited can be found on page 12 of this Annual Report, while the corporate profile of the bank is located on page 19 of the same report.

Significant factors affecting the external environment and the organization's response

We have analyzed the significant external factors through PESTEL, which includes Political, Economic, Social, Technological, Legal and Environmental factors that impact our business, and our responses against those risks are given below:

PESTEL ANALYSIS

POLITICAL

Macroeconomic factors

- The political stability in Bangladesh has resulted in continuity in government policies, with a focus on infrastructure development. The government has allocated significant resources towards the construction of bridges, roads, seaports, and power generation plants.
- The issues of good governance and corruption continue to be concerns for Bangladesh.
- The foreign exchange market has experienced high volatility recently, and the country has also experienced its highest inflation rate in a decade, partly due to the ongoing conflict between Russia and Ukraine.

Impact on the industry

- The increase in inflation as well as the foreign currency shortage have a direct impact on the banking business.
- Being a trading country and highly import-dependent for fuel and industrial raw materials, the import business will come under further pressure.
- Lower private sector investment growth

SJIBL's Front

- Due to political stability, almost all the financial and non-financial indicators of our bank have improved during the year, despite the uncertainty resulting from the Russia-Ukraine war.

Evident in

- Director's Report
- Management Discussion and Analysis
- Divisional Overview

ECONOMIC

Macroeconomic factors

- Despite the ongoing Russia-Ukraine war, the economy experienced a growth rate of 7.25% percent.
- During the same period, exports grew by more than 34 percent, while imports grew by 37.59 percent. However, the inflows of remittances decreased by 15.12 percent.
- Private sector credit expanded by 13.66 percent, indicating increased borrowing and investment activity by businesses.
- The inflation rate for FY2021–22 stood at 6.15 percent, as measured by the twelve-month average.

Impact on the industry

- The ongoing Russia-Ukraine war and related sanctions and the prolonged impact of the COVID-19 pandemic are impacting all economies in the world, including Bangladesh. The volatility in the forex market has reached a new height. It was the highest inflation rate in Bangladesh in a decade, caused by soaring prices of both food items and non-food items. If the current situation persists for a longer period in this way, the exchange rate will come under further pressure, affecting the forex reserve.
- The profit rate of deposits is increasing gradually due to increasing inflation and the decreasing trend of liquidity supply. Moreover, the foreign exchange business is suffering severely due to the foreign currency shortage.

SJIBL's front

- Shahjalal Islami Bank Limited is a significant participant in the trade finance industry. Like all banks in Bangladesh, the bank was affected by the foreign exchange crisis. However, due to its sound financial position, the bank had adequate liquidity in both local and foreign currencies, which allowed it to adopt an appropriate strategy to manage its foreign exchange position. As a result, the bank is now in a stable foreign exchange position.
- During the year 2022, the bank focused on efficient fund management, which improved its liquidity and provided a comfortable financial position.

Evident in

- Message from the Chairman
- Message from the Managing Director and CEO
- Director's Report
- Management Discussion and Analysis

SOCIAL

Macroeconomic factors

- Currently, the per capita income in Bangladesh stands at USD 2,824, which is predominantly contributed by the income of the middle-class population.
- The Government of Bangladesh is highly committed to achieving the Sustainable Development Goals (SDGs) and has undertaken various initiatives and projects towards this end.

Impact on the industry

- Social factors have led to the fragmentation of customer needs, tastes, and preferences. In response, banks are tailoring their products and services to attract potential customers and gain their business.

SJIBL front

- Shahjalal Islami Bank Limited (SJIBL) aims to improve the overall standard of living by providing funding, creating job opportunities, boosting the economy, and increasing per capita income, which will eventually contribute to the growth of the country's GDP.
- SJIBL will continue to prioritize offering products and services that align with customer preferences while ensuring sustainability. Additionally, SJIBL will continue to invest in corporate social responsibility (CSR) and other social initiatives.

Evident in

- Management Discussion and Analysis.
- Sustainability Reporting.

TECHNOLOGICAL

Macroeconomic factors

- Technological advancement has made customers more sophisticated and altered their expectations. The global and local business environments are now more vibrant as a result of this ever-changing environment.

Impact on the industry

- Growing dependency on technology to meet customer demand will increase further investment in technology.
- As technology continues to evolve, therefore, technological investment will be needed to keep up with changes in order to stay relevant and meet the expectations.
- Technological investment in new tools and platforms, as well as a willingness to experiment with emerging technologies and approaches.

SJIBL front

- The bank recognizes the importance of technology in remaining competitive and has made significant investments in this area.
- The bank's focus is on digitizing its services and operations to improve the customer experience and streamline its internal processes.
- The bank is currently investing in new tools and platforms to leverage the latest technologies and approaches, while also remaining open to experimenting with emerging technologies. This approach allows us to explore new ways to improve our services and better serve our customers.

Evident in

- Management Discussion and Analysis.
- Divisional Overview.

ENVIRONMENTAL

Macroeconomic factors

- There is a growing focus on green, or more broadly, sustainable finance, both in financial markets and in the international political arena. Green bonds and other sustainable finance products are becoming more popular. Sustainable finance has the potential to contribute to a more sustainable economy, but challenges such as the lack of standardization in ESG data and the potential for green washing need to be addressed.

Impact on the industry

- The increasing awareness of climate change and environmental issues has led to a growing demand for green financing products and services.
- Banks are recognizing the need to incorporate environmental considerations into their lending and investment practices to meet the changing expectations of customers and regulators.
- Many banks have developed green financing products, such as green bonds, green loans, and sustainability-linked loans, to fund environmentally sustainable projects and businesses.
- To ensure that their green financing products are truly environmentally sustainable, banks are adopting environmental risk management practices, such as conducting environmental due diligence, assessing climate risk, and monitoring environmental impacts.
- Regulators are also increasing their focus on green financing, by introducing regulations and guidelines to encourage the adoption of environmentally sustainable practices by banks.
- Banks are also reporting on their environmental,

social, and governance (ESG) performance and impacts, as investors and customers increasingly demand transparency and accountability.

- The trend towards green financing is expected to continue, as the need for environmentally sustainable business practices becomes more urgent in the face of climate change and other environmental challenges.

SJIBL front

- 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.
- The bank recognizes the importance of sustainable development and acknowledges its responsibility to contribute to it.
- The bank aims to create long-term value for the environment, stakeholders, and community, rather than prioritizing short-term profits.
- One of the key priorities for the bank is to disburse green finance, which supports environmentally friendly projects and initiatives.
- The bank prioritizes sustainable finance, which takes into account environmental, social, and governance (ESG) factors when evaluating investments.
- By focusing on green and sustainable finance, the bank aims to encourage positive changes in society and reduce the negative impacts of economic activity.
- The bank is working with partners and stakeholders to identify opportunities for green and sustainable finance and to develop innovative solutions that promote sustainable development.
- The bank also measures and reports on its progress in promoting sustainable development and green finance, as part of its commitment to transparency and accountability.

Evident in

- Management Discussion and Analysis.
- Green Banking
- Sustainability Reporting

LEGAL

Macroeconomic factors

In 2022, the government implemented a policy allowing investment clients to make partial payments towards their dues while remaining unclassified, which resulted in a decrease in the rate of classification. Additionally, throughout 2023, Bangladesh Bank provided continuous foreign currency support to commercial banks. These regulatory policy supports played a critical role in controlling default loan exposure and maintaining the economy's stability during the relevant period. Therefore, the regulatory policies and government directives were instrumental in ensuring the smooth functioning of the economy during the given period.

Impact on the industry

The policy support implemented by the government in 2022 and the continuous foreign currency support provided by Bangladesh Bank throughout 2023 had significant impacts on the banking industry in Bangladesh. Here are some of the key impacts:

- **Decrease in the rate of classification:** The policy allowing investment clients to make partial payments towards their dues while remaining unclassified resulted in a decrease in the rate of classification. This means that fewer loans were classified as non-performing or bad loans, which helped to improve the financial health of banks and reduce their overall risk exposure.
- **Improved loan recovery:** With the decrease in loan classification, banks were able to focus more on recovering their outstanding loans from defaulters. The regulatory policy support played a critical role in controlling default loan exposure and helping banks recover their outstanding loans.
- **Enhanced stability of the banking industry:** The regulatory policies and government directives were instrumental in ensuring the smooth functioning of the economy during the given period. This helped to enhance the stability of the banking industry, reduce the risk of bank failures, and maintain public confidence in the banking system.
- **Increased foreign currency liquidity:** The continuous foreign currency support provided by Bangladesh Bank helped to increase the liquidity of commercial banks, enabling them to meet their foreign currency obligations and reducing the risk of default on foreign loans.

Overall, the policy support and regulatory interventions implemented by the government and Bangladesh Bank had a positive impact on the banking industry in Bangladesh, helping to improve loan recovery, reduce default loan exposure, enhance stability, and increase foreign currency liquidity.

SJIBL front

The policy support of market volatility and compliance impacted SJIBL (Shahjalal Islami Bank Limited) in several ways, including:

- **Cautious disbursement of investments:** SJIBL became more cautious about disbursing

investments due to the market's volatility. This means that the bank was more selective in its investment decisions, focusing on lower-risk investments to minimize potential losses.

- **Increased focus on compliance:** SJIBL has always been one of the most compliant banks in the industry and abides by all applicable rules and regulations. However, due to the policy support, the bank has increased its focus on compliance to ensure that it is operating in line with the new policies and regulations.
- **Improved risk management:** With a more cautious approach to investment disbursal and an increased focus on compliance, SJIBL fine-tuned and improved its risk management practices. This means that the bank was better able to identify and mitigate potential risks, reducing the likelihood of financial losses.
- **Maintaining a positive reputation**: By being one of the most compliant banks in the industry, SJIBL was able to maintain a positive reputation with its customers, shareholders, and regulators. This can be beneficial in the long run, as it can help attract new customers and investors and improve the bank's overall financial performance.

Evident in

- CEO's Statement
- Management Discussion and Analysis

1.2 GOVERNANCE

Shahjalal Islami Bank Limited (SJIBL) has maintained a steadfast dedication to responsible and ethical banking practices from its very beginning. The bank has adhered to the most stringent global standards of corporate governance and nurtured a corporate culture that prioritizes sustainable performance, customer-centricity, innovation, and collaboration. The bank's corporate governance report serves as a testament to its unwavering commitment to implementing best practices and fully complying with the guidelines and regulations established by regulatory bodies such as the Bangladesh Bank and the Bangladesh Securities and Exchange Commission. For further information, please refer to page 341 of this Annual Report.

Corporate Governance Framework

Shahjalal Islami Bank's leadership structure, including the skills and diversity (e.g., range of backgrounds, gender, competence and experience) of those charged with governance and whether regulatory requirements influence the design of the governance structure.

The Board of Directors plays a crucial role in shaping the governance structures and practices that drive the bank towards growth by choosing effective strategies and providing leadership. 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.

Regulatory requirements play a significant role in shaping the bank's governance structure, and Shahjalal Islami Bank complies with relevant guidelines and regulations set forth by Bangladesh Bank circulars, the Companies Act 1994 (amended up to 2020), the Bank Companies Act 1991 (amended up to 2018), Bangladesh Securities and Exchange Commission (BSEC) notifications, the Guidelines of Bangladesh Bank, and the Memorandum & Articles of Association of the Bank.

Our Board of Directors comprises a diverse group of individuals with extensive experience and knowledge in various fields. Mr. Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK), and ACA (England & Wales), one of our Independent Directors, has a strong background in finance and accounting. Additionally, two of our board members have previously served as managing directors of private commercial banks and possess in-depth knowledge of banking, finance, and accounting. Another board member holds a Ph.D., while another is a former president of FBCCI, the country's highest business forum. The remaining board members are successful entrepreneurs or seasoned professionals with extensive knowledge of business, economics, and administration. Together, they provide guidance on accounting and audit-related issues, ensuring compliance and reliable financial reporting.

Mandatory and voluntary code of corporate governance adopted by the Company

Shahjalal Islami Bank always makes its best efforts to comply with corporate governance practices in accordance with all aspects of the Corporate Governance Code BSEC/CMRRCD/2006-158/207/Admin/80, dated June 3, 2018, Bangladesh Bank's circulars, the provisions of the Bank Companies Act 1991 (as amended up-to-date), the Companies Act 1994 (as amended up-to-date), and the directives of DSE and CSE, as well as all aspects of Bangladesh Bank's directives.

Code of ethical conduct adopted by the Bank in relation to ethical business

The Board of Directors is strongly committed to upholding high ethical standards and ensuring compliance among all employees of the bank. They consistently encourage the management team to ensure that every employee adheres to the bank's ethics and integrity policies, providing necessary guidance. To recognize employees who embody these values, the bank has introduced the Integrity Awards.

It is a requirement for all employees of SJIBL to sign a declaration form acknowledging their understanding of the ethics, business practices, and code of conduct. The Human Resources Division distributes the necessary declaration forms and ensures that all employees have signed and submitted them to the appropriate department. The Internal Control and Compliance Division evaluates whether employees have breached

the ethics, business practices, and code of conduct through their periodic audits.

Specific processes used to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues

A Risk Management Framework (RMF) has been developed by Shahjalal Islami Bank Limited to standardize the approach to effectively manage risks and opportunities. The bank's RMF equips its Board and Management with the necessary tools to anticipate and manage both existing and potential risks. This is achieved by considering 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:

- Governance
- Risk Appetites
- Risk Management Tools

Actions of those charged with governance have taken to influence and monitor the strategic direction of the bank and approach to risk management

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 them 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 its risk appetite, including tolerance and limit, every year to ensure appropriate alignment between strategy, growth aspirations, operating plans, capital, and risk.

The bank's culture, ethics and values are reflected in its use of and effects on the capitals, including its relationships with key stakeholders

As a Shariah-compliant bank, the foundation and growth of SJIBL rest on ethics and compliance. Ethics refer to the decisions, choices, and actions (behaviors) that reflect and enact the bank's values. Compliance means conforming or adapting one's actions to another's wishes, a rule, or a necessity. The terms "ethical" and "compliance" are often used interchangeably when referring to businesses that do the right thing. The Board of Directors is committed to upholding a high standard of ethics and compliance among all bank employees. They consistently encourage management to ensure that all employees maintain a high level of ethics at the bank and provide guidance on ethics and integrity policies. Additionally, the bank has introduced Integrity Awards to recognize its employees for upholding these values.

Governance practices of Shahjalal Islami Bank

Since its inception, Shahjalal Islami Bank Limited (SJIBL) has consistently maintained a commitment to responsible and ethical banking practices. The bank has implemented the highest international standards of corporate governance and fostered a corporate culture that promotes sustainable performance, client-centricity, innovation, and partnership. SJIBL's corporate governance report highlights its strong dedication to best practices and full compliance with the rules and regulations set forth by regulatory bodies such as the Bangladesh Bank and the Bangladesh Securities and Exchange Commission.

The responsibility those charged with governance take for promoting and enabling innovation

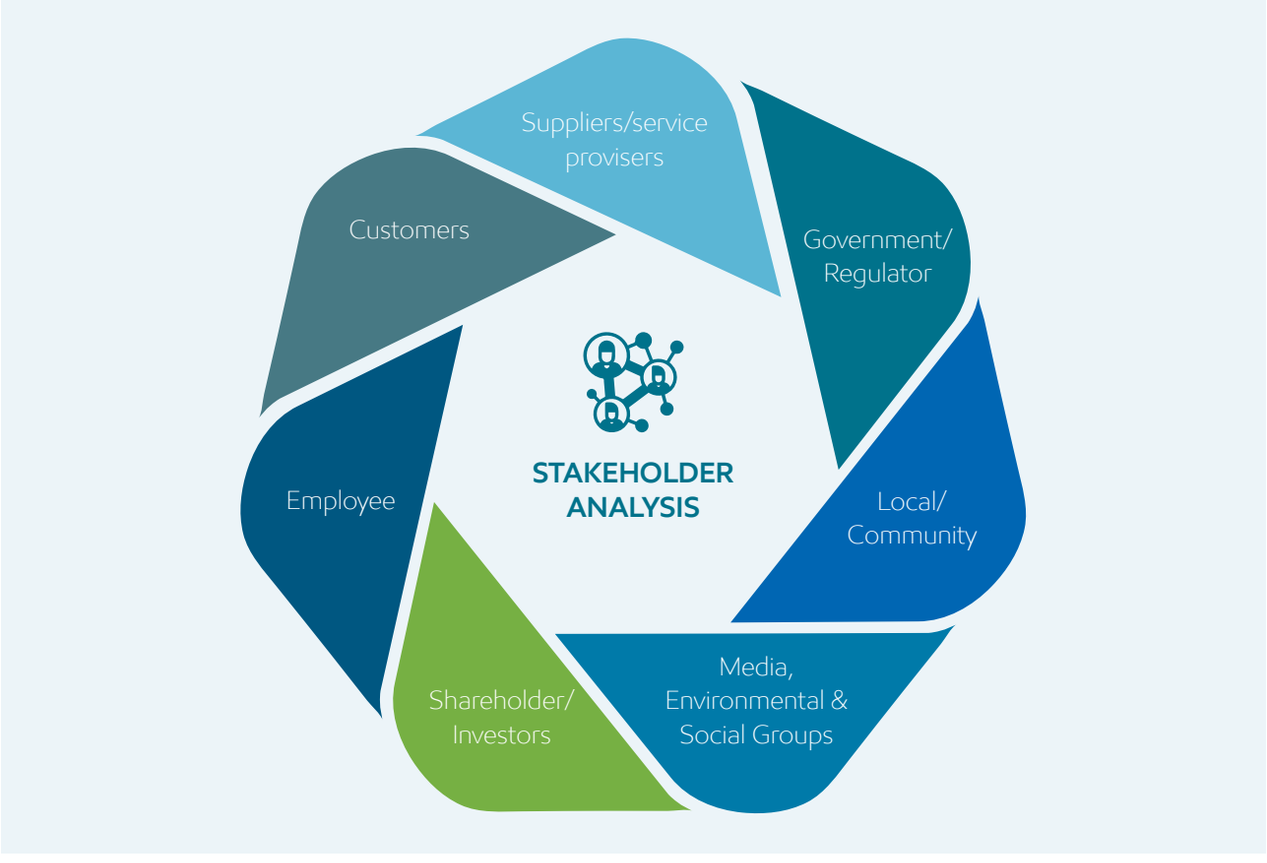
Shahjalal Islami Bank has established a well-defined and structured Corporate Governance framework to support the Board's aim of achieving long-term and sustainable value. To maintain leading governance practices in the highly regulated industry in which the Bank operates, the Board Committees assist the Board in fulfilling its governance role effectively by promoting and enabling innovation for the long-term sustainability of the Bank's businesses. Detailed explanations of these practices are provided in the following segments

Remuneration and incentives linked to short, medium and long term value creation as well as bank's use of and effects on the capitals

At SJIBL, a well-defined remuneration policy is in place that is regularly reviewed and updated by management. Senior executives of the bank are provided with market-based, competitive compensation to attract, motivate, and retain skilled and competent employees. The bank ensures that the compensation of directors, the chairman, and the CEO is set in accordance with the guidelines provided by the Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank circulars, aligning compensation practices with regulatory requirements and industry standards, and supporting recruitment and retention of top talent.

1.3 STAKEHOLDER IDENTIFICATION / **RELATIONSHIPS**

Identifying stakeholders is crucial in understanding their expectations from the bank, which in turn helps in delivering consistent value and meeting those expectations. SJIBL has classified its stakeholders into two major categories: the core stakeholder group, which includes shareholders, customers, suppliers, and employees, and other stakeholders, such as regulators, local communities, and civil society. By doing so, the bank can effectively manage the needs and expectations of all its stakeholders and maintain a positive relationship with them.



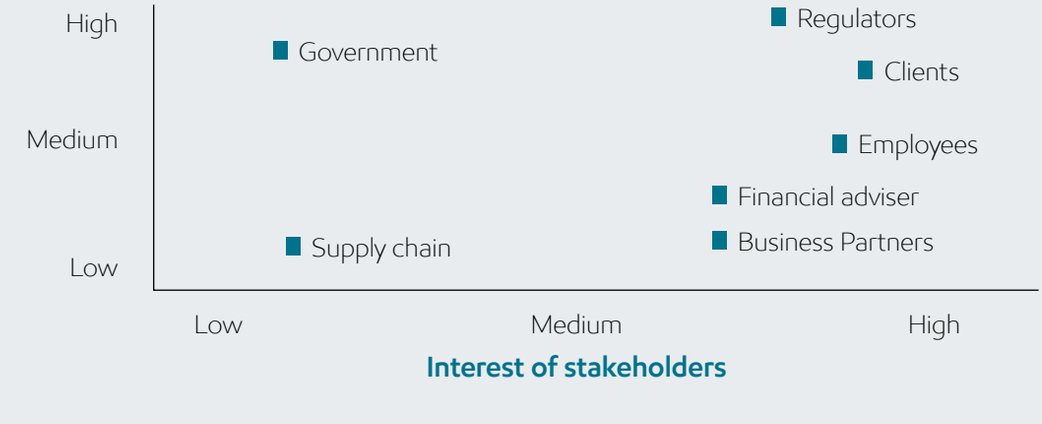
STAKEHOLDERS' ENGAGEMENT

Stakeholder group	Engagement Mechanism	Key issues / material matters of Stakeholders	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

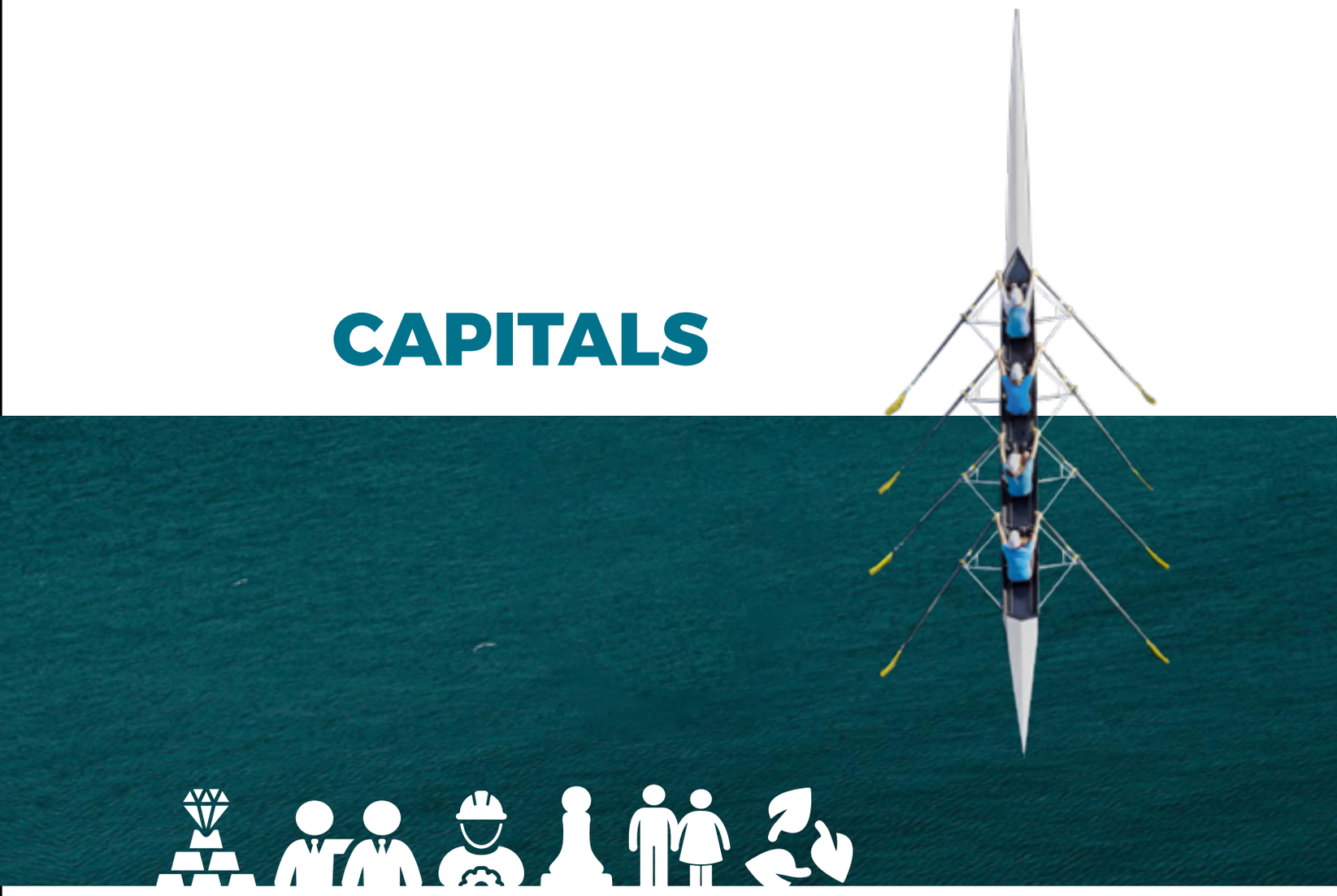
Stakeholder group	Engagement Mechanism	Key issues / material matters of Stakeholders	Response of SJIBL
Customers	• 24/7 Customer hotline 16302 • Customer Relationship Management • Multi-channel engagement, including face-to-face customer engagement • Customer feedback channels (in-branch, email, contact centre, social media) • 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	• Banking accessibility for all • Reaching out to customers by widening footprint • Continuously developing new products & services • ALCO meets every month to decide pricing • All network nodes are run by the online core banking system (CBS). • Digital banking channels • Fast and high-quality service delivery following one-on-one relationships. • Proper actions are taken on customer complaints
Employees	• Yearly Strategic Business Conferences • Training, workshops, and orientation programs • 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 • Job descriptions are created based on individual skills. • Performance-driven career progression • Healthy working environment • Future Leadership Development Program	• 168 training courses were conducted in 2022. • Salary packages are increased 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
Government & Regulatory Authority	• Adhering to all applicable 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 6,763 million to the National Exchequer, which helped considerably with the revenue collection of the government.

Stakeholder group	Engagement Mechanism	Key issues / material matters of Stakeholders	Response of SJIBL
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 underprivileged people. • Services to old citizens, widows, and disabled beneficiaries • Significant contributions to the fields of education, health, disaster management
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, etc.

SJIBLs Stakeholder Connect matrix, 2022



CAPITALS



We adopt the 6 Capitals model, which provides a more balanced approach to generating comprehensive and actionable reports. This model aligns the six capitals with relevant material aspects and adjusts them accordingly with their pertinent strategic pillars, highlighting associated risks and mitigation strategies to create a comprehensive value creation model for our key stakeholders. The following is a detailed description of the six capitals:

FINANCIAL CAPITAL

In 2022, Shahjalal Islami Bank Limited demonstrated the optimal use of financial resources to achieve good returns for its shareholders, other stakeholders, and the nation at large. All important financial metrics for the year show that SJIBL achieved sustained development.

Linkage of SDGs with capital outcomes





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 17.54 %
- Outstanding SME Investment BDT 68,646.72 Million
- Maintaining Cost to Income Ratio at 40.98 % which is well below the industry average.

Challenges

- Lower appetite of private sector investment (credit) for uncertainty due to Russia-Ukraine war.
- Investment recovery challenges as a result of higher inflation, slower economic and business growth.
- Rationalization of operating expenses.
- Excess liquidity management throughout the year 2022

Responses

- Reshape fund management strategy and invest in alternative instruments
- Focus on realization and regularization of investment. 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.

Financial Capital Review

Despite another year of uncertainty, SJIBL's financial performance in 2022 exhibited stability. The bank's financial position and performance demonstrated impressive growth, as evidenced by the excellent increase in operating profit, general investment, and all other key metrics.

Highlights for the year 2022

Equity Growth

10.44%

Investment Growth

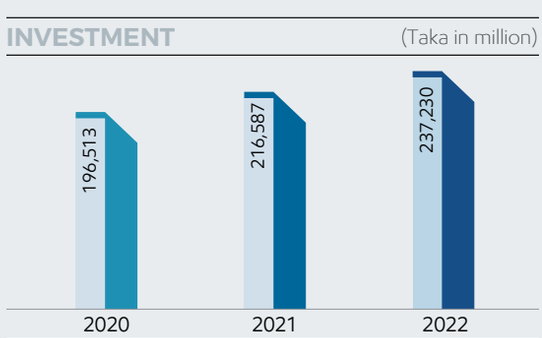
9.53%

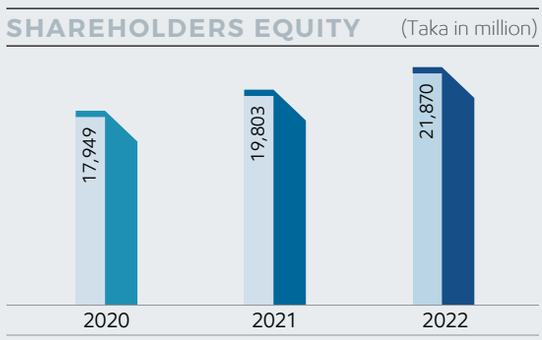
Return on Equity

16.92%

Earning Per Share Growth

36.35%



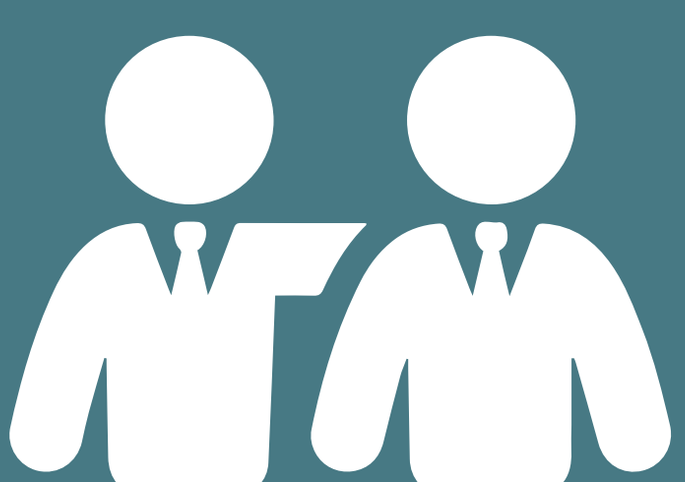


HUMAN CAPITAL

Shahjalal Islami Bank Limited devotes its best efforts, time, and resources to grow and retain its workforce, ensuring happiness and creating value for its employees by providing equal employment opportunities, career progression, and promoting diversity. As a result, SJIBL has become a great place where employees work with pride and dignity.

Linkage of SDGs with capital outcomes





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

- Attractive compensation packages and end-of-service benefits
- Continuous 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 to high achievers
- Provide relevant learning opportunities
- Build a culture of engagement
- Talent acquisition
- Employee Well-being

Capital Outcomes

- Number of employee promoted: 511
- Number of training participant: 5751
- Arrangement of conference, get together, etc.
- Fresh employee recruited: 162
- Experience employee recruited: 40
- Medical insurance paid to 469 employees

Challenges

- Recruit and retain qualified, effective, and efficient workforce.
- Ensure health and safety in work place.
- Ensure the motivation levels of the employees.

Responses

- 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 medical assistant and maintained a safe and stress-free working environment.
- 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 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.

Highlights for the year 2022

Total employee

2,835

New recruitment

202

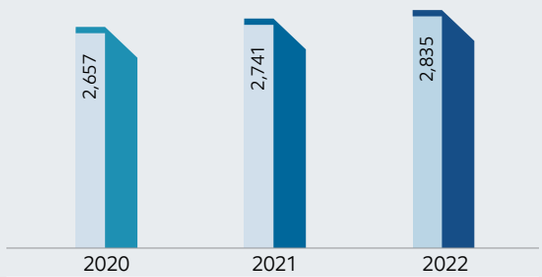
Total value of human capital

Tk. 33,591

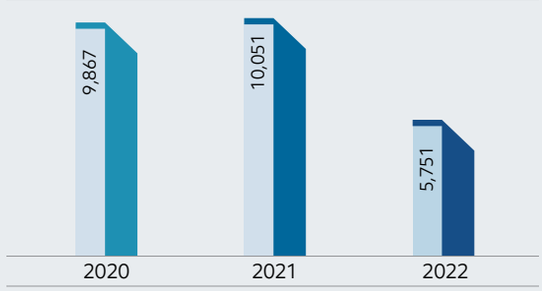
Operating profit per employee

BDT 2.94 million

NUMBER OF EMPLOYEES



TRAINING PARTICIPANTS



MANUFACTURED CAPITAL

The bank's physical infrastructure, including buildings, furniture and fixtures, office equipment, computer equipment, cars, books, IT infrastructure, and digital infrastructure, represents its manufactured capital. The bank's efficient use of manufactured capital allows it to be flexible and responsive to consumer needs, enabling it to effectively supply its products and services. Manufactured capital, particularly digital infrastructure, is critical for decreasing resource consumption and directing human resources towards strategic, creative, and value-generating activities.

SJIBL places strategic importance on optimizing and leveraging its physical and digital infrastructure to produce stakeholder value, recognizing the vital role that manufactured capital plays in boosting consumer accessibility, satisfaction, and process efficiency.

Linkage of SDGs with capital outcomes





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 8 new Branches
- Opened 10 new ATM booths
- Opened 11 new Agent Banking Outlet
- E-account opening services
- QR Code banking services
- Elimination of Non-value added activities
- App based banking services
- Automated reporting system for investment
- Automated 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.

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

Highlights of 2022

Wide network of branches

140

A network of Agent Banking Outlet

111

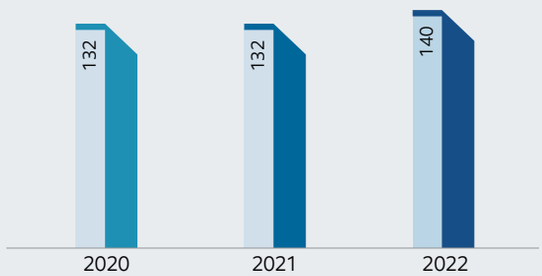
A wide network of global correspondents

437

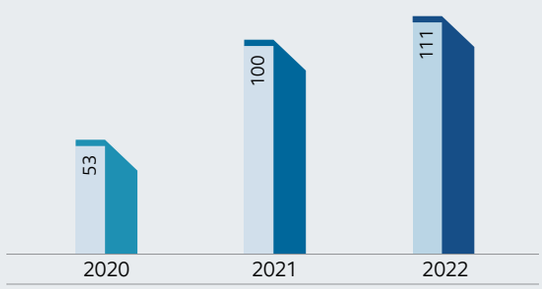
A network of own and shared ATMs

129 & 3,203

NUMBER OF BRANCHES



AGENTS OUTLETS

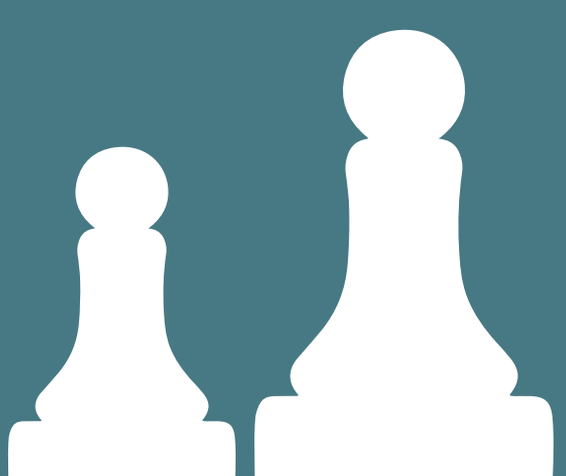


INTELLECTUAL CAPITAL

The bank is committed to increasing its intellectual capital through maintaining brand value, providing excellent customer service, and adopting information technology. It invests in employee training to enhance tacit knowledge and fosters a strong compliance culture to mitigate risks and protect stakeholders. The bank places a strong emphasis on innovation to improve and diversify its products and services to meet the evolving needs of its customers.

Linkage of SDGs with capital outcomes





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 22 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.

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.

Outlook

- 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.

Highlights for the year 2022

Glorious experience

22 years

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. 10.

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 form 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.

Linkage of SDGs with capital outcomes





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-2022
- SJIBL Chairman's Award & MD's Award –2022
- Improving customer experience

Capital Outcomes

- Outstanding Investment of women entrepreneurs Tk.2,141 million
- Opened 5,632 numbers of No frill accounts
- CSR expenses Tk.325 million
- Zakat expenses Tk.206 million
- Acknowledgment of five (05) honest employees working in the Bank
- Total 4 Employees got Chairman's Award
- Total 9 Employees got MD's Award
- Increased employee motivation and productivity
- Offering innovative products & services
- Enhanced customer satisfaction

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 training programs 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 nine branches, and the rating of the customer service was found "satisfactory".

Highlights for the year 2022

Substantial value creation in society

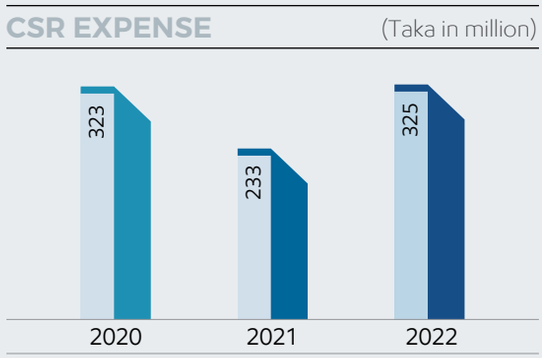
Active customer engagement through digital channels

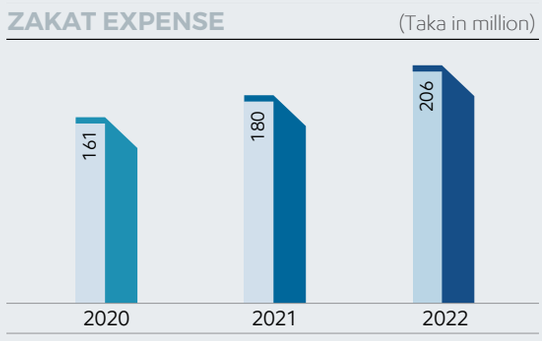
CSR expenses

Tk. 325 million

Zakat expenses

Tk. 206 million





Challenges

- Volatility in macroeconomic factors due to ongoing Russia – Ukraine war
- Customer satisfaction

Responses

- Pursuing business strategies while keeping in mind the challenges and opportunities due to the ongoing of Russia – Ukraine war
- 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

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 and balanced growth in the economic, social, and environmental sectors through CSR, Zakat, and investment.

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
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আরো বিস্তারিত তথ্যের জন্য ব্যাংকের নিকটস্থ শাখায় যোগাযোগ করুন

শাহ্‌জালাল ইসলামী ব্যাংক
লি মি ট ড
আন্তরিক সেবায় প্রতিশ্রুতিবদ্ধ

NATURAL CAPITAL

Shahjalal Islami Bank's natural capital consists of the natural resources 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 materials generated by SJIBL's 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 that it is uniquely positioned to propagate environmental consciousness beyond its organizational boundaries to its customers and communities by engaging in responsible investment practices.

Linkage of SDGs with capital outcomes



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)

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

Highlights of 2022

Head Office is LED Certified Green Building

ATM of the bank have already been powered by solar energy

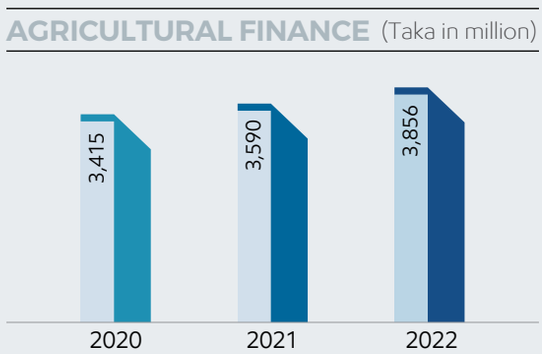
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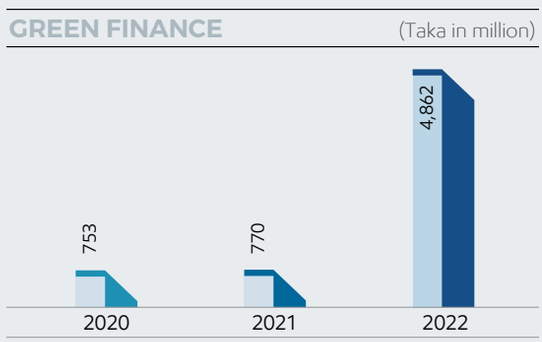
Disbursement of Agricultural Investment

BDT 3,856 million

Disbursement of Green finance

BDT 4,862 million





1.4 BUSINESS MODEL

Nowadays, stakeholders demand insights into how an organization will face changes in the global business environment and turn them into opportunities. The Bank's business model is the system it uses to transform inputs, through its business activities, into outputs and outcomes that aim to fulfill the Bank's strategic purposes and create value over the short, medium, and long term.

Our Value Chain Activities Model

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.

Key Drivers to Business Model

- Change of Macroeconomic environment
- Digital Transformation
- Knowledge-based skill development
- Regulatory Changes
- Transformation of society

Input-output Creation From Value Chain Activities

Outlook (Page-25)

Strategy & Resource Allocation (Page-212)

Risk Management (Page-233)

Raise fund & deposit from public that generate profit expense

Extend finance through responsible investment that generate profit income

Business Objectives & Activities

Facilitate payment & transactions

Extend Non-Funded Businesses like LC, BG that generate commission

Corporate Governance (Page-341)

Sustainability (Page-141)

Stakeholders Impacted (Page-186)

Key Highlights

Deposit growth
4.92%

Investment growth
9.53%

Import growth
2.34%

Export growth
38.58%

Operating Profit Growth
38.83%

ROE
16.92%

EPS
BDT 3.26

NAVPS
BDT 20.24

MVPS
BDT 18.80

DPS
BDT 1.50

OUTPUT

FINANCIAL CAPITAL

Regulatory Capital Tk.34,064 million
Deposits Tk.227,982 million
Market Capitalization Tk.20,314 million
ROE 16.92%
Dividend declared 15%
Price Earnings Ratio-5.76

MANUFACTURED CAPITAL

Number of Branches 140
Number of own ATMs 129
Number of Agent Banking Outlets 111
IT Infrastructure-Digital Wallet, Internet Banking, Call Center
Interface with third parties for financial transactions

INTELLECTUAL CAPITAL

Value of intangible assets BDT 15 million
3 Qualified Independent Directors to ensure good governance
Credit rating AA+ & ST-2 for Long & Short Term respectively

HUMAN CAPITAL

2,835 number of staffs
17% female staff
Tk.2.94m Profit per employee

SOCIAL & RELATIONSHIP CAPITAL

Tk.237,230 million investment including SME & Agriculture
Tk.6,763 million contributed to National Exchequer
Tk.325 million CSR fund donated
Tk.206 million Zakat expenses

NATURAL CAPITAL

Tk.85.17 million energy (electricity & fuel) consumed
19 number of Solar panel installed ATM
Tk.5,432.54 m Green Finance outstanding
Tk. 120,832 m sustainable finance

Stakeholders impected

1. Shareholders/ Investors
2. Customers
3. Employees
4. Regulators

1. Local Communities
2. Customers
3. Employees

1. Customers
2. Board & Management
3. Employees

1. Customers
2. Board & Management
3. Employees

1. Local Communities
2. Customers
3. Government

1. Local Communities
2. Customers
3. Employees

Outcomes

- Customer satisfaction
- Shareholders' return
- Asset consumption
- Contribution to national exchequer through Tax, VAT, Excise Duty, etc.
- Job creation
- Employee development and engagement
- Improved standard of living
- Impact on Environment

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 Proposed

BDT 1,621 million

Market Capitalization

BDT 20,314 million

REGULATORS

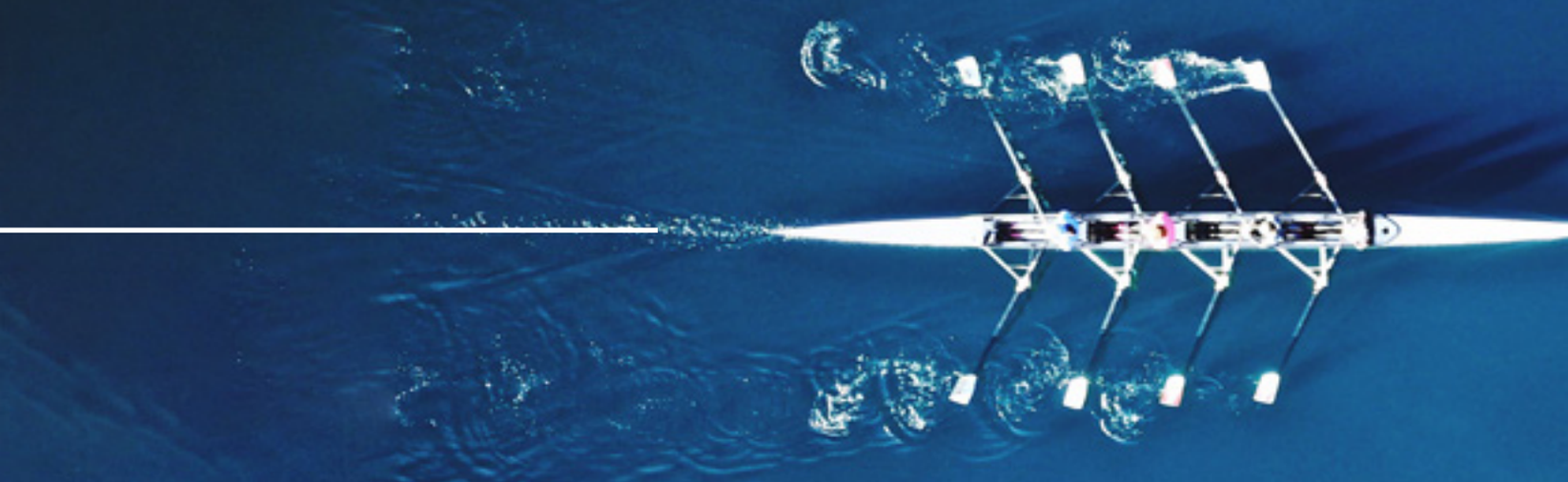
The bank is strictly following all the applicable laws and regulations in conducting business activities. Policies and procedures have been formulated and established to ensure a compliance culture that is coherent and ensures compliance with applicable laws and regulations during the course of business 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

BDT 5,829 million

Other Tax Paid

BDT 934 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 and allowance paid

BDT 3,563 million

Number of training participants

5751

COMMUNITY

The diverse range of products and services offered by the bank not only promotes economic growth and raises people's living standards but also creates job opportunities for the community. In addition, the bank makes a significant annual contribution to corporate social responsibility (CSR) operations and distributes Zakat to underprivileged members of the community. As a result, the bank adds value to society both directly and indirectly

CSR expenses

BDT 325 million

Zakat paid

BDT 206 million

CUSTOMERS

The bank offers a wide range of products and services to its customers. Investment products fulfill customers' financial need, 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

BDT 8,335 million

Total Investment Outstanding

BDT 237,230 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

209

Procurement budget

BDT 1131 million

HOW SJIBL CREATES VALUE THROUGH **BUSINESS OPERATIONS:**

ENVIRONMENT

Whenever an investment decision is made for a client, the bank evaluates the environmental impact of the decision and avoids investing in businesses that have a negative impact on the environment. In addition, the bank's head office is a LEED-certified green building, and the bank closely monitors resource use, waste management, and emissions. Everyone in the bank is aware of these environmental issues.

Green finance Outstanding

BDT 5,433 million

Sustainable finance outstanding

BDT 120,832 million

MULTIPLE BUSINESS MODEL **OF SJIBL**

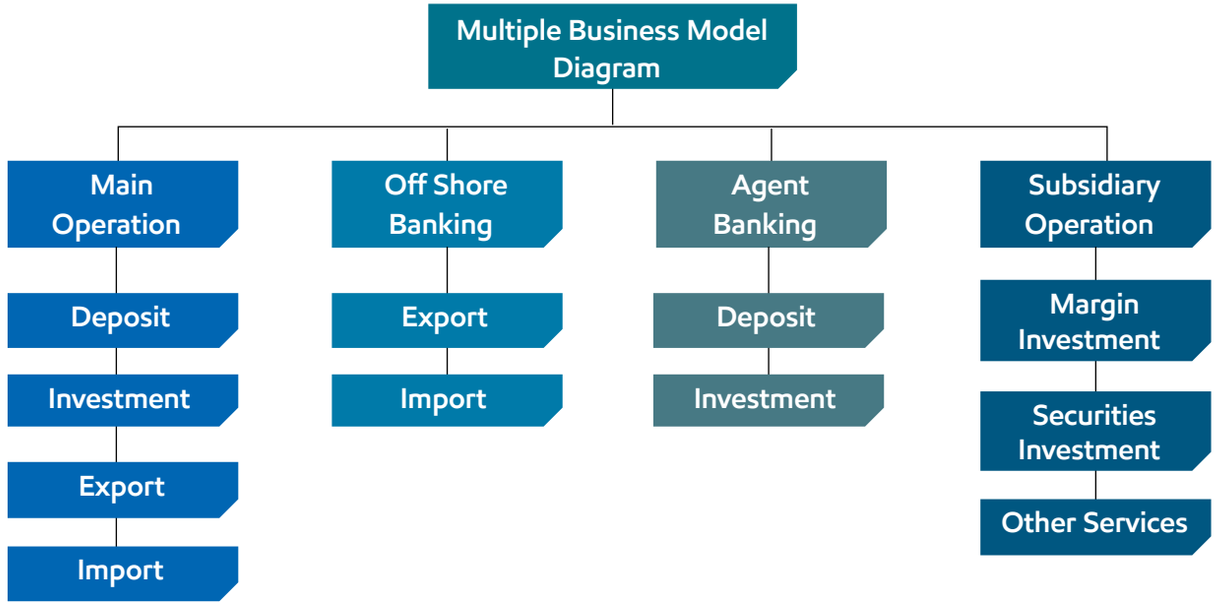
The bank manages multiple and interdependent business models in its consolidated business operations. Our business model is divided into two segments: the main banking operations and the operations of the SJIBL subsidiary.

Shahjalal Islami Bank's main operation

The Bank operates in strict compliance with the rules of Islamic Shari'ah, and its financial statements have been prepared under the historical cost convention in accordance with International Financial Reporting Standards (IFRSs).

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. The main objective of the company is to engage in the business of stockbrokers/dealers in relation to shares and securities dealings and to provide other services as mentioned in the Memorandum and Articles of Association of the company.



1.5 PERFORMANCE

At Shahjalal Islami Bank, performance is defined as the value calculated using the financial metrics designated by the Board, which are set forth and measured over a particular period. The Bank measures its performance in line with the mission and vision of the bank.

Comparative analysis through Quantitative indicators

The detail of Comparative analysis through Quantitative indicators of Shahjalal Islami Bank Limited is given in five years' performance in page number 319 of this Annual Report.

Material effects on capitals up and down the value chain

We have discussed in detail the capitals and material matters impacting our capitals on pages 189 to 203 of our Annual Report 2022.

Stakeholder relationships and how the Bank has responded to stakeholders' legitimate needs and interests

The identification of stakeholders is key to understanding their expectations of the bank and helps pave the way towards fulfilling those expectations and delivering consistent value. SJIBL believes in properly engaging with its stakeholders in every aspect of business activities and maintaining a smooth and interactive relationship with them. Details of stakeholder engagement and relationships are given on page 186 of this Annual Report 2022.

The linkages between past and current performance and organization's outlook

BDT million

Particulars	2022	2021	Growth
Deposit	227,982	217,289	4.92%
Investment	237,230	216,587	9.53%
Import	254,756	248,934	2.34%
Export	265,942	191,899	38.58%
Operating Profit	8,335	6,004	38.83%

KPI that combine financial measures

The detail of Key Performance Indicators is given on page number 212 of this Annual Report-2022

1.6 RISKS OPPORTUNITIES AND **INTERNAL CONTROLS**

The Board of Directors of Shahjalal Islami Bank Limited (the Board) has established an internal control mechanism to ensure that the financial reporting system provides reasonable assurance regarding the reliability of financial reporting and that financial statements for external purposes are prepared in accordance with relevant accounting principles and regulatory requirements.

A key aspect of the Board's duties is to establish and maintain an effective internal control system within the Bank and to assess the effectiveness of the current system. The management of the Bank is also responsible for implementing, operating, monitoring, and improving the internal control system to ensure compliance with the control system established by the Board. The Board of Directors recognizes its overall responsibility for the Bank's systems of internal control, which are designed to ensure efficiency, effectiveness, reliability, timeliness, completeness, and compliance with applicable laws and regulations. Details of directors' responsibilities regarding the establishment of internal control and compliance are given on page 338 to 340 of this Annual Report.

The specific source of internal or external risks and opportunities:

Shahjalal Islami Bank Limited (SJIBL) embraces risk management as an integral part of its business, operations, and decision-making processes. To ensure that SJIBL achieves optimum returns while 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 capital requirements quantification. These inputs enable the business units to assess the risk-vs-reward of their propositions, thus enabling appropriate pricing of risks in relation to the returns. Details of the risk management report can be found on page 233 of this Annual Report.

The organization's assessment of the risk or opportunity and magnitude of its effects

Shahjalal Islami Bank Limited has a comprehensive approach to risk management. All activities related to risk management are driven by the bank's policy, which provides a clear vision for our enterprise. Our risk management policy includes detailed guidelines for sound risk management and adheres to industry best practices at the national and international level.

The steps being taken to mitigate key risks or to create value from key opportunities

Shahjalal Islami Bank Limited has developed and implemented its own guidelines and various types of risk management tools that are appropriate for the complexity, size, and nature of its business. These guidelines and tools are consistent with the Bangladesh Bank's 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.

Risk Management Report

Risk management is a discipline at the core of every banking company and encompasses all activities that affect its risk profile. The Risk Management report contains details about various types of risks, their root causes, potential impacts on banking business activities, our response to risk mitigation, and an overall risk rating, which is shown on page 233 of this Annual Report.

Response on the effectiveness of the internal controls

The Board places significant importance on the soundness of internal controls and risk management practices as essential components of good corporate governance. To maintain a robust internal control environment within the Bank, the Board has established an organizational structure with clearly defined lines of responsibility, authority, limits, and accountability that are aligned with business and operational requirements.

1.7 STRATEGIC FOCUS AND **RESOURCE ALLOCATION**

Strategic Focus Areas

In a rapidly changing financial landscape, SJIBL determines its strategic focus areas based on short-term, mid-term, and long-term goals. To protect the interests of investors and all other stakeholders, SJIBL consistently pursues appropriate strategies for sustainable business growth:

Strategic Focus Areas

Short Term Goals	Mid Term Goals	Long Term Goals
• 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.	• 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.	• 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.

Based on the goals as outlined earlier, SJIBL has three sets of priorities that require attention moving forward for balanced growth of the bank:

Immediate priority

Continue to serve the clients of the bank with excellence, efficiency, and empathy. Engage with the resources and investments from the bank to help communities.

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 its strategies with 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 in the Management Review and Analysis section, which summarizes the operating environment. The capital-wise resource allocation strategy of SJIBL is outlined 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, 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 wastage 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

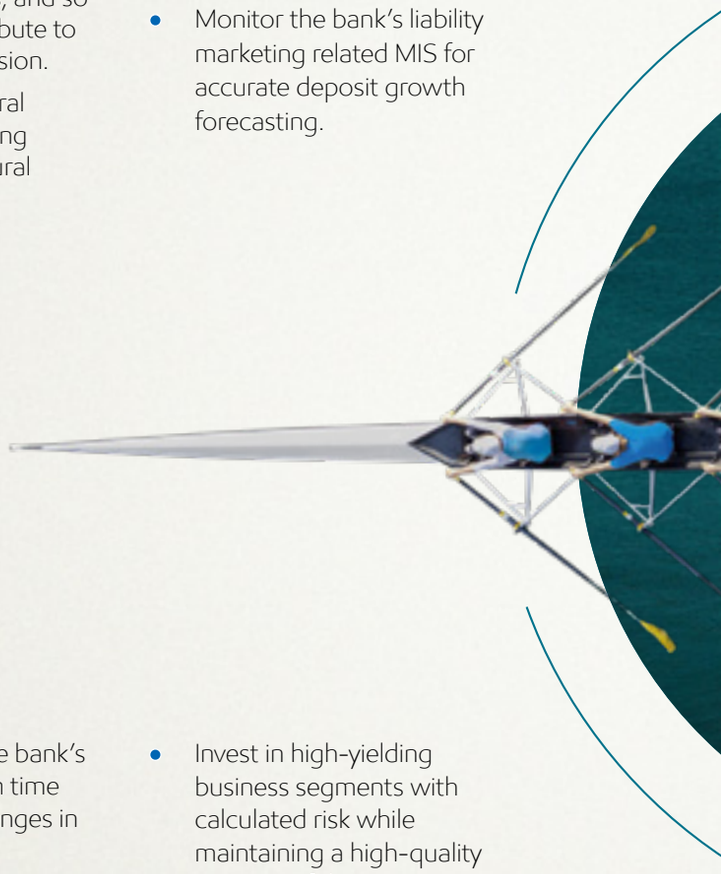
Taka in million

Particulars	SJIBL	SJIBL Security	SJIBL Group
Total Assets	339,819	8,005	342,728
Total General Investment	237,230	4,893	239,862
Total Investment in Share and Securities	33,487	1,712	35,626
Total Deposit	227,982	-	227,662
Total Placement with other Banks & FIs	21,277	-	21,277
Investment Income	15,885	267	15,965
Profit paid on Deposit	8,335	-	8,366
Net Investment Income	7,550	267	7,599
Income from Investment in Share and Securities	1,733	156	1,888
Commission, Exchange and Brokerage	3,487	148	3,635
Other Operating Income	1,351	6	1,358
Total Operating Income	14,121	577	14,480
Total Operating Expenses	5,786	127	5,937
Profit before Provision and Taxes	8,335	208	8,543
Net Profit after Tax	3,525	60	3,585
EPS	3.26	0.22	3.31
Number of Employees	2,835	81	2,916
Number of Branches	140	8	148
Number of Agent Banking Outlet	111	-	111
Number of ATM	129	-	129
Number of Foreign Correspondent	437	-	437
Number of Client	1,163,904	12,020	1,175,924

DEPOSITS STRATEGIES

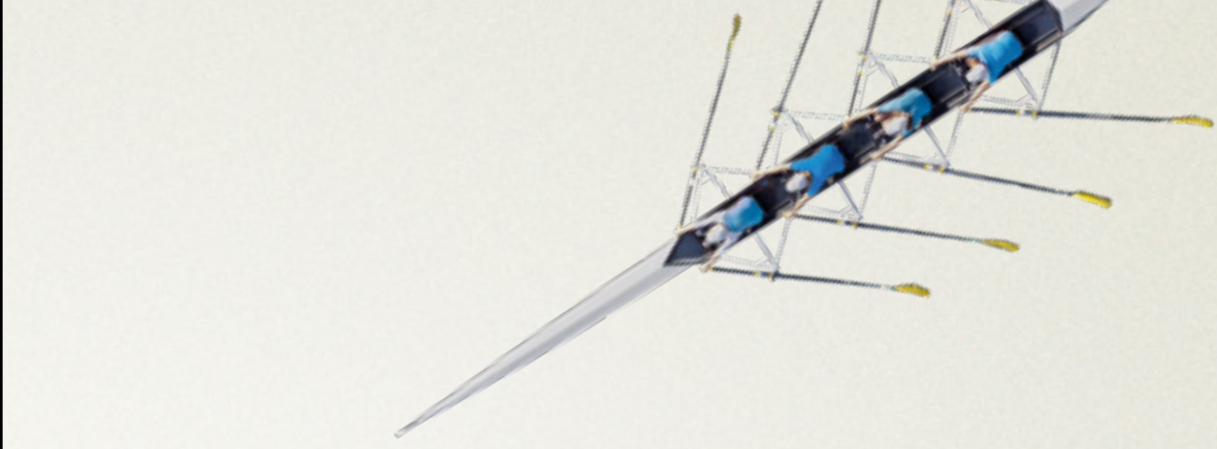
- Ensure SJIBL's motto "Committed to Cordial Service" in every phase of liability marketing.
- Cross-selling different products and services, including retail to corporate customers.
- Create and modify deposit products continuously to meet the requirements of the customers.
- Conduct deposit campaigns 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-frill 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.
- Emphasize on a favorable deposit mix by not sacrificing deposit growth.
- Monitor the bank's liability marketing related MIS for accurate deposit growth forecasting.

STRATEGIC FRAMEWORK



INVESTMENT STRATEGIES

- Develop and modify investment products to satisfy business needs of customers from time to time.
- Focus on those clients who have very good credit ratings.
- 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.
- 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 margin complying Bangladesh Bank circular to imports for clients with proven track records.
- 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.



1.8 OUTLOOK

As the banking industry and the economy enter another extraordinary period characterized by uncertainty from many fronts – economic, geopolitical, technological, and others – opportunities and hope also arise in some core fields. In this backdrop, SJIBL has navigated against all challenges by strategically positioning and utilizing assets to seize all opportunities. A detailed outlook of Shahjalal Islami Bank Limited is given on page 25 of this Annual Report.

1.9 BASIS OF PREPARATION AND PRESENTATION OF INTEGRATED REPORT



Shahjalal Islami Bank Limited has prepared its Integrated Report in accordance with the Framework of the International Integrated Reporting Council (IIRC). The Bank aims to highlight how it has managed its business excellently as a financial institution to deliver consistent value to its stakeholders. Our Integrated Report provides a clear indication of our business model, strategic focus, resource allocation, and future outlook to help stakeholders evaluate the bank's intrinsic value creation capability. We also focus on the key factors that are material to our present and future value creation in the report.

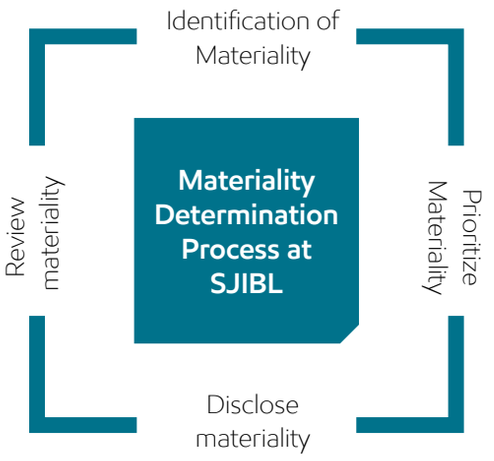
OUR MATERIAL **TOPICS**

Materiality

Material issues comprise both emerging opportunities and threats to value creation, which we determine by factoring stakeholders' expectations into the economic, social, environmental, and governance context in which we operate. We rank the topics most relevant to us based on their degree of importance to both 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:

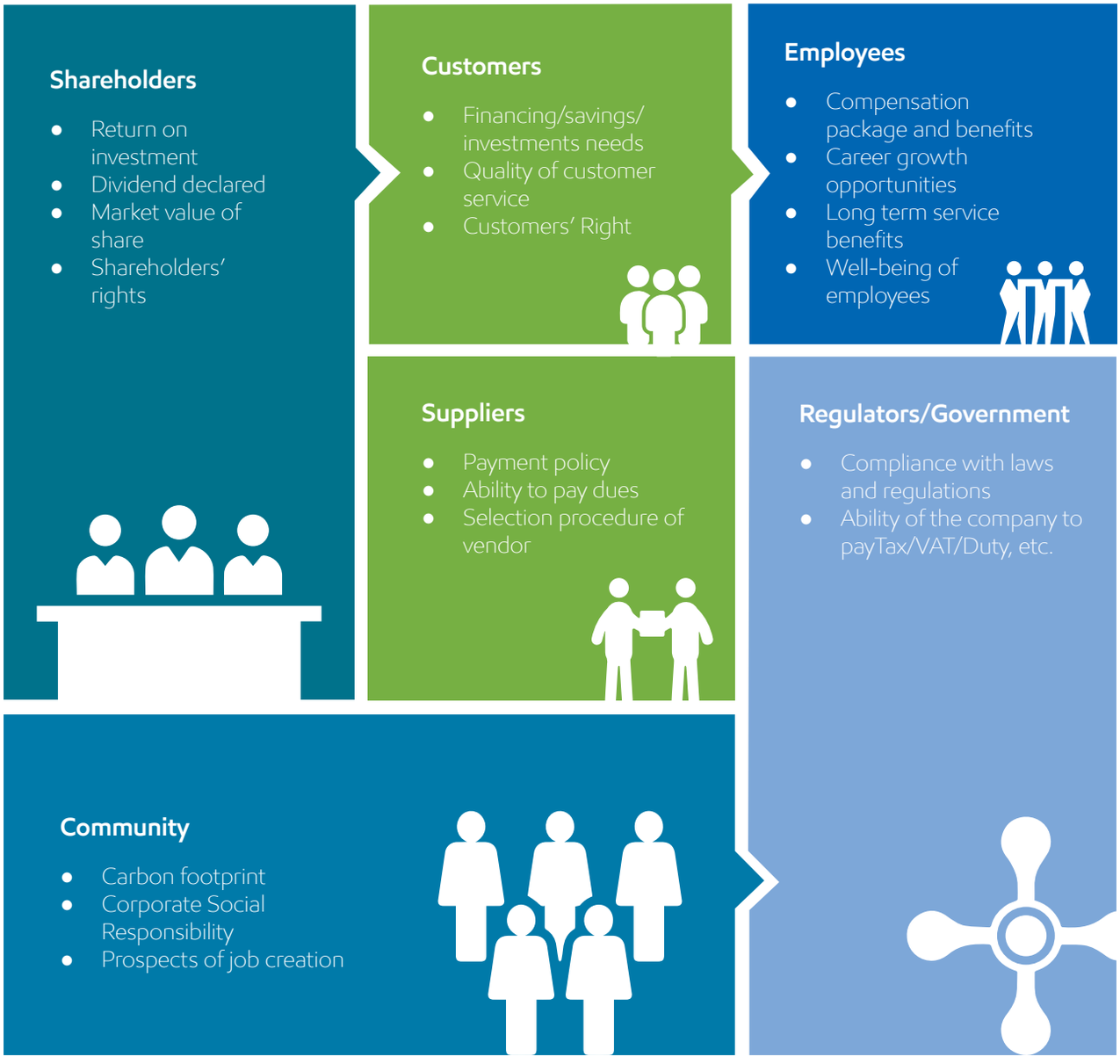


Responses to material topics of very high importance

Material topics	Our Response	Capitals Impacted				
		Financial	Intellectual	Human	Manufactured	Social
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.	☑				☑
Economic Performance	The bank has performed well even under stressful economic situations due to careful and prudent strategies in management and capital utilization.	☑	☑			☑

	Material topics	Our Response	Capitals Impacted				
			Financial	Intellectual	Human	Manufactured	Social
	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.	☑	☑			☑

Materiality in respect of disclosure to stakeholders



2. RESPONSIBILITY FOR AN INTEGRATED REPORT

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 report to ensure the accuracy of its disclosures. The report includes discussions, 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).

Acknowledgement to the preparation and presentation of the integrated report

The Board and the management also ensures that reasonable care has been taken in preparation and presentation of this Integrated Report and addresses all material issues and make fair presentation on Bank's integrated performance and its overall impact.

The report is presented in accordance with Integrated Reporting Framework

Shahjalal Islami Bank Limited prepares its Integrated Report with the aim of highlighting how the bank, as a financial institution, has managed its business excellently to consistently deliver value to its stakeholders. Our Integrated Report provides a clear indication of our business model, strategic focus, resource allocation, and future outlook, helping stakeholders evaluate the bank's intrinsic value creation capability. We focus on key factors that are material to our present and future value creation. The Integrated Report is prepared in accordance with the Framework of the International Integrated Reporting Council (IIRC).

3. OTHER QUALITATIVE CHARACTERISTICS OF INTEGRATED REPORT

The Integrated Report of Shahjalal Islami Bank limited has been prepared in accordance with the <IR> framework. The reporting frameworks and guiding principles of this integrated report is given in page 214 of this Annual Report.

3.1 Conciseness

We have prepared our integrated report by including sufficient context to understand the bank's strategy, governance, performance, and prospects without burdening the reader with less relevant information. We followed a logical structure and included internal cross-references where appropriate to limit repetition. Furthermore, we have linked our report to more detailed information that does not change frequently.

3.2 Reliability and completeness

We have included all material matters, both positive and negative, in our integrated report in a balanced way and without material error. The bank achieved the reliability and completeness through, selection and presentation of integrated report in an appropriate way.

3.3 Consistency and comparability

We have presented the information in our integrated report in a consistent manner over time and in a way that enables comparison with other organizations to the extent that it is material to the bank's own ability to create value over time.

The bank has followed its reporting policies consistently from one period to the next, unless a change is needed to improve the quality of information reported. This includes reporting the same key performance indicators if they continue to be material across reporting periods. When a significant change has been made, the bank explains the reason for the change and describes its effect.

The Bank has presented the data and information in a way that enables comparison with other organizations to the extent that it is material to our bank's own ability to create value over time. The details of consistency and comparability are given on page number 179 & 209 of this Annual Report.

3.4 Connectivity of information

Our integrated report presents a holistic view of the combination, interrelatedness, and dependencies among the factors that impact the bank's ability to create value over time. Integrated thinking is incorporated into our activities, connecting information flows with management reporting, analysis, and decision-making. The key forms of information connectivity include the links between the content elements in our integrated report.

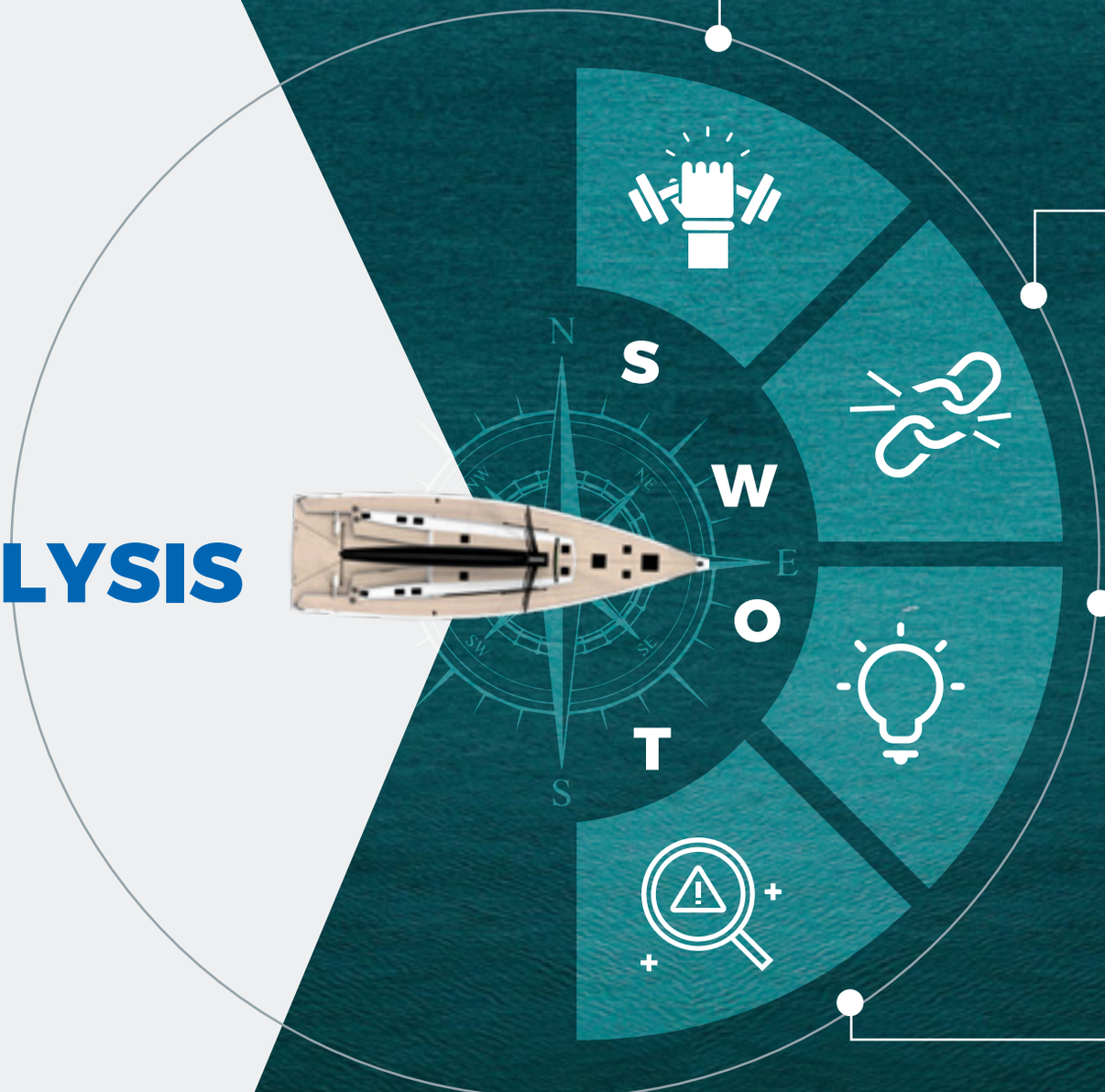
3.5 Materiality

At SJIBL, materiality is a concept that explains why and how certain issues are significant to us and our stakeholders. A material issue may have a significant impact on the financial, economic, reputational, and legal aspects of our bank, as well as on our internal and external stakeholders. The process of determining materiality for this report is described on page 217 of the Annual Report.

3.6 Assurance on the Report

The bank has obtained assurance from both internal and external sources that it maintains proper transparency in all of its operations. This combined assurance ensures the safety and soundness of its operations. Details of the assurance taken are provided on page 420 & 521 of this Annual Report.

SWOT
ANALYSIS



STRENGTHS

- Emerge as one of the best resilient Islamic Bank in the country where others competitors are facing tumble in many field but SJIBL is operating smoothly.
- Forward-thinking Islamic bank with diversified islamic financial products & services and multiple digital delivery channels.
- Strong market reputation with high customers' satisfaction.
- Solid capital base with CRAR of 14.38% against requirement of 12.50%.
- Strong adherence to Corporate Governance
- Comfortable liquidity position both in foreign currency and in local currency
- Strong compliant culture in all spheres of operations.
- Eminent and experienced Board of Directors and balanced senior management team

WEAKNESSES

- Narrow scope of offering diversified products compare to conventional counterpart.
- Increasing trend of operational cost
- High concentration on the corporate business area in terms of commitment, which is highly price sensitive.
- Limited penetration of digital banking and alternative delivery channel for cash payment.
- Bleak performance of subsidiary business and its scope.

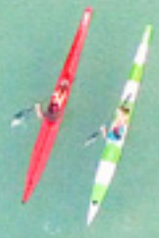
OPPORTUNITIES

- Ever increasing demand for Shariah-compliant products and services.
- The scope of digital transformation and reducing operating expenses.
- Symbiotic relationship with Fintech companies for extension of banking service
- Investment/financing in Islamic Bond and Islamic Money Market
- An opportunity to grab the market of the huge unbanked and under banked population of the country.
- The market share of the Islamic banking sector in Bangladesh is growing faster.

THREATS

- Protracted global and domestic uncertainties are expected to put pressure on investment growth in Bangladesh
- External pressure i.e. Balance of Payment is expected to remain elevated. A volatile exchange rate may threaten the foreign exchange business.
- The challenges of investment recovery and asset quality in economic turmoil phase pose threats to the banking sector.
- More competitors are entering in to the Islamic banking market.
- Ultra high Inflation caused additional pressures on deposit growth and cost of deposit of the financial sectors of Bangladesh.
- Intense competition from Fintech companies.

OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) APPROACH AND FOCUS AREAS



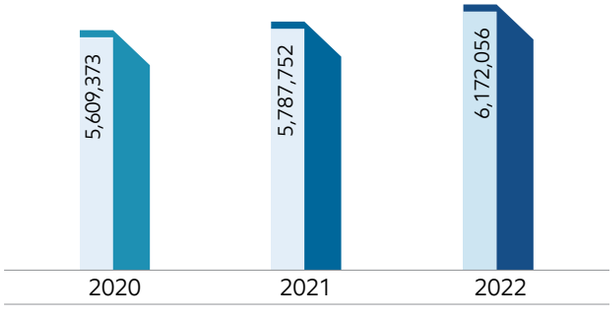
Environmental- Maximum utilization of limited resources

Shahjalal Islami Bank has prioritized projects that emphasize environmental benefits, and currently, we are investing in those projects that involve providing environmentally friendly products and services. Our environmental initiatives cover sectors such as renewable energy, energy efficiency, water management, waste management, and recycling

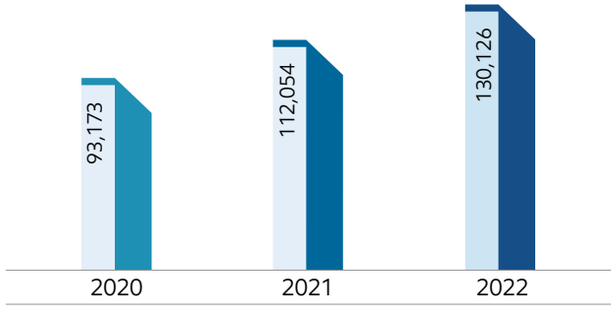
Energy Efficiency

We have implemented several initiatives to optimize energy consumption throughout our operations. Firstly, we replaced traditional fluorescent lamps with highly efficient LED lamps in all of our branches. Additionally, we invested in the latest energy-efficient office equipment that is environmentally friendly. Moreover, motion sensors have been installed to enable lights in all of our branches, resulting in a significant reduction in average energy consumption.

ELECTRICITY CONSUMPTION (KW)



FUEL CONSUMPTION (LITRE)



Renewable Energy

We are actively working towards increasing the proportion of renewable energy in our overall power consumption as part of our commitment to gradually reduce our carbon footprint. As part of our social initiatives, we have installed solar rooftop panels in 19 ATM booths to encourage the use of cleaner and more sustainable sources of energy. In line with our green initiatives, we have taken concrete steps to invest more in renewable energy projects. Notably, we have invested BDT 100 crore in the Beximco Green Sukuk, which will be used to establish a solar park with a capacity of 230 MW. This initiative will significantly reduce our reliance on conventional energy sources and help us contribute to the global effort to combat climate change.

ESG considerations are becoming increasingly important in modern times, as people are becoming more aware of the impact on wellbeing and the environment. ESG criteria are a set of standards for conscientious investors to evaluate potential investments based on their sustainability and environmental impacts. Shahjalal Islami Bank is committed to creating a better and sustainable world, and as such, our vision and strategies are focused on long-term sustainability to leave a better world for future generations. We are determined to integrate ESG policies in building and running our business, and to establish our prominence as leaders in ESG parameters in Bangladesh.

ENVIRONMENTAL **SOCIAL** **GOVERNANCE**

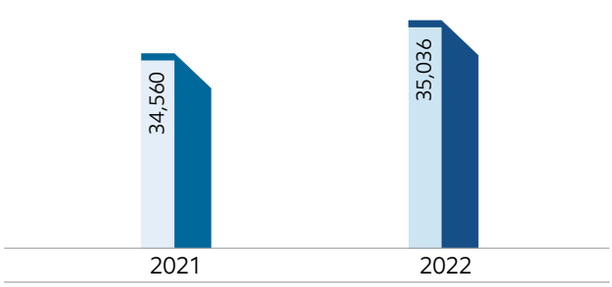
LEED certified buildings

Our Corporate Head Office Building is certified with "Gold" by Leadership and Energy Environment Design (LEED). Moreover, we have started investing in environment friendly building construction projects.

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 the recapture system to utilize the recycled water.

WATER CONSUMPTION (LITRE PER EMPLOYEE)



Waste Management

Our waste management strategy is centered around the 3 Rs: Reduce, Reuse, and Recycle. We focus on managing three types of non-hazardous waste: e-waste, dry waste, and wet waste. Our approach involves disposing of e-waste through authorized recyclers and developing a comprehensive waste management plan in consultation with our partners. By taking these steps, we are committed to managing our waste in an environmentally friendly manner. Our efforts reflect our commitment to sustainable practices and minimizing our impact on the environment.

Tree plantation program

Our tree plantation program is an ambitious initiative aimed at improving the environment by planting around 85,000 trees in various locations across the country. This program has not only had a positive impact on greenhouse gas emissions but has also helped us build and strengthen our social and relationship capital. We are committed to expanding the program even further and aim to plant 1 million trees by the year 2025. This target demonstrates our dedication to sustainable practices and environmental conservation.

Social & Communities- Building better connections by empowering

Rural Community development

Our commitment is to ensure the sustainable and holistic development of our rural communities. However, the ongoing war between Russia-Ukraine is posing a significant challenge to our efforts, as it has created uncertainty and put pressure on the economy of Bangladesh, especially for those who are already struggling. To support them during this difficult time, we are stepping forward to offer sustainable and green financing options through our investment facility. Our focus is on identifying potential investment areas in remote locations where we can provide flexible investment options rather than sticking to traditional, inflexible formalities. We have also contributed to our Prime Minister's relief fund to ensure sufficient resources to carry out education, relief, and house for everyone projects as part of rural development.

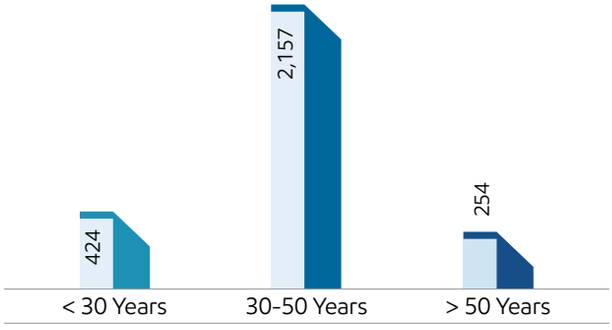
Employee health & Well Being

All our employees are covered by medical insurance facilities to address health-related medical expenses. Additionally, we have a full-time medical assistant to provide support. Our counseling services are available to help staff deal with mental health concerns. For female employees on the path to motherhood, we offer a maternity care program that includes six months of paid leave. Finally, we have provided Emergency Medical Support related to COVID-19 from the beginning of the pandemic until now.

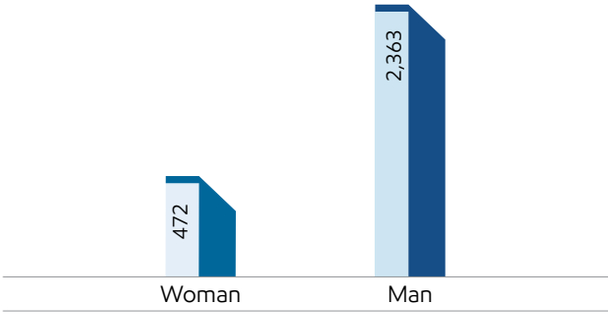
Workforce Diversity, Inclusion and Equal Opportunity

We endeavor to create and maintain a diversified and inclusive work environment with equal opportunity for all our employees, irrespective of age, gender, religion, or sexual orientation. We also provide equal and fair remuneration, irrespective of gender. With this objective, we are working simultaneously on 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 careers.

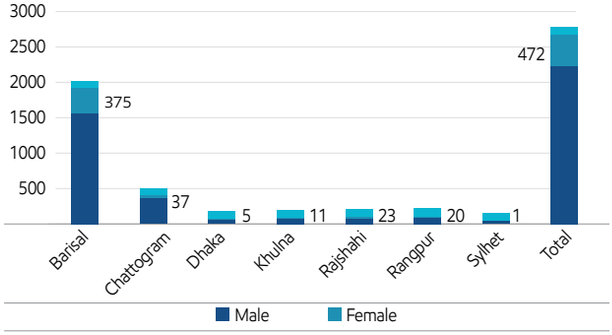
ATTRITION BY AGE



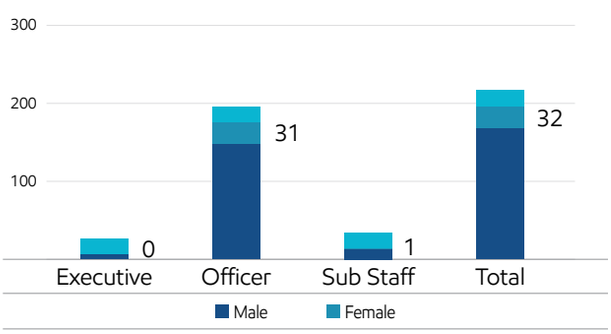
TOTAL WOMEN EMPLOYEES



DIVISION WISE



TALENT ACQUISITION



Woman at our workplace

We are committed to supporting women in our workplace and providing them with a healthy ecosystem that nurtures their careers while being mindful of their unique challenges in the competitive workplace. Currently, our workforce comprises 17% women, and we are working towards increasing their participation further in the coming days.

School Banking Program

In our latest induction of the school banking program, we endeavor to increase financial inclusion through this program. This program enables a large number of school-going children to familiarize themselves with the latest banking services and open and operate bank accounts at no cost. Moreover, they can benefit from the latest modes of banking and financial services. The Bangladesh Bank is implementing this program in 64 districts to encourage students across the country to participate in School Banking. We also urge parents/ guardians to open bank accounts for their children, which fosters a savings mentality and helps them utilize their money effectively

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Governance-Enhancing the bar

Our governance approach is founded on core values and strong ethics, elevated risk consciousness, Board expertise and competence, and unwavering regulatory compliance. We have established well-defined decision-making and monitoring procedures to maintain best-in-class governance standards, which guarantee a proper balance of authority, accountability, and freedom. The SJIBL corporate governance framework serves as the primary foundation for all our activities and operations.

Board of Directors and Board Competence

Our Board comprises a well-balanced mixture of youthful, energetic, experienced, and expert members, each with a strong background in various fields, including banking, financial markets, public policy, and risk management. Furthermore, we have brought in independent directors who have made immense contributions to society, the economy, and financial value creation.

Board involvement initiative

In shaping, maintaining, and improving the bank's processes and practices, the Board plays a pivotal role. The onset of the pandemic forced the bank to rethink the way business is managed and security is ensured. Employee safety and wellbeing remain a key priority consideration for the bank, as they are the main workforce.

Transparency and Accountability

Transparency and accountability are among the key factors that stakeholders expect. For this reason, the Board always endeavors to adopt global practices in governance, timely disclosures, and fair presentation of information. SJIBL has enacted practices that allow for a sufficient and visible flow of information for adequate safeguards to be in place.

Policies and Frameworks for ethical conduct

We undertake ethical conduct in our day-to-day operational activities. To ensure pervasive and ethical cultural behavior, we have created an environment and implemented policies and frameworks that encourage appropriate business conduct. These policies are regularly communicated with the management, employees, and other stakeholders.

Our corporate governance policy consists of the following:

- Code of corporate governance
- Policies to prevent insider trading
- Fair disclosure of related party transactions
- Environmental, Social & Governance Policy Framework

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

A comprehensive picture of SJIBL can be found through analyzing the competencies of entity, where we endeavor to link our key factor of competencies across the value chain as well as im-prove 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

Concrete Capital Base

- Maximization of shareholder's value by ensuring the optimum capital allocation and strong capital base

Prudent Asset Liability Management

- Optimum fund management practices to optimize asset liability gap

Attractive ROA and ROE

- Maintain sound financial performance and shareholders return

Infrastructure

Most Advanced 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

Instant 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

22 years of glorious journey

- Proactive responsible and customer oriented financial service provider
- Continuous investment for branding

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

Proficient and Empowered Human Capital

- Investing in human resource as well as offering competitive and healthy package to retain talents

Quality Human Resources

Extensive Training and Development

- Providing in house training and development initiatives for skilled 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.

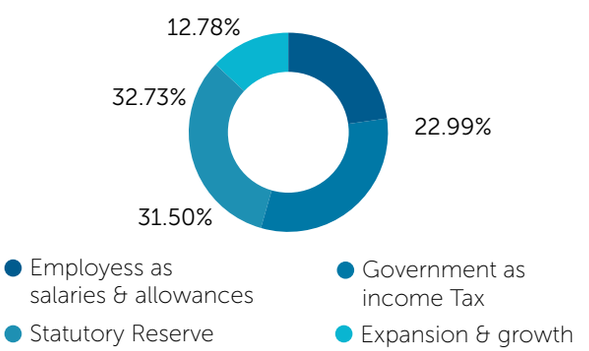
Value Added Statement

for the year ended 31 December 2022

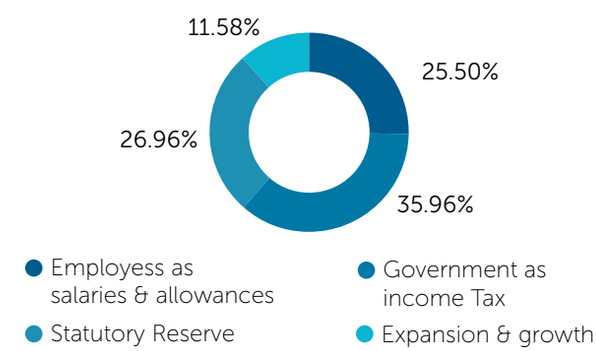
Particulars	2022 Taka	%	2021 Taka	%
Income From Banking Services	22,455,954,648		18,282,366,608	
Less: Cost of services & supplies	10,037,935,857		8,762,984,029	
Value added by the Banking services	12,418,018,791		9,519,382,579	
Non-banking income	-		-	
Loan & Other Provisions	(1,108,365,441)		(1,167,028,000)	
Total value added	**11,309,653,350**		**8,352,354,579**	
Distribution of added value				
To Employess as salaries & allowances	3,563,590,724	31.50%	3,004,147,148	35.96%
To Government as Income Tax	3,701,218,481	32.73%	2,251,428,716	26.96%
To Statutory Reserve	1,445,255,312	12.78%	967,333,131	11.58%
To Expansion & growth	2,599,588,834	22.99%	2,129,445,584	25.50%
Dividend & Retained earnings	2,044,552,185		1,572,969,453	
Start-up Fund	35,250,581		44,934,355	
Depreciation	519,786,068		511,541,775	
	11,309,653,350	**100%**	**8,352,354,579**	**100%**

Distribution of Added Value

DISTRIBUTION OF ADDED VALUE-2022



DISTRIBUTION OF ADDED VALUE-2021



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

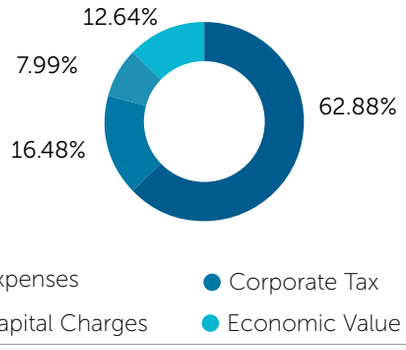
for the year ended 31 December 2022

Taka in Million

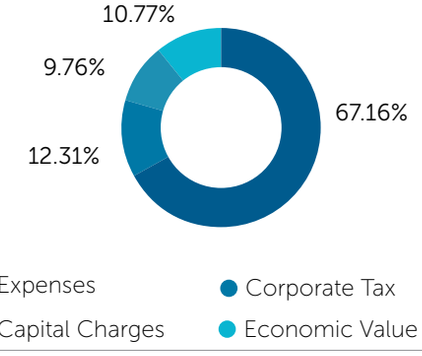
Particulars	2022	2021
Total Revenue	22,455.95	18,282.37
Expenses	14,121.31	12,278.67
Corporate Tax	3,701.22	2,251.43
Capital Charges	1,795.20	1,783.48
Economic Value Added	**2,838.22**	**1,968.79**

Economic Value Addition

ECONOMIC VALUE ADDITION-2022



ECONOMIC VALUE ADDITION-2021



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.

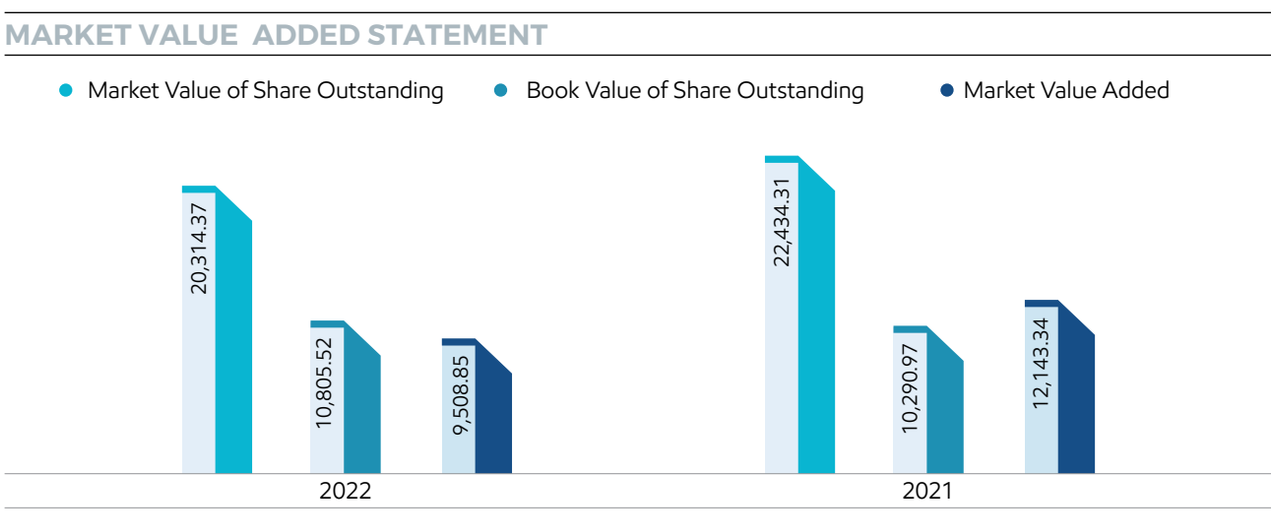
Market Value Added Statement

for the year ended 31 December 2022

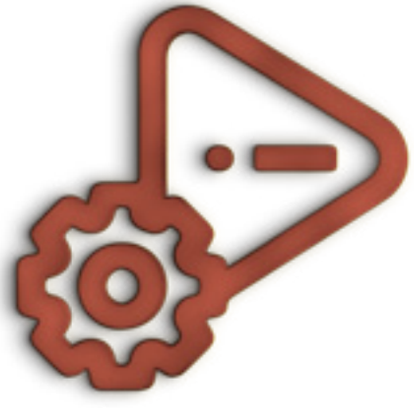
Taka in Million

Particulars	2022	2021
Face value per share (Tk.)	**10.00**	**10.00**
Market Value per Share (Tk.)	**18.80**	**21.80**
Number of Shares outstanding	1,080,551,798	1,029,096,951
Total market capitalization	20,314.37	22,434.31
Book value of paid up capital	10,805.52	10,290.97
Market Value Addition	**9508.85**	**12,143.34**

Market Value Added Statement



Risk MANAGEMENT



REPORT OF THE BOARD RISK MANAGEMENT **COMMITTEE (BRMC)**



Engr. Md. Towhidur Rahman
Chairman
Board Risk Management Committee

Risk is inevitable in the banking business, and as such risk management is integrated into our business planning, investment decision, internal control and day-to-day operations to enhance ownership and agility in managing risk. The Board Risk Management Committee (BRMC) oversee the governance of risks within the Bank and ensure that there is effective infrastructure in place to manage risk and conduct management activities in identifying, assessing, controlling and monitoring risks. SJIBL treats the risk as an opportunity as well.

The Board Risk Management Committee (BRMC) of the Bank observed the impact of the pandemic, geopolitics across the globe, shortages and rapid inflation in the cost of fuel, food and raw materials, modest growth of financial sector due to low investment demand, increasing non-performing investment and sustained the worsening situation successfully, which ensures effective Board oversight and strong Corporate Governance. The BRMC is committed to ensure the strategic objectives through a sound risk management system that promotes sustainability and resilience capability of the Bank.

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. 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

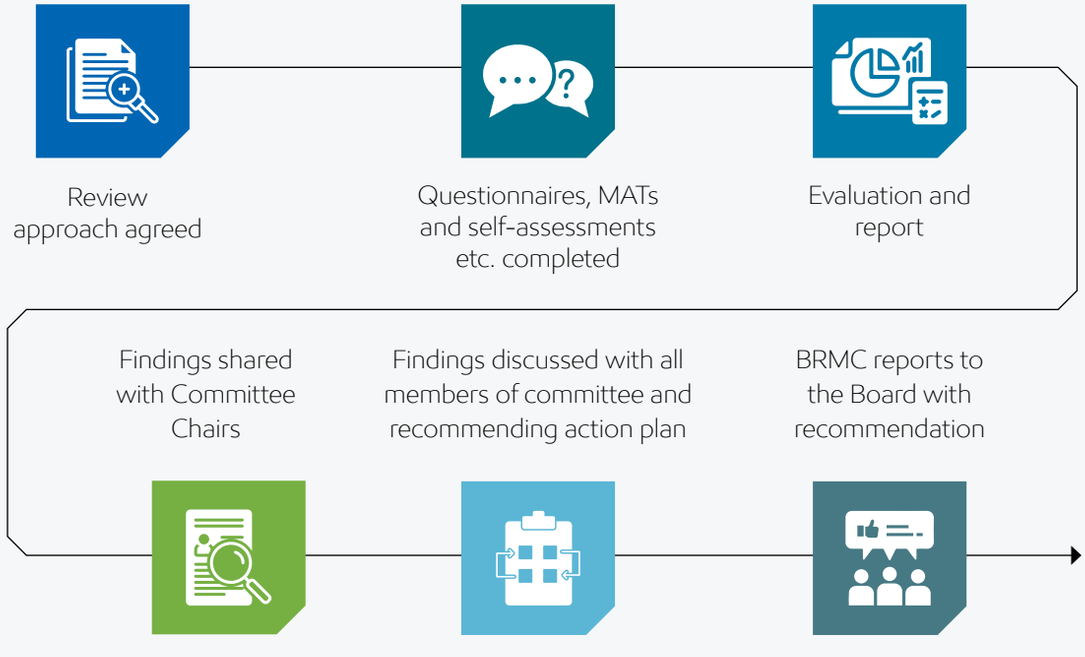
The company Secretary acts as Secretary of the Board Risk Management Committee (BRMC).

Key Responsibilities of the Committee

The Committee plays a significant roles and responsibilities for:

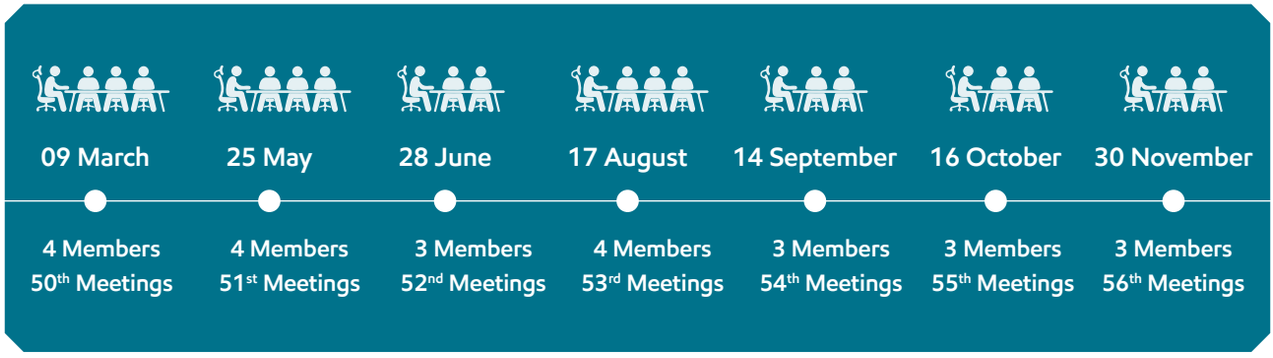
- Exercising oversight, on behalf of the Board, of the key risks of the bank.
- Formulating and reviewing (at least annually) risk management policies and strategies for sound risk management;
- Monitoring implementation of risk management policies & process to ensure effective prevention and control 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;
- Complying with instructions issued from time to time by the regulatory body;
- Ensuring appropriate knowledge, experience, and expertise of lower-level managers and staff involved in risk management;
- 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 Hosted by the BRMC during 2022

During the year, seven (07) 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:



Activities during the year 2022

In 2022, the BRMC conducted seven (07) scheduled meetings and Sixty-one (61) 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:

Key Risk Issues	Acitvities
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 2022.
Exploring Potential 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 top level 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 ended March 2022 to the quarter ending December 2022 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 RiskWeighted 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.

Key Risk Issues	Acitvities
Recovery Plan	The committee has reviewed the Recovery plan for the year ended December 2021 and advised to adopt the rules and regulation of Bangladesh Bank.
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 under reporting.
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.
Environmental & Social Risk Management	The Committee is concerned to invest in environment friendly projects like ETP, solar, green factory etc. which will be advantageous to our planet without making any threat in the long run. The Committee also adopted and strictly complied in-house Green Office Guide of the bank to minimize Green House Gas (GHG) emission. We have no record of human right violation, child labor and gender discrimination in SJIBL till now. The Bank disburse finance only after consulting Environmental & Social Risk (ESR) rating of Bangladesh Bank.
Customer satisfaction	The committee discussed on the complaint received from the customers and the committee advised to the concerned division to settle 100% cases immediately and handle the matter strictly to uphold the image of the Bank.
ICT Security Risk Management	The Committee informed about the urgency of the implementation of the Payment Card Industry Data Security Standard (PCI DSS) in SJIBL as per Bangladesh Bank Circular. The Bank has achieved the prestigious ISO 27001:2013 Certification from the UK-based Certification Body Intertek (one of the big four) which is accredited from UKAS for fulfilling the requirements of the standards.

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 2022, 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

The Global economy has been adversely affected by the Russia-Ukraine war, causing a major supply chain disruption in business and economic activities. Banking sector is not an isolated landscape which got affected both locally and globally. High energy prices, rising interest rates, continuous inflation, disruption in food production etc. are some common features that impacted economy all over the world. As such, time has come to rethink and re-emphasize on the risk management of Banking sector.

Banking sector of Bangladesh has been trying to address new risk aspects along with old others in line with existing as well as new regulatory guidelines. In this backdrop, it can be mentioned that Shahjalal Islami Bank Limited (SJIBL) survived successfully in 2022 and achieved enviable success in all parameters by adopting defined and dynamic strategy.

Since the inception of my journey as Chief Risk Officer (CRO), I have found SJIBL steering through challenging circumstances. The businesses of the bank have been driven with a focus on risk-calibrated profitable growth. The Bank prudently manage different risks by maintaining a strong risk management culture. 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 2022.

Sound Risk Management System

The risk management system of Shahjalal Islami Bank Limited includes policies, procedures, limits and controls that provide adequate, timely, and continuous identification, assessment, measurement, monitoring, mitigation, and reporting of risks posed by its activities at the business line and different levels of the bank. To ensure effective and efficient risk controlled business operations, the Bank has put in place a sound risk management system, which encompasses the following key elements:

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 and 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 2022

The risk profile of Bank indicates strong performance that reflects the good work done in past years to improve its portfolios and secure its foundations. In 2022, the Bank has 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	
			31.12.2022	31.12.2021
Investment Risk: (Quality of Investments Portfolio)	Gross NPI Ratio	<5%	4.78%	4.42%
	Net NPI Ratio	<3.50%	3.12%	3.00%
	Provision Maintenance Ratio	≥100%	105.57%	100.01%
	Rated Investment Ratio	80% - 100%	94.20%	93.49%

Risk Category and Parameter	Key Risk Indicator	Policy Parameter	Actual Position	
			31.12.2022	31.12.2021
Liquidity Risk	Investment Deposit Ratio (IDR)	≤92%	83.64%	84.48%
	Liquidity Coverage Ratio (LCR)	≥100%	158.23%	181.95%
	Net Stable Funding Ratio (NSFR)	>100%	128.01%	127.96%
	Cash Reserve Ratio (CRR)	≥4%	4.99%	4.58%
	Statutory Liquidity Requirement (SLR)	≥5.50%	12.74%	14.73%
Strategic Risk	Capital to Risk Weighted Assets Ratio (CRAR) with Conservation Buffer	≥12.50%	14.38%	15.04%
	Tier 1 Plus Conservation Buffer	≥8.50%	11.33%	10.92%
	Tier 1 (Going Concern Capital)	≥6%	11.33%	10.92%
	CET 1 Plus Conservation Buffer	≥7%	9.22%	8.81%
	Tier 2 (Gone Concern Capital)*	≤4%	3.05%	4.12%
	Leverage Ratio	≥3%	6.84%	6.53%
	Surveillance Rating-ECRL	AA(ST-2)	AA+(ST-2)	AA(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 key ratios presented on the table are well above the regulatory requirement. It indicates 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 utilize portfolio reviews and stress testing to assess the risk landscape. In 2022, 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 Management has embedded the Risk Management Framework (RMF) across the Bank including Branches and Subsidiary. It allows the Bank to identify and manage risks holistically as well as strengthening the Bank's capabilities to understand, articulate and control the nature and level of the risks the Bank Management takes while serving its clients soundly.

In 2022, 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. ALCO also reviews and offers deposit profit rate with attractive deposit products of Bank in line with industry and holds an adequate buffer of High Quality Liquidity Asset (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. A dedicated IT audit team carries out its functions to ensure findings which are 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 risk more efficiently by taking this into consideration as follows:

Type of Core 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 2022

Shahjalal Islami Bank Limited is dedicated itself to ensure sustainable growth of the economy and its all 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:

CAMELS, Core Risks, CRMR Rating has been improved.

Low Risk

Adequate Capital has been maintained against Risk Weighted Assets

CRAR 14.38%

Achieved milestone in conducting Credit Rating of clients.

Credit Rating 94.20%

Bank's Risk Profile has been improved due to lessen RWA against total assets.

RWAs to Exposures 60%

Addition Capital has been charged against Residual Risk at minimum level

Capital charged 182.80 mn

Investment Deposit Ratio (IDR) has been successfully maintained

IDR 83.64%

Liquidity Coverage Ratio (LCR) has been maintained effectively

LCR 158.23%

Net Stable Funding Ratio (NSFR) has been maintained successfully

NFSR 128.01%

Cash Reserve Ratio (CRR) has been maintained positively

CRR 4.99%

Statutory Liquidity Requirement (SLR) has been maintained effectively

SLR 12.74%

Capital Market Exposure to Regulatory Capital

18.72%

Deposit Mix has been improved by reducing High Cost deposit year-on-year

High Cost 53.24%

Large Deposit to Total Core Deposit

5.68%

Year-on-Year (Disbursement) Growth of Green Finance emphasized to address environmental risk

GF 867.38%

Event of Fraud & Forgery/ Money Laundering is not significant.

0%

Focus on Key Risk Priorities

In view of the challenging environment, the Bank continues to optimize the way so that 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 2022, internal messaging from senior management promotes a healthy risk culture by valuing risk-based thinking across each line of defense.
- **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. A significant improvement in the rating status of the clients is made in this year as the percentage of rated clients stood at 94.20% in 2022 which was 93.49% in the previous year.
- **Enhance Information and Cyber Security (ICS):** SJIBL has received ISO Certification in Information Security Management System (ISMS). In 2022, the Bank 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:** In order to mitigate enviromental risk, SJIBL consult ESDD checklist in all applicable cases before disbursement of investment. We have no cases of high risk finance in the year 2022. Besides, SJIBL subtantially grew in terms of Green and Sustainable Finance disbursement in 2022 compared to 2021.

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	Managing Process
Climate-related transition Risk	SJIBL is addressing both mitigation and adaptation approach to address climate issue. As part of mitigation, green and sustainable finance are being promoted. On the other hand, environmental CSR like tree plantation, house reconstruction, building of embankment, Cyclone Shelters etc. after disaster are being donated as part of adaptation process.
Regulatory Changes, Regulatory reviews, investigations and legal proceedings	The new rescheduled policy of Bangladesh Bank has liberalized repayment tenor as well as down payment. Though such steps has reduced NPI in overall banking sector for the time being, it will not last long if borrowers with stuck up investments do not become proactive for repayment in future.
Challenge on RMG sector	Bangladesh will graduate from LDC (Least Developed Country) Group in the year 2026. In the post LDC situation international market access for RMG sector will be really challenging. Because, at that time Bangladesh will face some preference erosion directives which will impact export competitiveness. Considering such long term vision, SJIBL is encouraging all its exporters to develop export retention by themselves as well as export diversification.

Future Outlook

Recently, risky investments on venture capitalists and lack of regulatory oversight contributed to the failure of some US Banks in spite of having their very satisfactory credit ratings. Such collapse marked the largest failure of the United States Banking system and it caused risk management system of the global banking sector came into question. This is also a lesson for countries like Bangladesh to learn to be more aware on risk issues-both predictable and unpredictable. SJIBL risk management system is working and will continue to work hard to avert any such banking shock.



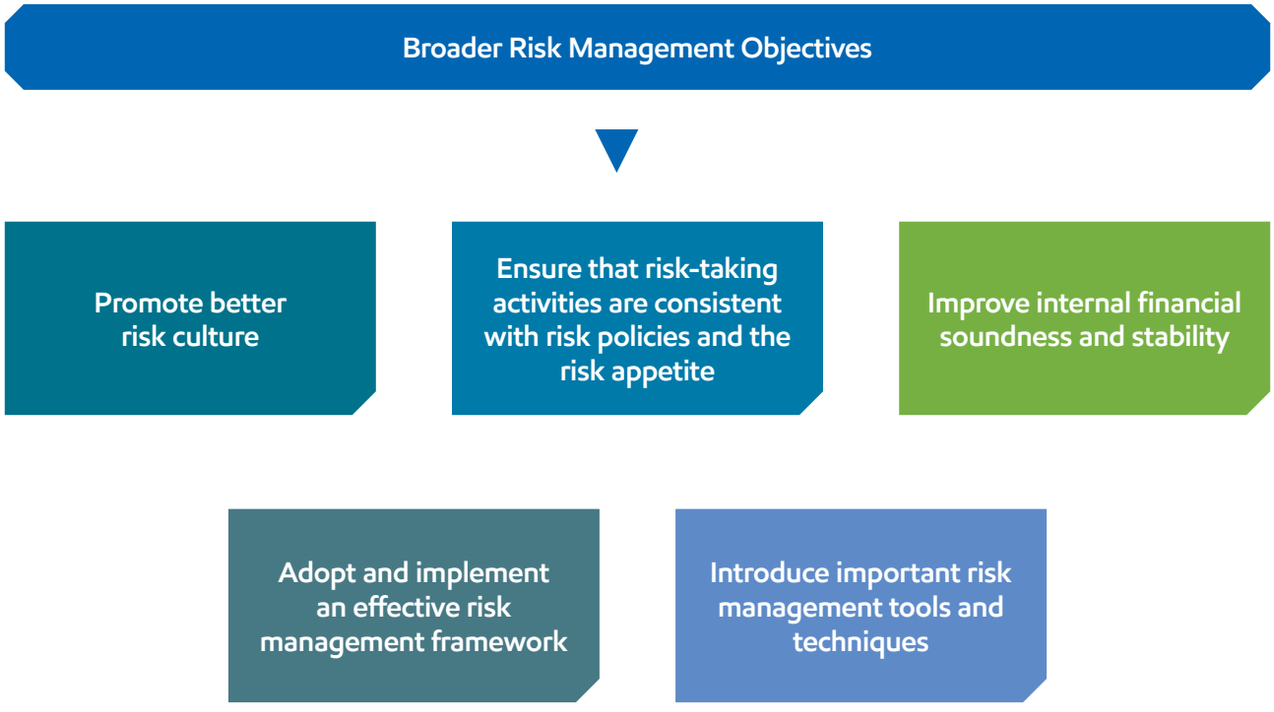
Mohammed Ashfaqul Hoque, FCA, FCS
Chief Risk Officer

RISK MANAGEMENT FRAMEWORK

Risk management is a discipline at the core of every banking company and encompasses all activities that affect its risk profile. 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

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 protect the bank from the risks and achieved bank's goals:



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.

Aspects of Risk Management Policies of Bank



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:

- Governance
- Risk Appetites
- Risk Management Tools
- Robust MIS



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. 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. 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.

1st Line of defense
Business and Operation Units

- To have in place effective process to identify, assess measure, monitor, mitigate and report on their risks.
- To operates in accordance with the risk policies and delegated mandates.
- To be responsible for having skills, operating procedures, systems and controls.

2nd Line of defense
Risk Management Division

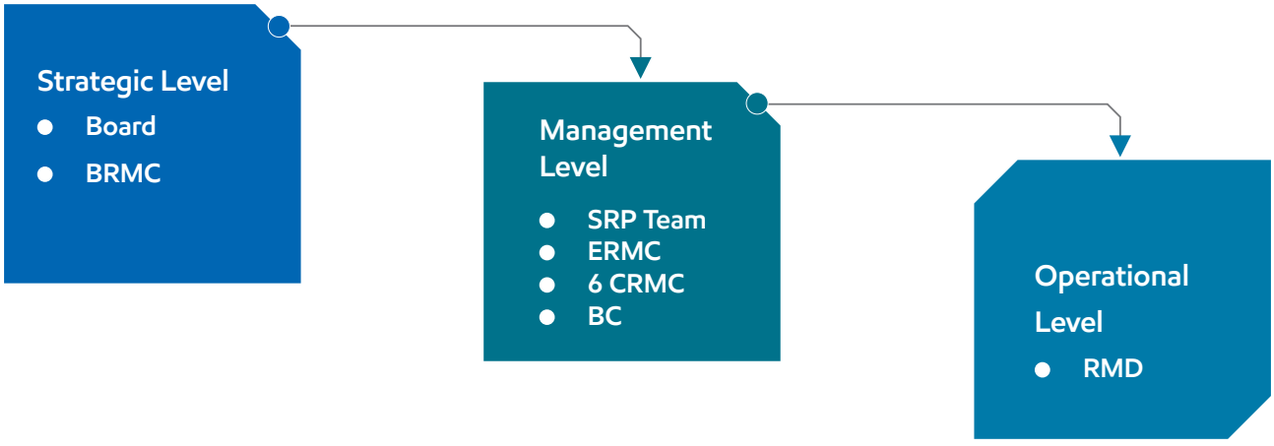
- To put in an appropriate internal control framework for effective and efficient operations.
- To be responsible for recommending, reviewing and monitoring the bank's risk appetite and policies.
- To follow-up and report on the bank's risk associated issues and affairs.

3rd Line of defense
Internal Audit Division

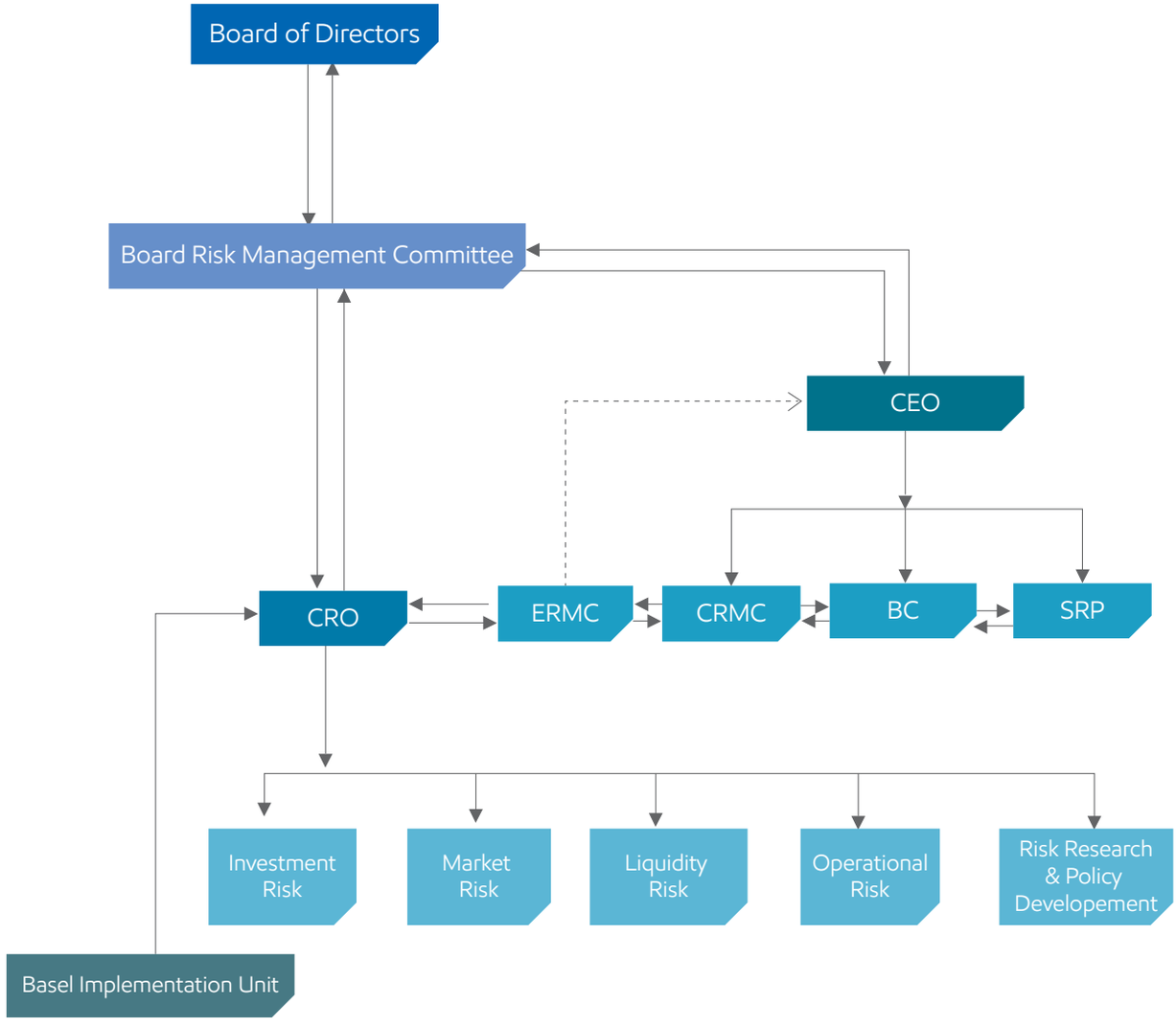
- To conduct independent periodic reviews of the first and second line defense.
- To assess and notify the strengths and weaknesses of the first and second line defense for potential improvement.
- To add value in accomplishing the objectives of operational effectiveness & efficiency.
- To act as an 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.
- To add value in accomplishing the objectives of operational effectiveness & efficiency.

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

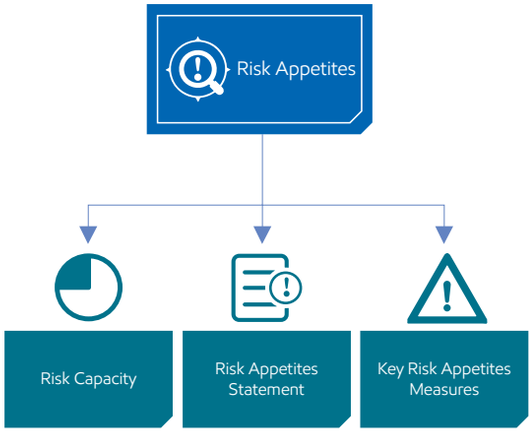
Level	Roles & Responsibilities
Board Risk Management Committee (BRMC)	• Formulate and review the risk management strategies and policies at least once a year. • Monitor and implement the risk management policy and process. • Ensure the construction of an adequate organizational structure. • Supervise 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.

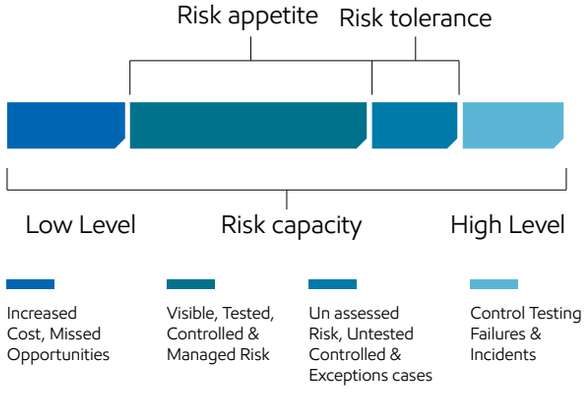
3.3 Risk Strategy and Risk Appetite

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.

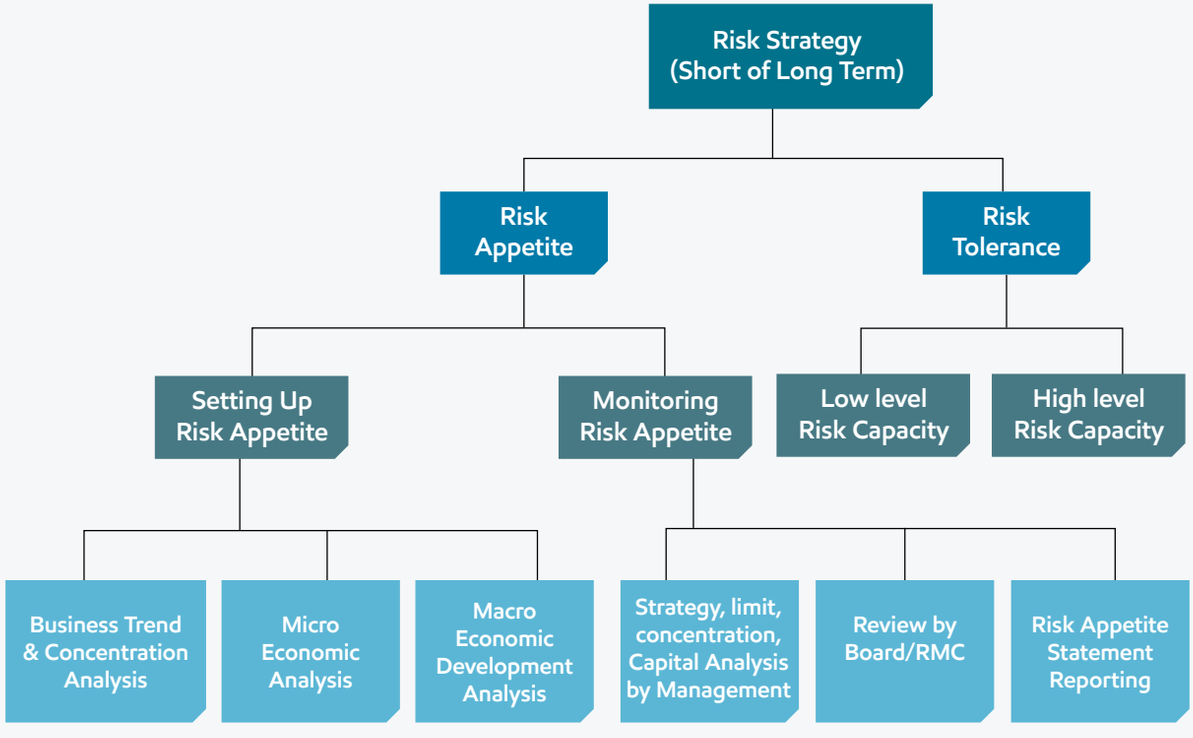
The bank's risk appetite framework consists of risk capacity, risk appetite statement, and key risk appetite measurement. Application of the risk appetite statement and monitoring of the key risk appetite measurement help to ensure the bank stays within appropriate risk boundaries.

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.



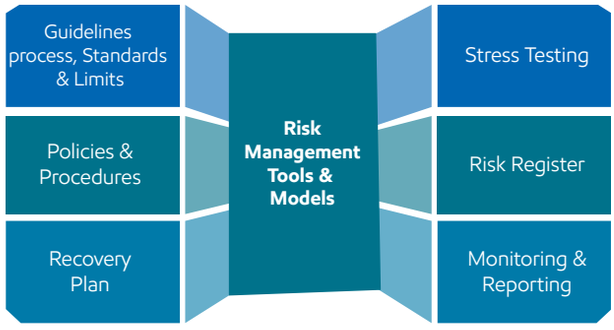


Setting and Monitoring Risk Appetite



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, Recovery Plan 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.

Risk Management Guidelines	Risk Management Policies :
• Risk Management Guidelines • Investment Risk Management Guidelines • ALM Guidelines • Foreign Exchange Guidelines • ICC Guidelines • ML& TF Risk Management Guidelines • ICT Security Guidelines • Wholesale Borrowing & Funding Guidelines • Collateral Valuation Guidelines	• Risk Appetites Statement (RAS) • Management Action Triggers (MAT) • Self Assessment of 6 Core Risks • Customer Services & Evaluation Process • Calculating Weighted Average Cost of Fund • Surveyors Enlistment Policy • Fraud Detection & Prevention Policy • Liquidity Contingency Plan • Capital growth Plan • Business Growth Plan • Process Document Manual (ICAAP)

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.

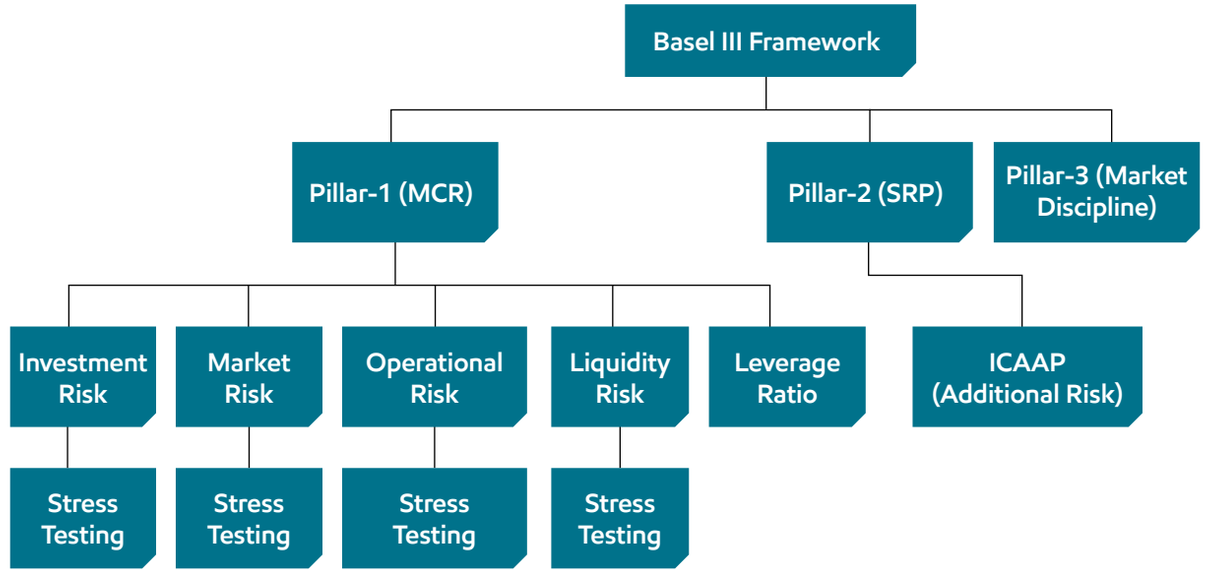
Limits
Control risk-taking activities within the tolerance level established by the board and senior management. Limits also establish accountability for key tasks in the risk-taking process and establish the level or conditions under which transactions may be approved or executed

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.

Basel III Framework and Stress Testing



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:

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.

3.4.5 Recovery Plan

Bank takes necessary and appropriate corrective action in timely manner in the deteriorated financial and operational situation i.e., to maintain its viability, as long as the bank has not yet reached the stage of non-viability as determined by Bangladesh Bank. Five stress events are assumed and the stress scenarios included the hypotheses of devaluation of assets, reduction in borrowing capacity, reduced profitability, and deterioration in liquidity due to systemic or idiosyncratic instabilities of domestic or external origin. Bank identified a list of credible options that a bank could adopt to restore financial strength and viability for the bank to remain as a going concern.

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. 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

Risk mitigation is the process of reducing risk and minimizing the likelihood of an incident. Shahjalal Islami Bank Limited continually addressing the risks to protect the bank fully by developing and implementing its own guidelines and different types of risk management tools inconsistent with the complexity, size and nature of business, risk strategy as well as Bangladesh Bank guidelines. 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 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

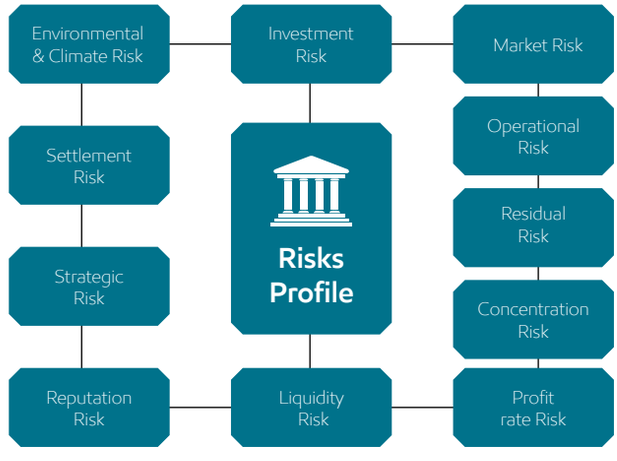
The bank has adopted a sound risk mitigation approach (RMA) to ensure risk exposures within the bank. Risks of the bank are mitigated consistently in line with the Board-approved risk appetite that supports the bank's strategy. The RMA sets standardized practices to promote accountability and necessary oversight for the effective management of all these risk types.

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.

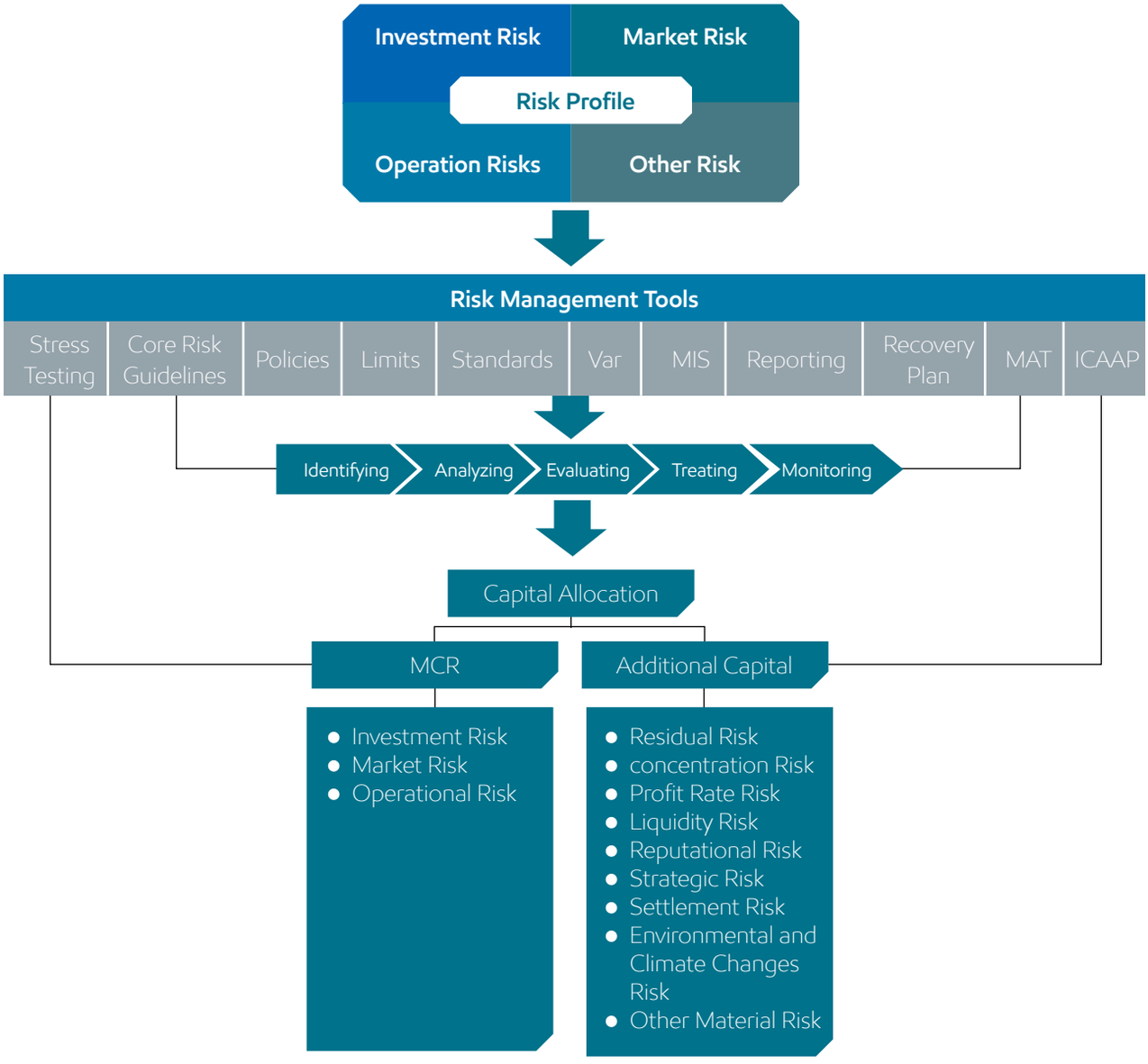
On the other hand, as per the Guidelines on Risk-Based Capital Adequacy Framework in line with the Basel-III issued by Bangladesh Bank, risk profile is measured to determine overall risk position of the bank for economic capital allocation. According to the Basel-III guidelines, three major risks that 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 financial. 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.

Timely processing of investment proposals

Ensure timely processing of investment proposals received from applicants through corporate banking/branch/relationship officers after the primary level of examination with recommendation.

Examination of investment proposals

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.

Screening and set out specific terms

Set out specific terms of investment to be approved, based on the merit of the proposal following a satisfactory screening process.

Customer needs and repayment capacity

Ensure approved investment facilities are structured and designed appropriately in line with the needs of the customer or applicant and their repayment capacity.

Qualified/known customers

Assure that all investment facilities are properly approved and documented in favor of qualified/known customers.

Compliance with investment policy guidelines

Ensure compliance with investment policy guidelines and related strategies of the bank before approving any investment facility for any customer.

Single/Group exposure

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.

Approval of exceptions

Ensure approval of exceptions like waivers or amendments of sanction terms by the competent authority.

Portfolio diversification

Ensure a prudent level of investment portfolio diversification as per the policy guidelines of the Bank.

Specific regulatory Compliance

Confirm compliance with specific regulatory requirements and decisions resolved by the Board in respect of the issues related to the division.

Annual investment plans

Ensure delivery of annual investment plans and goals and to promote strong asset quality.

Periodical Review

Affirm customers' investment information is updated periodically and reviewed from time to time.

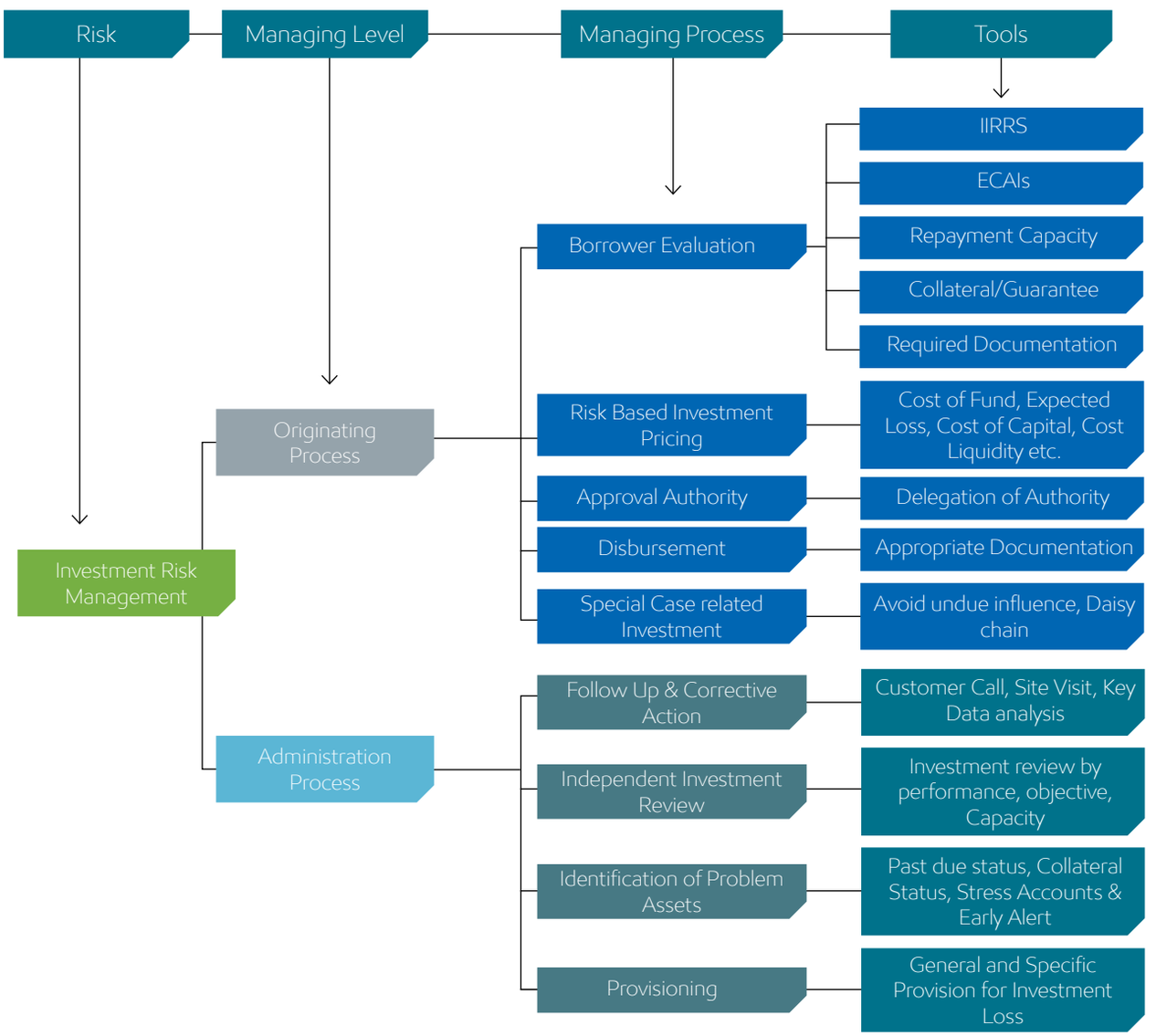
Monitoring

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.

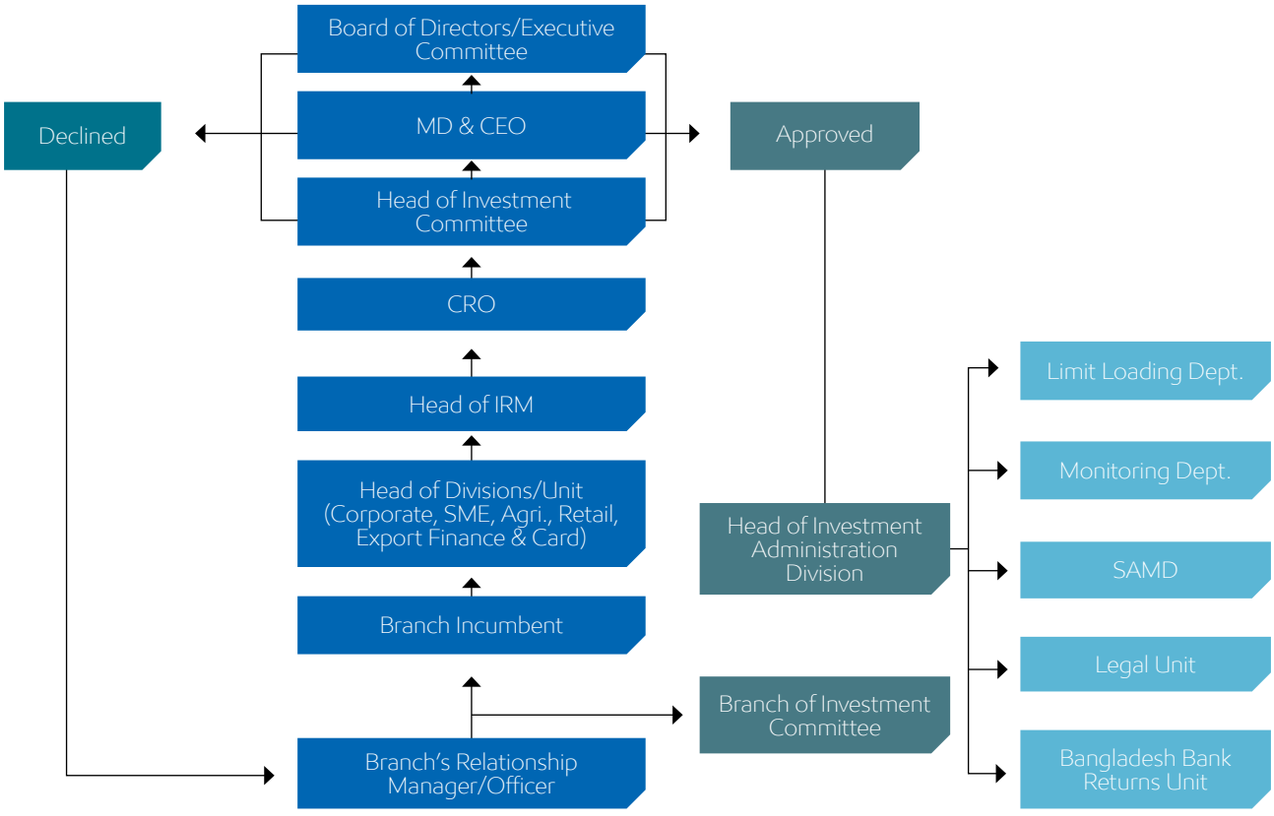
Corporate governance

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

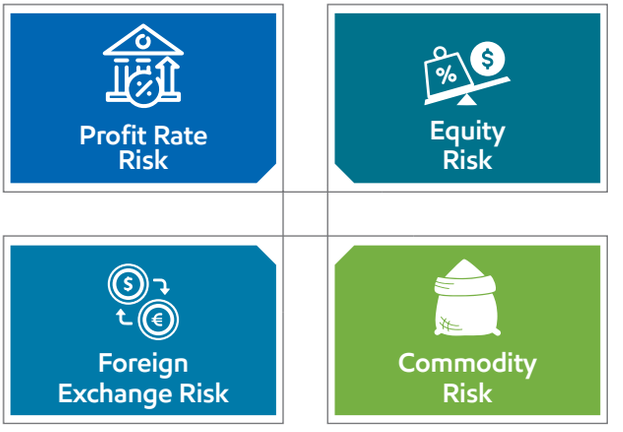
Shahjalal Islami Bank Limited uses a number of tools and programs to control and mitigate its investment risk at the operational level to which it is exposed. The control and mitigation tools of the bank are mentioned below:

Key Risk	Methodology/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	Monthly, 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:

Policies Compliance

Ensure the compliance and integrity of market risk policies and procedures..

Effective Control

Ensure effective management controls over the profit rate position, equity price position, foreign exchange position and commodity price position.

Gap and Var Analysis

Calculate rate-sensitive assets, rate-sensitive liabilities, duration gap analysis, and VaR.

Accuracy of Information

Verify the adequacy and accuracy of the management information report.

Capital market Cap

Govern and control the management of security and stock portfolios.

Limit maintenance

Maintain the Net Open Position (NOP), counterparty and dealer exposures within the limit set by the bank or regulatory body.

Reconcile and Random Test

Reconcile Nostro accounts periodically under the directives set by the regulatory body and 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.

Key Risk	Methodology/ Tools Used	Mitigation Process	Measured In	Frequency
Market Sensitivity	VaR (FX & Equity), Sensitivity, Profit Rate Risk, Duration Gap, Portfolio Analysis	Action Trigger, Management Strategy, Stop Loss Cap, Counterparty Cap,	MRMR, CRMR, Stress Testing	Quarterly, Half yearly, Yearly
Regulatory Compliance	Investment Limit	Management Action Trigger, Management Strategy, Capital allocation	MRMR, CRMR, Risk Appetite	Monthly, Quarterly, Half yearly, Yearly
Concentration Risk	HHI,SEI,SI, Gini	Management Strategy	ICAAP	Yearly
Macro-Economic Review	Industry Outlook	Management Strategy	CRMR	Half yearly, Yearly

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

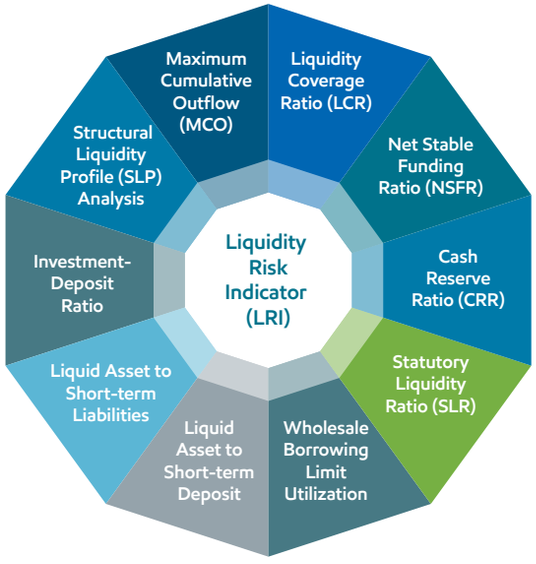
Shahjalal Islami Bank Limited, where off-balance sheet exposure is significant or has a strong dependency on corporate deposits, is exposed to high liquidity risk. Liquidity risk should not be seen in isolation because financial risk is not mutually exclusive and liquidity risk is often triggered by 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:

- Investment-Deposit Ratio
- Maximum Cumulative Outflow (MCO)
- Net Stable Funding Ratio (NSFR)
- Liquid Asset to Short-term Deposit
- Cash Reserve Ratio (CRR)
- Wholesale Borrowing Limit Utilization
- Liquidity Coverage Ratio (LCR)
- Structural Liquidity Profile (SLP) Analysis
- Liquid Asset to Short-term Liabilities
- Statutory Liquidity Ratio (SLR)



3.3.2 Liquidity Risk Mitigation Measurement

Shahjalal Islami Bank Limited uses the following monitoring tools and programs to mitigate its market 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:

Compliance policy

Ensure compliance of operational risk policy guidelines and procedures.

Effective risk management framework

Establish an effective operational risk management framework which adequately covers all of these categories of operational risk.

Risk governance

Define the organizational structure with roles and responsibilities for all aspects of operational risk management.

Appropriate risk management process

Establish an appropriate process for the identification, assessment, mitigation, monitoring and reporting of operational risk.

Tolerance level

Establish tolerance level and set strategic direction in relation to operational risk.

Control check list

Divisional Control Function Check List (DCFCL) is in place for evaluation of control.

Senior management oversight

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).

3.4.2 Capital Maintenance against Operational Risk

There are two methods for calculating the capital charges for operational risk such as:

a) the Basic Indicator Approach; and

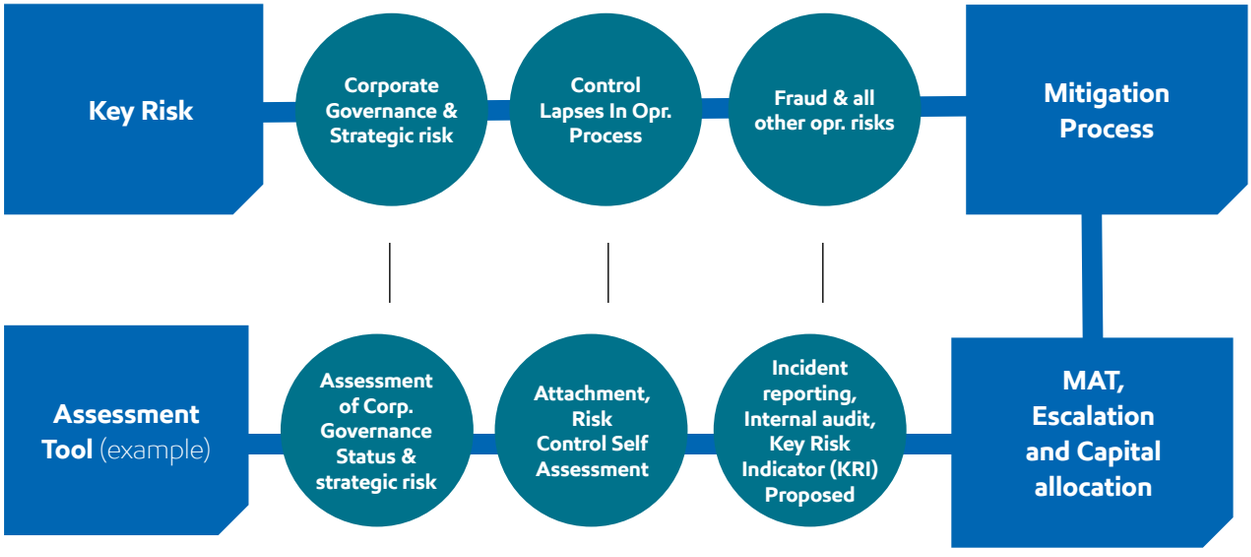
b) the Standardized Approach.

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.

3.4.3 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	
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	

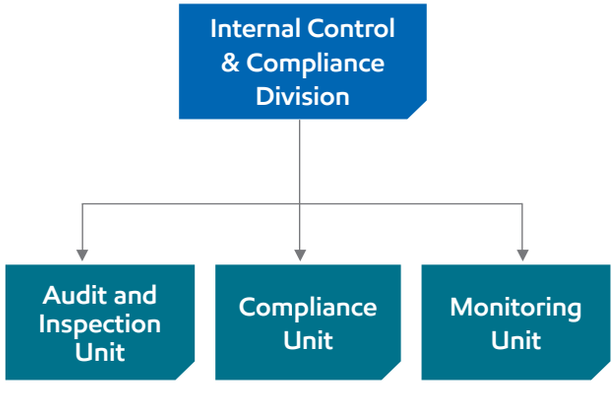


3.5 Internal Control and Compliance Risk

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.



The Bank maintains the following approaches and functions for managing internal control and compliance risk:

Compliance of policy guidelines and procedures

Ensure compliance with internal control and compliance-risk policy guidelines and procedures.

Effectiveness of controls

Assess the effectiveness of controls for mitigating fraud and reputational risks.

Senior management oversight

Determine that senior management takes appropriate corrective actions when compliance failures are identified.

Risk Based Audit Plan

Ensure that the scope and frequency of the audit plan/program is appropriate to the risk exposures.

Compliance of central bank directives

Determine the level of senior management compliance with central bank directives.

On-going Monitor

Monitor internal control and compliance risk profiles on an on-going basis.

Timeliness and accuracy of report

Analyze the timeliness and accuracy of internal control and compliance risk reports submission 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
• Nos of Branches audited • Major irregularities • Officers involved • Audit committee oversight • No. of non-compliance • Action taken against the accused,	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 • Compliant issues and non-compliant issues. • Action taken for regularizing the non-compliant issues				

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. To manage the money laundering risk and ensure regulatory compliance, the bank employs the following strategy:

Meticulous compliance of related Laws

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.

Central Compliance Committee (CCC)

A Central Compliance Committee (CCC) has been formed, which is headed by AMD who is also the Chief Anti-Money Laundering Compliance Officer (CAMLCO).

Periodical review of own Guidelines

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.

Customer due diligence (CDD)

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	CTR, STR	ECMR, CRMR	Daily Half-yearly	CDD, EDD 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:

Up-to-date ICT security policy

Maintains an up-to-date ICT security policy that is aligned with the latest Bangladesh Bank ICT guidelines as well as international standards.

Periodical system review

The IT processes, assets, and inventories are adequately maintained and reviewed periodically.

Risk Tolerance

Works on determining acceptable IT risk levels for the bank and ensuring that IT environments are adequately protected from potential risks and threats.

Framework for best practice

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.

Definite Job responsibilities

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:

Core Banking System

Enhance capabilities through upgrading the Core Banking System to a newer version.

App-based banking service

The app-based banking service is enhanced to accept e-commerce transactions through two-factor authentication.

SMS Service

SMS notifications for all types of CASA transactions.

Security of the Internet Banking

Enhanced the functionality and security of the Internet Banking system.

Severity Monitoring

Introduced a server health monitoring system.

Service automation

Monitor internal control and compliance risk profiles on an on-going basis.

24/7 Call center

Enhanced capabilities of the call center systems.

SOC and NOC

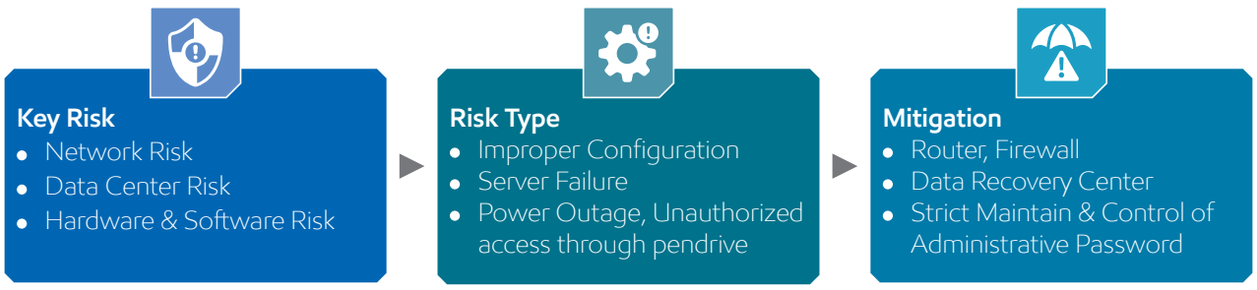
Enhanced capabilities of the Security Operation Center (SOC) and Network Operation Center (NOC).

Update software

Regularly update software to the latest versions.

Data Recovery System

Data backups that include off-site and remote storage.



3.7.2.1 Cyber Security Management:

Shahjalal Islami Bank Limited conducts a year-round cyber security 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 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:

Definite plan

Establish a policy or plan for reducing documentation lapses and valuation errors.

Risk Review Committee (RRC)

Establish a Residual Risk Review Committee (RRC).

Material Documents Checklist

Create a Material Documents Checklist and assign a risk weight to it.

Follow up & Monitoring

Regularly monitor and control residual risk performance.

Client Review

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:

Compliance of investment policy guidelines

Ensure compliance with and integrity of concentration risk policies and procedures.

Tracking concentrations

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.

Category wise Monitoring

Instrument and -wise 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.

Random test

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

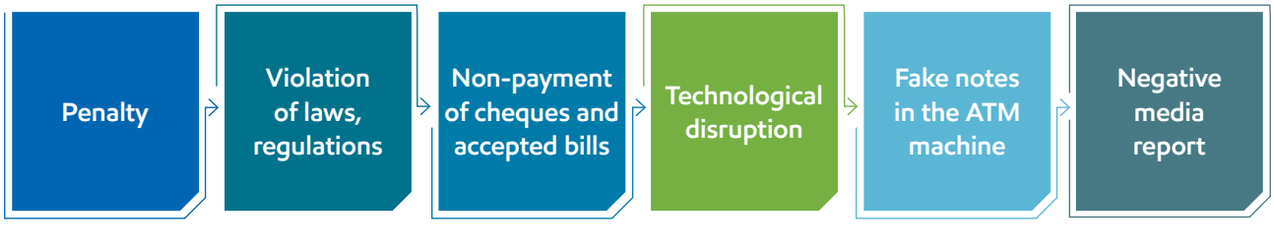
3.10 Reputation Risk

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:



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
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
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:

Senior management performance

Review the performance of senior management against set goals at least annually.

Monitoring the Changes

Monitor market changes and advancements in technology to determine new services or products.

Management succession

Establish a strategic policy or plan for management succession.

Control the performance

Monitor and control the performance of outsourcing arrangements.

Compensation guidelines

Set compensation guidelines and methods for management and employees.

Training and awareness

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 man made) 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:

Comprehensive policy

Adopt a comprehensive environmental and social risk management policy.

ESDD Check List

Implement Sector Environmental and Social Due Diligence (ESDD) Check List according to Bangladesh Bank directives.

Enacting policies

Make a positive contribution to environmental and social concerns by enacting policies.

Non-financial factors Recognition

Recognize the balancing of non-financial factors such as environmental and social issues.

Natural systems Protection

Protect the natural systems upon which all life depends while lifting people out of poverty and advancing economic development.

Adequate Training

Train relevant employees to take responsibility for and implementation of these policies.

Ecological aspects

Define the term "environment" to include both ecological aspects and related social aspects.

Social aspects

Assess the environmental and social aspects of all investment applications.

Priorities Environmental friendly projects

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.

3.15 Information on Bank's Internal Controls

SJIBL has appropriate system of Internal Control which refers to the rules, policies, and procedures an organization implements to provide direction, increase efficiency and strengthen adherence to policies. Strengthening and streamlining internal control system has significant importance on risk governance to attain short-term business objectives and long-term sustainability. "Compliance First" is not just rhetoric "but an inherited and well-established practice within this organization.

Without sound internal control system, a bank cannot ensure protection of public money. Therefore, the Directors of Shahjalal Islami Bank Limited has established such a sound internal control system that all the conditions of the Bank Company Act 1991 (amended up to 2018), the Company Act 1994, Guidelines/Circulars issued by Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC) and all other applicable laws and regulations have been complied with.

The Board of Directors has maintained a robust governance structure by leveraging the best to risk management. It comprises Board committees, executive functions and executive committees with delegated authority, facilitating accountability for risk at all levels and across all risk types of the Bank and enabling a disciplined approach to managing risk. AGM was held in digital platform as per compliance of BSEC guidelines where many shareholders participated. In short, SJIBL's internal control is mainly guided by following external and internal factors:

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 financial. 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

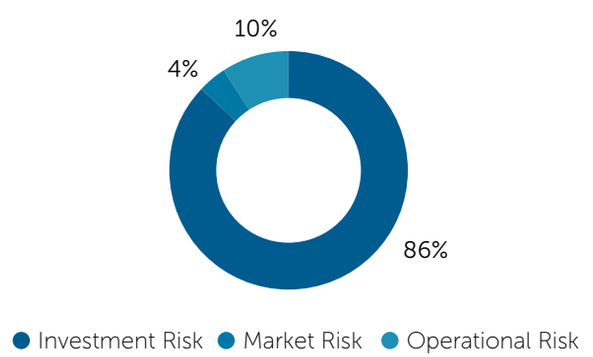
The risk profile of a bank is measured by the economic capital usage calculated for investment, market and operational risk. Shahjalal Islami Bank Limited determines the overall risk positions by calculating total Risk Weighted Assets (RWAs) of investment, market and operational risk at each quarter 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	2022	2021
Investment Risk Weighted Assets	203,815	196,845
Market Risk Weighted Assets	10,259	8,270
Operational Risk Weighted Assets	22,863	19,538
Total Risk-Weighted Assets	236,937	224,653
Minimum Capital Requirement	23,694	22,465
Total Regulatory Capital	34,064	33,778

RISK PROFILE (RAWS)-2022



As per the risk profile, Investment Risk was accounted for 86% of total Risk Weighted Assets (RWA) where the Market Risk and Operation Risk were 4% and 10% respectively at the end of December-2022.

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	2022	2021
Total Regulatory Capital	34,064	33,778
Total Risk Weighted Assets	236,937	224,653
CRAR	14.38%	15.04%

At the end of 2022 and 2021 Capital to Risk Weighted Assets Ratio (CRAR) of Shahjalal Islami Bank Limited stood at 14.38% and 15.04% respectively which indicate that Bank is far above 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 road-map, 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	2022	2021
Tier 1 Capital	26,846	24,532
Tier 2 Capital	7,218	9,246
Total Regulatory Capital	34,064	33,778
Minimum Capital Required @ 10% of RWAs	23,694	22,465
Buffer @ 2.50% of RWAs	5,923	5,616
Excess /Shortfall	4,447	5,697

At the end of 2022 and 2021, the total Regulatory Capital of Shahjalal Islami Bank Limited was BDT. 34,064 million and BDT. 33,778 million respectively. The Bank has maintained BDT. 4,447 million and 5,697 million excess capital after deducting the minimum requirement including buffer of 12.50% of RWAs in 2022 and 2021 respectively.

3.2 Adequate Capital Requirement under ICAAP of Basel-III (Pillar-2)

The Supervisory Review Process (Pillar-II 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	2022			2021		
	Minor	Moderate	Major	Minor	Moderate	Major
Performing investment directly downgraded to B/L: Sectoral Concent. 1	(0.07)	(0.22)	(0.37)	(0.14)	(0.43)	(0.71)
Performing investment directly downgraded to B/L: Sectoral Concent. 2	(0.13)	(0.40)	(0.66)	(0.11)	(0.33)	(0.55)
Increase in NPIs due to default of top large investment(loan) borrowers	(1.02)	(3.28)	(5.14)	(2.86)	(5.89)	(7.02)
Negative shift in NPIs categories	(0.30)	(1.26)	(1.88)	(0.23)	(1.74)	(2.23)

Particulars	2022			2021		
	Minor	Moderate	Major	Minor	Moderate	Major
Decrease in the FSV of collateral	(0.30)	(0.59)	(1.20)	(0.24)	(0.47)	(0.95)
Increase in NPIs	(0.93)	(3.35)	(7.52)	(0.95)	(3.38)	(7.46)
Profit(Interest) Rate	0.00	0.00	0.00	0.00	0.00	0.00
FEX: Currency Appreciation	(0.08)	(0.17)	(0.25)	(0.05)	(0.09)	(0.14)
Equity price	(0.27)	(0.54)	(1.08)	(0.30)	(0.59)	(1.20)
Combined Shock	**(1.88)**	**(5.91)**	**(11.93)**	**(1.76)**	**(6.27)**	**(11.97)**
CRAR after Combined Shock	**12.50**	**8.47**	**2.45**	**13.27**	**8.76**	**3.06**

At the end of December-2022, the CRAR of SJIBL was 14.38% and the CRAR after minor, moderate and major shocks stood at 12.50%, 8.47% and 2.45% respectively, which indicates that the bank is minor shock resilient.

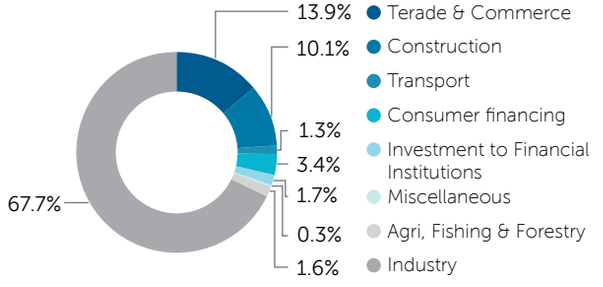
5.0 Investment Risk

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:

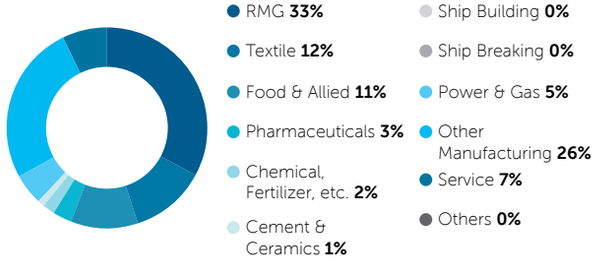
5.1 Investment Concentration:

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.

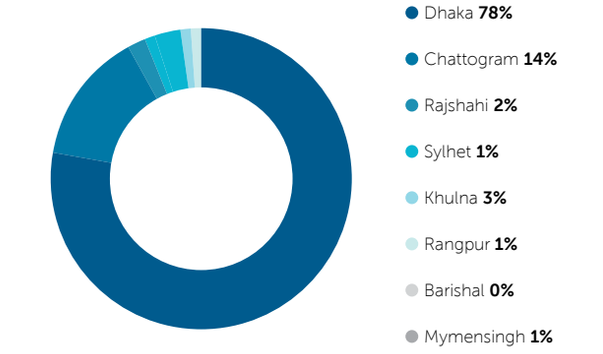
PORTFOLIO CONCENTRATION-2022



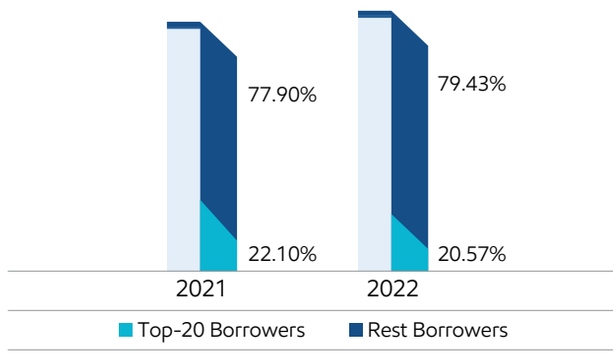
INDUSTRY CONCENTRATION-2022



AREA CONCENTRATION-2022



TOP-20 BORROWERS CONCENTRATION

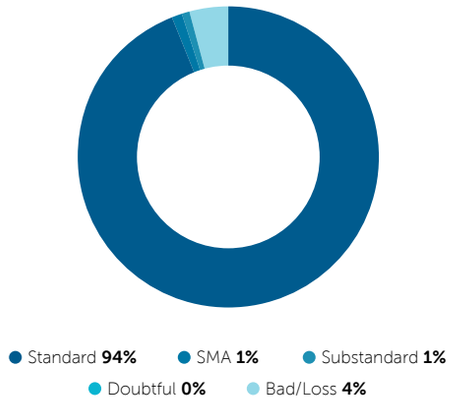


5.2 Assets Quality

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-2022, Standard Investment including SMA of SJIBL stood at 95.22% of total investment, while NPI stood at only 4.78% which indicates that the bank has quality assets in its portfolio.

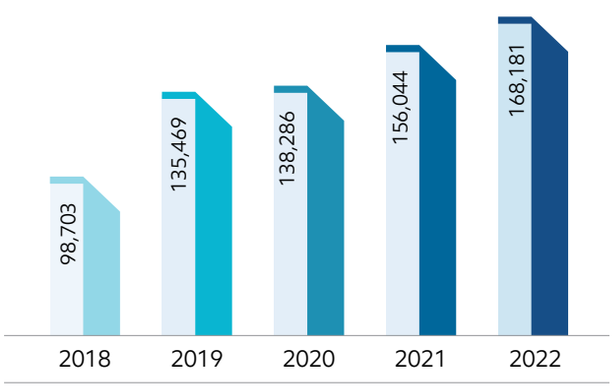
ASSETS QUALITY



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.

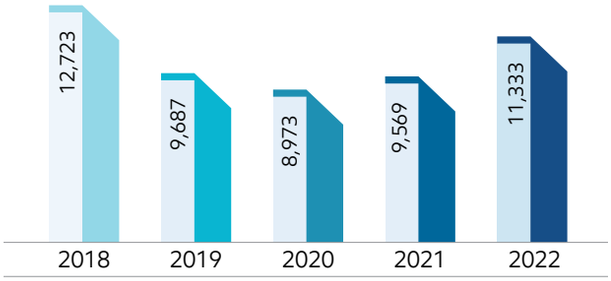
RATED INVESTMENT



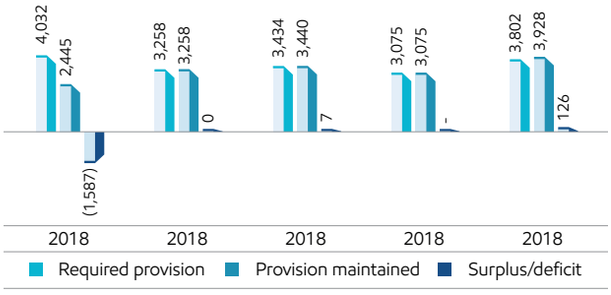
5.4 Non Performing Investment (NPI)

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)



PROVISION MAINTAINANCE



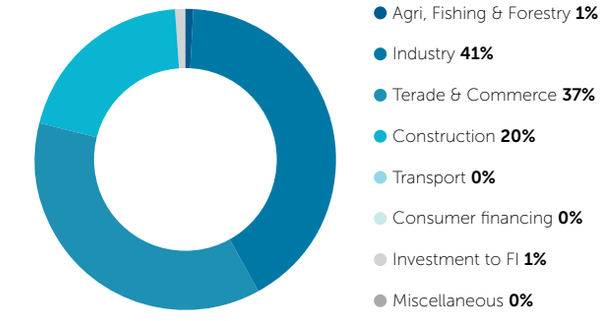
NPI Ratio of Shahjalal Islami Bank Limited stood 4.78% in 2022 which was 4.42% in 2021. The bank's management prudently maintains the NPI under the Bangladesh Bank's standard to achieve the bank's commitment to its stakeholders. The bank has also shown expertise in maintaining the provision against its Non Performing Investment that stood at 103.30% at the end of 2022 which was 100% in 2021.

5.5 Concentration of NPI

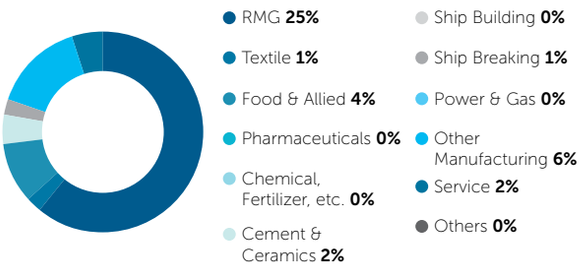
Banks provide investment in short term and long term finance to various clients expecting to get back the money with a profit as per the repayment schedule. For many reasons banks are unable to get back some of their money on time from many clients. It creates significant

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-2022



NPI CONCENTRATION : INDUSTRY-2022



SJIBL follows the diversification rules and makes the cap narrow for risky sectors. At the end of the year-2022, Industry, Trade & Commerce and Construction covered most of the NPIs of the Investment portfolio at a rate of 41%, 37% and 20%, 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	2022	2021
Cash Recovery	2,274	2,483
Regularization	3,744	2,466
Total Recovery & regularization	6,018	4,949
Cash Recovery to NPI	20.07%	25.95%
Total Recovery & regularization to NPI	53.10%	51.72%

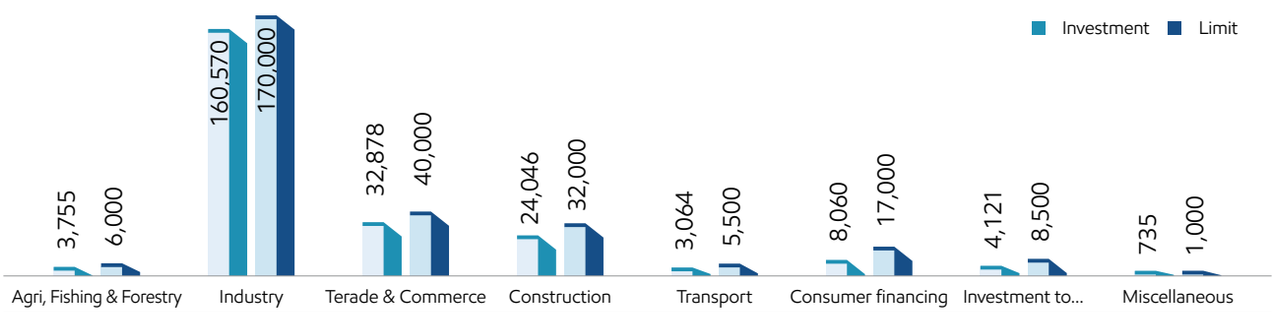
In spite of having Russia Ukraine war related financial hardship in economy worldwide, Shahjalal Islami Bank Limited has recovered Cash of BDT. 2,274 million and regularized BDT 3,744 million from Stressed and Non Perfuming Investment clients during the year of 2022 which is 53.10% of total NPIs and is higher than the 51.72% of the last year of 2021.

5.7 Exposures Limit

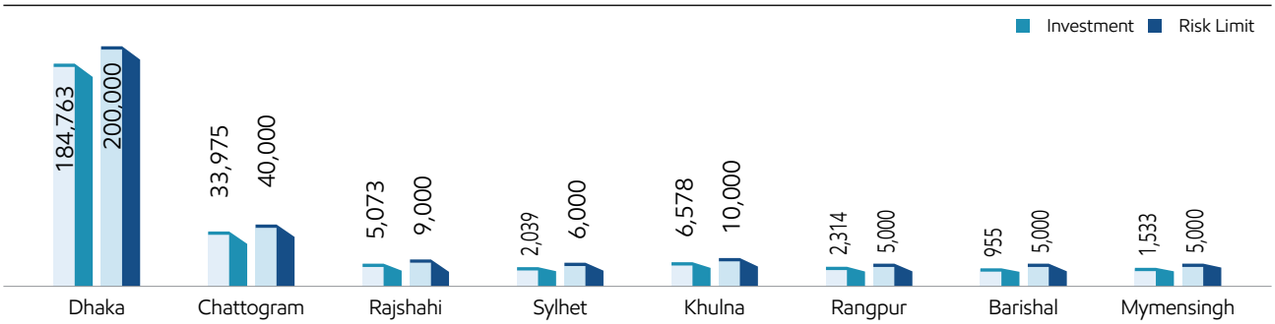
SJIBL has its own investment cap for different types of investment, such as sectors, industries and geographic locations. Investment caps are generally reviewed once a year in order to remain reasonably aligned with business needs. The bank does not exceed the Single Borrower Exposure Limit set by Bangladesh Bank.

Amount in Million

EXPOSOURES LIMIT : PORTFOLIO WISE- 2022



EXPOSOURES LIMIT : AREA WISE- 2022



Single Borrower Exposure Limit-2022

Amount in Million

Single Borrower Exposure Limit	2022	2021
Total Regulatory Capital	34,064	33,778
Funded Limit @15% of Regulatory Capital	5,110	5,066
Non Funded Limit @10% of Regulatory Capital	3,406	6,756*
Total Limit @25% of Regulatory Capital	8,516	11,822

*Non Funded Limit @20% of Regulatory Capital in 2021.

Top-10 Borrower Exposure -2022

Amount in Million

Borrowers	Funded	Non-Funded	Total
Khaled Group	1,734	5,024	6,758
Anwar Group	3,771	2,923	6,694
Smart Group	2,482	4,041	6,523
Mondol Group	3,358	2,290	5,648
Impress Group	2,958	2,670	5,628
Rahmat Group	3,303	1,930	5,233
Energypac Group	2,013	3,092	5,105
Hams Group	2,318	2,771	5,089
Dhaly Construction Ltd.	4,285	573	4,858
Nassa Group	2,878	1,874	4,752

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	2022	2021
Total Investment	237,230	216,587
Collateral (FSV)	162,886	137,481
Collateral Coverage Ratio	69%	63%

SJIBL focuses on collateral based investment to secure its quality of investment. At the end of December-2022, the collateral coverage ratio was 69% which was up from 63% in 2021.

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	2022	2021	Change
RSA ≤ 1 Year	237,577	255,399	(17,822)
RSL ≤ 1 Year	183,704	171,162	12,542
Net Gap	53,873	84,237	(30,364)
Impact on NII (Rate Change by @1%)	539	842	(304)

The probable impact on net profit (interest) income of SJIBL at the end of December-2022 was measured at BDT. 539 million, which was BDT. 842 million in 2021.

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	2022	2021
Market Value of Capital Market Exposure	4,094	3,534
Provision Maintained	158.13%	150.88%
Capital Market Exposure to Audited Capital (CET-1)	18.72%	17.85%

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	2022	2021
Net Open Position Limit	2,702	2,991
Net Open Position	(4,586)	2,438
Net Open Position to Regulatory Capital	-13.46%	7.22%
No. of position breached during the period	Nil	Nil

At the end of 2022, the bank's open position was BDT. (4,586) million against the FEX holding limit equivalent to BDT. 2,702 million as determined by Bangladesh Bank.

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)

Ratios	2022	2021
Cash Reserve Requirement (CRR)	4.99%	4.58%
Statutory Liquidity Requirement (SLR)	12.74%	14.73%
Investment to Deposit Ratio (IDR)	83.64%	84.48%
Liquidity Coverage Ratio (LCR)	158.23%	181.95%
Net Stable Funding Ratio (NSFR)	128.01%	127.96%

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	2022	2021
No. of Branches Audited	132	132
No. of Major Non Compliances	24	154
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, Anti-terrorism (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 AMD who is the Chief Anti Money Laundering Compliance Officer (CAMLCO).

Amount in Million

Particulars	CTR	STR
No of Accounts	316,056	6
Amount	382,140.00	102.40

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-2021 submitted to Bangladesh Bank in 2022, where an investment of BDT. 4,054.90 million was assessed against residual risk. The base for capital charge was BDT. 1,827.90 million and an amount of 182.80 million in capital has been kept. The ICAAP Report-2022 will also be submitted in 2023 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-2021 submitted to Bangladesh Bank in 2022, where the capital charge was BDT. 224.70 million. The ICAAP Report-2022 will also be submitted in 2023, 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-2021 submitted to Bangladesh Bank in 2022, where no capital was charged. ICAAP Report-2022 will also be submitted in 2023, 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-2021 submitted to Bangladesh Bank in 2022, where BTD 303.60 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-2022 will also be submitted in 2023, 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-2021 submitted to Bangladesh Bank in 2022, 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-2022 will also be submitted in 2023, 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-2021 and submitted it to Bangladesh Bank in 2022, where no capital was charged. ICAAP Report -2022 will also be submitted in 2023 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-2021 and submitted to Bangladesh Bank in 2022, where no capital was charged. ICAAP Report-2022 will also be submitted in 2023 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 2022 as follows:

Risk Management Guidelines :	Risk Management Policies :
• Risk Management Guidelines • Investment Risk Management Guidelines • ALM Guidelines • Foreign Exchange Guidelines • ICC Risk Guidelines • AML Guidelines • ICT Guidelines	• 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 2022, 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: 2022

SL	Meeting	Members	Meeting Nos.	Agenda
1	ERMC	17	12	All Risks
2	SRP Team	18	06	Capital Adequacy (ICAAP)
3	Basel Unit	13	04	Basel Implementation (Basel-III)
4	Basel Working Team	06	04	Calculation Accuracy
5	BRMC	05	07	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 2022:

Compliance of Reporting: 2022

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
7.	Effectiveness of Risk Management Policies & Functions	Annually	ERMC/BRMC/BB	Complied
8.	Recovery Plan for Bank	Annually	ERMC/BRMC/BB	Complied
B.	**Basel - III Reporting and Capital Management**			
9.	Risk Based Capital Adequacy Reporting (Pillar-1)	Quarterly	ERMC/BRMC/BB	Complied
10.	ICAAP Report (Pillar-2)	Annually	ERMC/BRMC/BB	Complied
11.	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 2022, 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	32	65
2	Investment Risk Management	38	1,233
3	Foreign Exchange Risk Management	39	1,394
4	Internal Control and Compliance Risk Management	9	32
5	Money Laundering Risk Management	26	1,385
6	ICT Risk Management	12	832
7	Comprehensive Risk Management	1	3
8	Basel Accord	-	-
9	Overview on Stress Testing	-	-
10	Others	84	3,994
Total		**167**	**8,938**

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	2022 (Actual)	2023	2024	2025	2026
Tier 1 Capital	26,846	29,168	31,641	44,886	42,653
Tier 2 Capital	7,218	11,208	9,653	9,402	14,271
Total Eligible Regulatory Capital	34,064	40,376	41,294	54,288	56,924
Total Risk Weighted Assets	236,937	262,760	288,030	332,810	376,320
CRAR	14.38%	15.37%	14.34%	16.31%	15.13%

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 road-map. The bank's CRAR (Capital to Risk Weighted Assets Ratio) reached 14.38% as of December 31, 2022 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 started the process to issue a 3rd Mudaraba subordinated bond in 2022 and will effect in the capital within 2023.

23.0 Key Initiatives Achievement-2022

During the year 2022, the Risk Management Division (RMD) 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 2022:

- **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 94.20% at the end of December 31, 2022.

- **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 60.33% at the end of December 31st, 2022.

- **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 2022, the bank was able to maintain an adequate CRAR of 14.38% against a requirement of 12.50% and, more specifically, CET-1 Capital with Buffer at 9.22% against 7.00%, which is 2.22% 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-2022, 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 2022, 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. 182.80 million under ICAAP-2021, submitted in the last year-2022.

- **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 2022 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 2022.

- **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 broad 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 2022, 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)-2022:**

The bank has organized a day long Annual Risk Conference (ARC-2022) with the participation of corporate head office officials, all the branch managers, deputy branch managers, officials related to risk issues and Bangladesh Bank's delegators in the year 2022. 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: Achievemnt-2022

- Maintained CET-1 Capital at 9.22% against Basel-III requirement of 7.00% with Buffer.
- Maintained CRAR to 14.38% against Bangladesh Bank requirement of 12.50%.
- Decreased documentation lapses and reduced capital requirement under Residual Risk at BDT.182.80 million (2021) under ICAAP.
- Improved Credit Rating to 94.20% of eligible Clients.
- Decreased RWAs to Total Exposures (On & Off Balance Sheet) at 60.33%.
- Arranged Annual Risk Conference (ARC)-2022.
- Low Risk Bank in Comprehensive Risk Management.

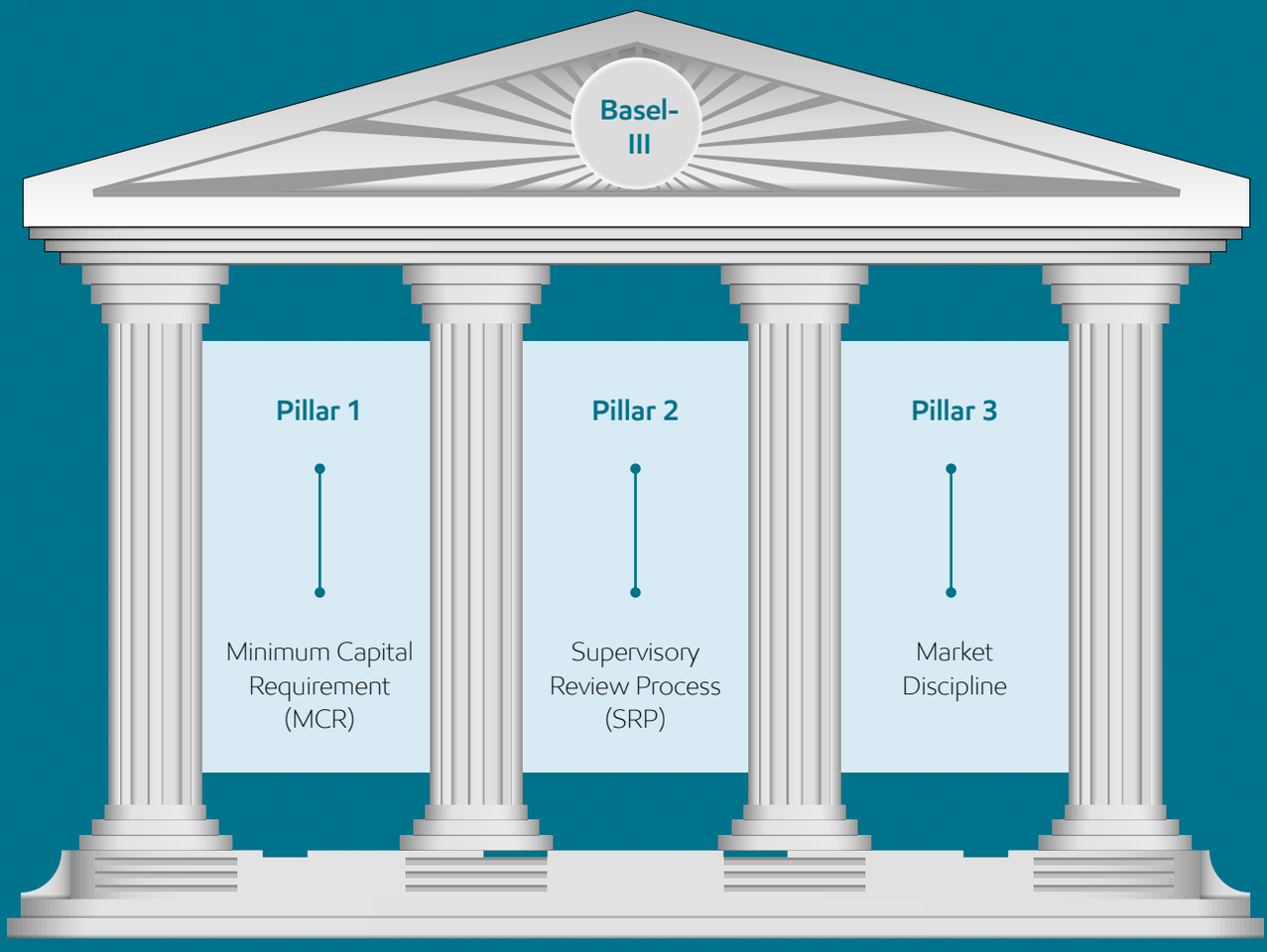
Achievemnt-2022

- CRAR 14.38%
- Client Rating 94.20%
- CET-1 9.22%
- RWA to Total Assets 60.33%
- Core Risk Methodology
- 5 years Capital Plan
- Low Residual Risk
- Risk Management Guidelines
- Broader MAT

23.0 Future Plan-2023

- 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 2023 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 2022 was the year of risk management awareness and 2023 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 motto 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, 2022

MARKET DISCIPLINE
DISCLOSURES ON RISK BASED CAPITAL (BASEL-III)

For the Year Ended December 31, 2022

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 "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, 2022. Those are prepared under the historical cost convention in accordance with the International Financial Reporting Standards (IFRSs).

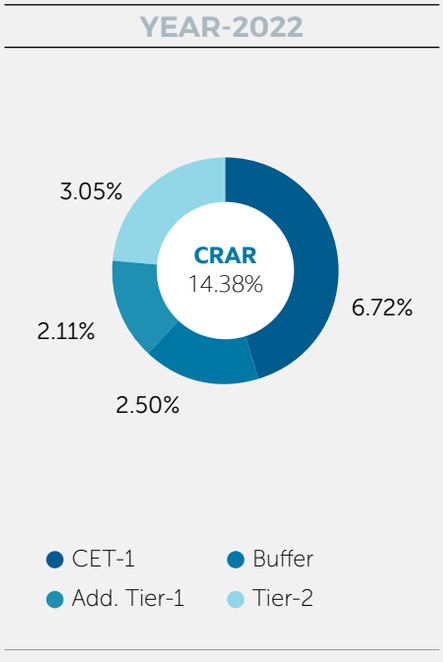
As Financial Reporting Standards are yet to be issued by FRC, as per the provisions of FRA (Section-69), consolidated and separate financial statements of the Group and the Bank, respectively, have been prepared in accordance with the International Financial Reporting Standards (IFRSs) and International 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-2022 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	2022	2021
1.RWAs	Investment Risk	203,815	196,845
	Market Risk	10,259	8,270
	Operational Risk	22,863	19,538
	Total RWAs	236,937	224,653
2. Capital	CET 1 Capital	21,846	19,803
	AT 1 Capital	5,000	4,729
	Tier 1 Capital	26,846	24,532
	Tier 2 Capital	7,218	9,246
	Total Regulatory Capital	34,064	33,778
3. MCR	Tier-1 @6.00%	14,216	13,479
	Buffer @2.50%	5,923	5,616
	Tier-1 plus Buffer @8.50%	20,139	19,095
	MCR @10%	23,694	22,465
	MCR plus Buffer@12.50%	29,617	28,081
4. Surplus/ Shortfall	Tier-1 plus Buffer	6,707	5,437
	MCR plus Buffer	4,447	5,697
5. Leverage	Exposures	392,711	375,675
	Leverage (%)	6.84%	6.53%
	RWAs to Exposures (%)	60.33%	59.80%

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 Off-Shore Banking Unit (OBU) and (ii) Shahjalal Islami Bank Securities Limited. Shahjalal Islami Bank Limited holds 91.79% shares of Shahjalal Islami Bank Securities Limited. A brief description of the Bank including OBU and its subsidiary is 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 140 branches, 129 ATM booths, 111 agent banking outlets and 2,835 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 date), Bangladesh Bank's Directives and directives of other regulatory authorities and the principles of the Islamic Shari'ah. The registered office of the Bank is located at Shahjalal Islami Bank Tower, Plot-4, Block-CWN(C), Gulshan Avenue, Gulshan, Dhaka-1212.
	Off-shore Banking Unit Off-shore Banking Unit (OBU) is a separate business unit of Shahjalal Islami Bank Limited, governed under the rules and guidelines of Bangladesh Bank. The Bank commenced the operation of its Off-shore 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, 2022 there were 111 Agent Banking Outlets in 42 districts and 92 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 extention office and 08 branches with 81 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

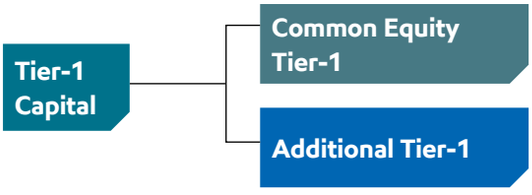
2. CAPITAL STRUCTURE

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, General Reserve, Retained Earnings and Minority Interest in Subsidiaries minusGoodwill and all other Intangible Assets.

b) Additional Tier-1 capital of SJIBL consists of Mudaraba Perpetual Bond issued by the Bank meeting the qualifying criteria for Additional Tier-1.

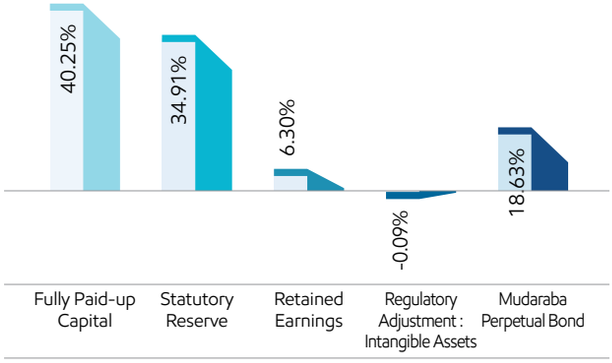
2. Tier-2 Capital (gone-concern capital) of SJIBL consists of General Provisions and Mudaraba Subordinated Bond/ Debt issued by the Bank meeting the qualifying criteria for Tier-2 Capital.

Quantitative Disclosures

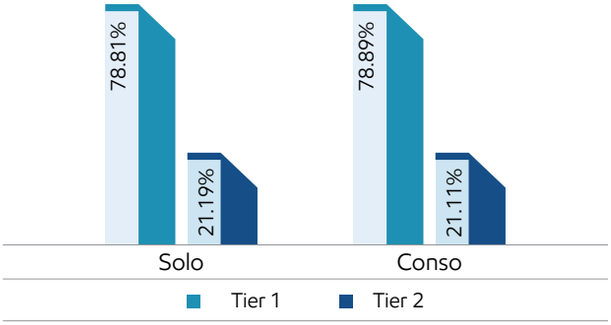
b) The amount of Regulatory Capital, with separate disclosure of:

	Particulars	Taka In Million	
		Solo	Consolidated
1.	Fully paid-up capital	10,805.52	10,805.52
2.	Statutory reserve	9,372.46	9,372.46
3.	General reserve	-	28.80
4.	Retained earnings	1,692.16	1,745.94
5.	Minority interest in subsidiaries	-	232.38
6.	Regulatory Adjustments: Goodwill and all other Intangible Assets	(23.60)	(23.94)
i.	**Common Equity Tier-1 (CET1) Capital (1 to 5)**	**21,846.54**	**22,161.16**
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	-	-
ii.	**Additional Tier-1 (AT1) Capital (1 to 2)**	**5,000.00**	**5,000.00**
A.	**Total Tier-1 Capital (i to ii)**	**26,846.54**	**27,161.16**
1.	General provision against unclassified investments/loans and off balance sheet exposures (including OBU)	4,017.94	4,067.41
2.	Subordinated debt/instruments issued by the Banks that meet the qualifying criteria for Tier 2 capital	3,200.00	3,200.00
3.	Others (if any item approved by Bangladesh Bank)	-	-
B.	**Total Tier 2 Capital (1 to 3)**	**7,217.94**	**7,267.41**
C.	**Regulatory Adjustments/Deductions from Capital**	**-**	**-**
D.	**Total Regulatory/Eligible Capital (A+B-C)**	**34,064.48**	**34,428.57**

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 (TSA) 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.



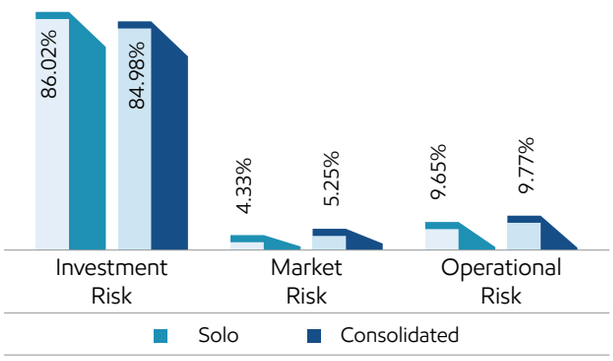
The Bank has maintained Capital to Risk Weighted Assets Ratio (CRAR) of 14.11% & 14.38% on the basis of "Consolidated" and "Solo" respectively against the minimum regulatory requirement of 12.50% (MCR 10% + Conservation Buffer 2.50%). The Bank's policy is to manage and maintain adequate capital that 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

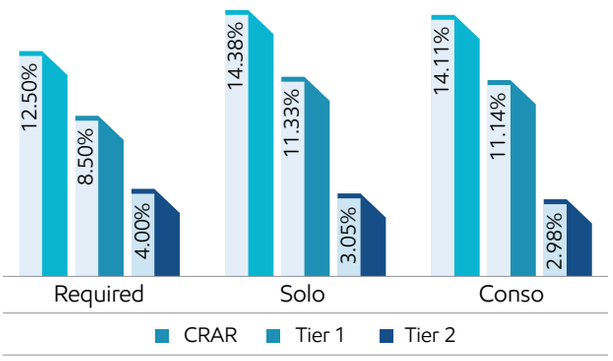
Particulars	Taka in Million	
	Solo	Consolidated
b) Capital requirements for Investment (Credit) Risk	20,381.54	20,728.66
c) Capital requirements for Market Risk	1,025.89	1,279.58
d) Capital requirements for Operational Risk	2,286.32	2,383.69
Minimum Capital Requirement (b+c+d)	23,693.75	24,391.94
Total Regulatory Capital	34,064.48	34,428.57
Total Risk Weighted Assets (RWA)	236,937.49	243,919.41
e) Capital to Risk-weighted Asset Ratio(CRAR) (iii to iv)	14.38%	14.11%
i. CET 1 capital ratio	9.22%	9.09%
ii. AT 1 capital ratio	2.11%	2.05%
iii. Total Tier 1 capital ratio (i to ii)	11.33%	11.14%
iv. Tier-2 capital ratio	3.05%	2.98%
f) Capital Conservation Buffer (2.50%)	4.38%	4.11%
g) Available Capital under Pillar 2 Requirement*	4,447.29	3,938.64

*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 into 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 Program 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 Investment		Unclassified		Classified		
		STD	SMA	SS	DF	BL
		Overdue/Irregular Period				
Continuous & Demand Investment	Other than CMSME	Below 2 Months	2 to below 3 Months	3 to below 9 Months Defaults: After 6 Months	9 to below 12 Months	12 & above Months
	Cottage, Micro and Small Credits		2 to below 6 Months	6 to below 18 Months Defaults: After 6 Months	18 to below 30 Months	30 & above Months
Fixed Term Investment	Other than CMSME	Below 8 Months	8 to below 9 Months	9 to below 15 Months Defaults: After 12 Months	15 to below 18 Months	18 & above Months
	Cottage, Micro and Small Credits		8 to below 12 Months	12 to below 24 Months Defaults: After 12 Months	24 to below 36 Months	36 & above Months
Short-term Agricultural & Micro Credit		Below 12 Months	-	12 to below 36 Months Defaults: After 12 Months	36 to below 60 Months	60 & above Months

*STD = Standard, SMA = Special Mantion Account, SS = Sub Standard, DF = Doubtfull, BL = Bad & Loss

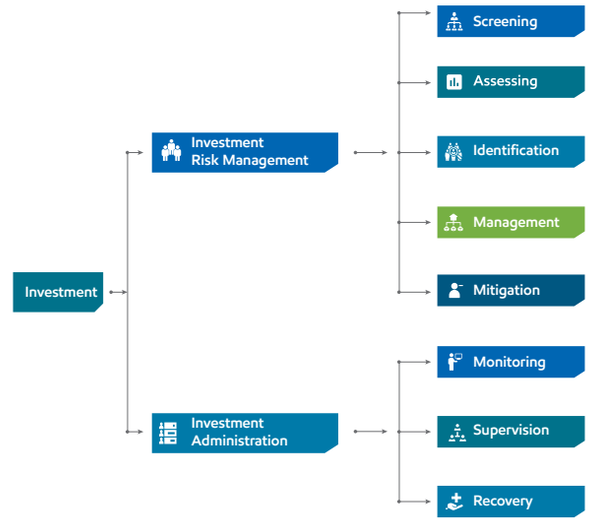
Investments have to be treated as defaulted investment as per section 5 (GaGa) of the Banking Companies Act, 1991 and to be reported accordingly. In this regard, a portion of the "Sub-standard (SS) Investment will be reported as defaulted Investment.

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, BRPD circular # 53 dated December 30, 2021 and BRPD circular # 14 dated June 22, 2022, BRPD circular # 51 dated December 18, 2022 and BRPD circular # 53 dated December 22, 2022 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 (CMSME & Others)		1% & 2%	BRPD Circular letter no. 53, Date: December 22, 2022			

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.

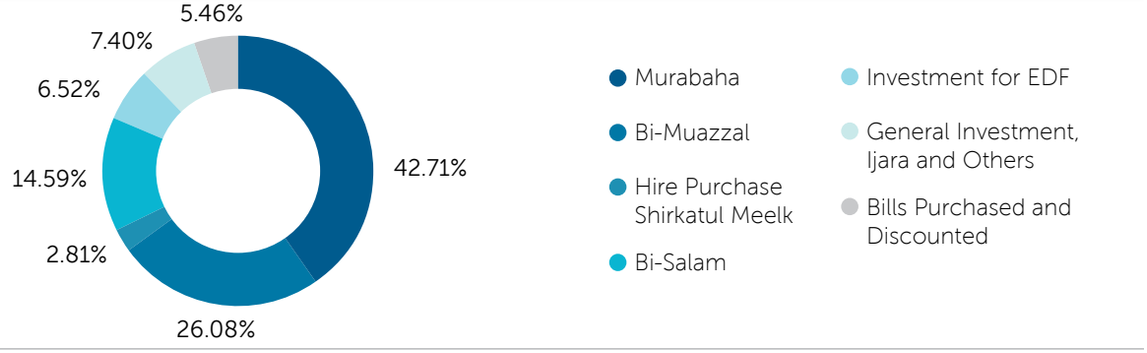
Quantitative Disclosures

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	12,959.61
Bi-Muazzal	101,324.55
Hire Purchase Shirkatul Meelk	61,879.11
Bi-Salam	6,675.88
Investment for EDF	34,623.53
General Investment, Ijara and Others	15,462.26
Bills Purchased and Discounted	4,305.04
Total	**237,229.98**

TYPE OF INVESTMENT

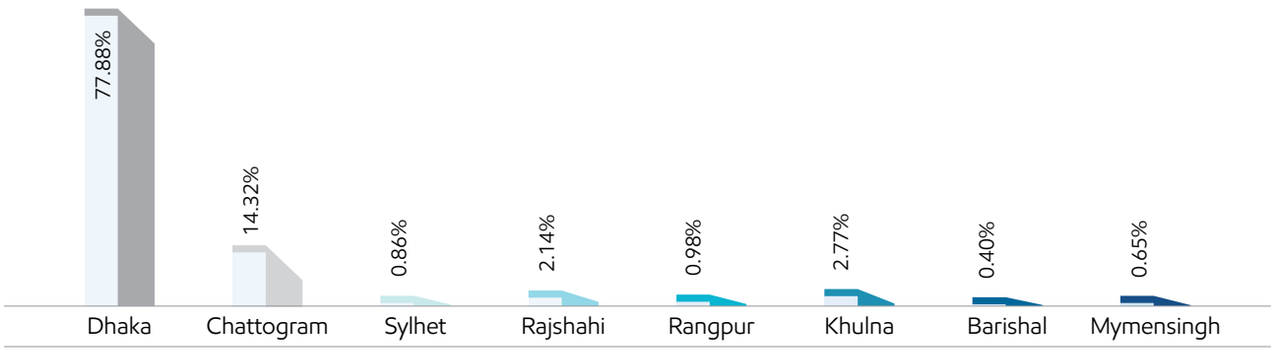


b) Geographical distribution of exposures, broken down in significant areas by major types of investment exposure.

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	231,707.80
Rural	5,522.18
Outside Bangladesh	0.00
Total	**237,229.98**
ii. Division- wise:	
Dhaka	184,762.69
Chattogram	33,975.20
Sylhet	2,038.75
Rajshahi	5,073.10
Rangpur	2,313.76
Khulna	6,578.34
Barishal	955.14
Mymensingh	1,533.00
Total	**237,229.98**

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	3,750.07
Cotton & Textile	19,698.24
Garments	53,779.17
Cement	1,973.24
Pharmaceuticals & Chemicals	7,198.06
Real Estate	8,303.79
Transport	3,064.91
Information Technology	700.69
Non Banking Financial Institutions	1,439.46
Steel & Engineering	8,403.07
Food Processing & Beverage	17,157.44
Power & Energy	7,780.17
Paper & Paper Products	1,743.87

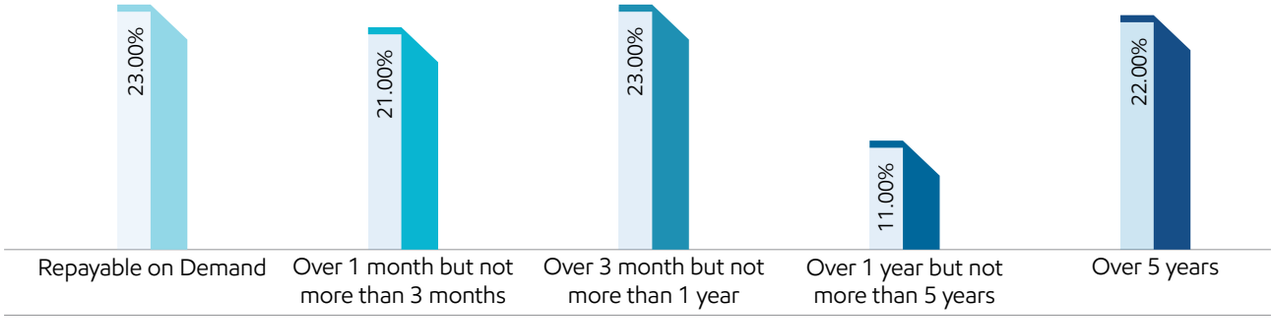
Particulars	Taka in Million
Plastic & Plastic Products	7,206.03
Electronics	9,527.94
Services Industries	7,935.09
Trading	32,884.01
Construction including WOF	19,053.68
Share business	2,369.01
Staff Investment	2,224.38
Others	21,037.66
Total	**237,229.98**
i. Counterparty-wise:	
Investments to allied concern of Directors	2,712.44
Investments to Executive/Officers	2,224.38
Investments to Customer Groups	83,125.75
Industrial Investment	149,167.15
Others	0.26
Total	**237,229.98**

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	54,562.89
Over 1 month but not more than 3 months	49,818.30
Over 3 month but not more than 1 year	54,562.89
Over 1 year but not more than 5 years	26,095.30
Over 5 years	52,190.60
Total	**237,229.98**

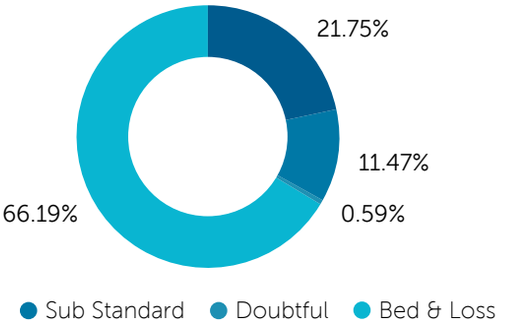
RESIDUAL CONTRACTUAL MATURITY BREAKDOWN OF THE WHOLE PORTFOLIO



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)	3,150.71
Sub Standard	1,661.81
Doubtful	85.78
Bad & Loss	9,585.24
Total	**14,483.54**



Particulars	Taka in Million
ii. Specific and general provisions	
Unclassified Investment	2,661.74
Classified Investment	3,927.53
Off-Balance Sheet Exposure	1,356.20
Total	**7,945.47**
iii. Charges for specific allowances during the period	
Provision on Unclassified Investment	210.89
Provision on Classified Investment	785.48
Provision on Off-Balance Sheet Exposure	-
Provision for other Assets	112.00
Total	**1,108.37**

f) Gross Non Performing Assets (NPAs)	i. Non Performing Assets (NPAs) to outstanding Investments	4.78%
	ii. Movement of Non Performing Assets (NPAs)	

Particulars	Taka in Million
Opening Balance	9,568.84
Additions	1,763.98
Reductions	-
Closing Balance	**11,332.82**
iii. Movement of specific provisions for NPAs	
Opening Balance	3,075.12
Recovery amount previously written-off	66.93
Provisions made during the period	785.48
Fully provided Investment write-off	-
Adjustment and Provision transferred	-
Closing Balance	**3,927.53**

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.

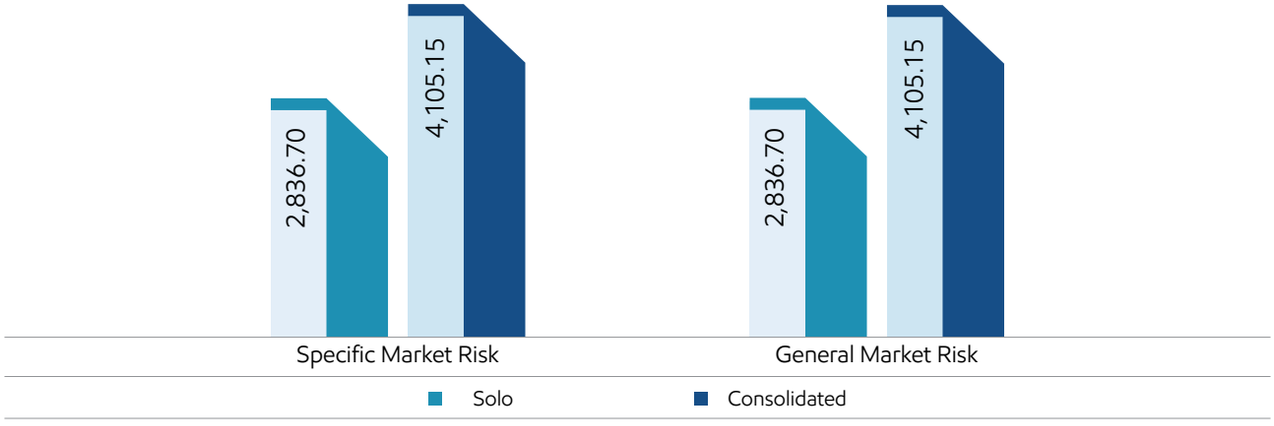
Quantitative Disclosures

Particulars	Taka in Million	
	Solo	Consolidated
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.	2,836.70	4,105.15
c) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	236.74	343.06
d) Total un-realized gains (losses)	(471.20)	(786.77)
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	Taka in Million	
	Solo	Consolidated
• Specific Market Risk	2,836.70	4,105.15
• General Market Risk	2,836.70	4,105.15

(Taka in million)



6. PROFIT (INTEREST) RATE RISK IN THE BANKING BOOK (PRRBB)

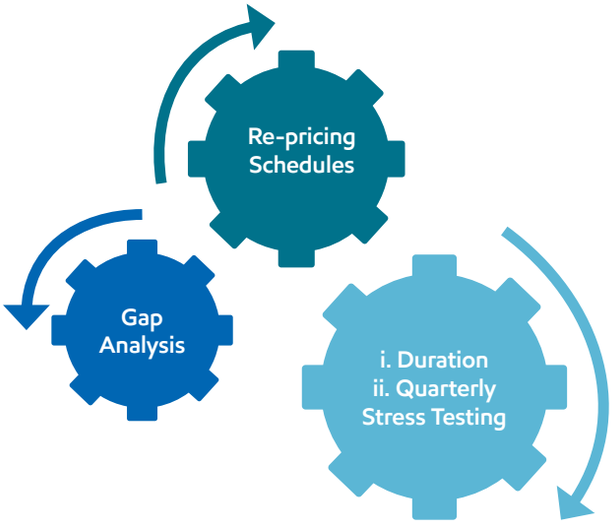
Qualitative Disclosures

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 on quarterly basis as per the directives of Bangladesh Bank to gain better insight into the vulnerable issue of PRRBB.

Quantitative Disclosures

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

Particulars	Taka in Million		
Market Value of Assets			339,324.90
Market Value of Liabilities			317,472.10
Weighted Average of Duration of Assets (DA)			0.85%
Weighted Average of Duration of Liabilities (DL)			0.75%
Duration GAP (DA-DL)			0.15%
Yield to Maturity (YTM-Assets)			5.22%
Yield to Maturity (YTM-Liability)			2.33%
Magnitude of Profit Rate Change	1%	2%	3%
Change in Market Value of Equity due to an Increased in Profit Rate	478.11	956.22	1,434.32
Stress Testing	**Minor**	**Moderate**	**Major**
Regulatory Capital (After Shock)	33,586.40	33,108.30	32,630.20
RWA (After Shock)	236,920.20	236,920.20	236,920.20
CRAR (After Shock)	14.18%	13.97%	13.77%

7. MARKET RISK

Qualitative Disclosures

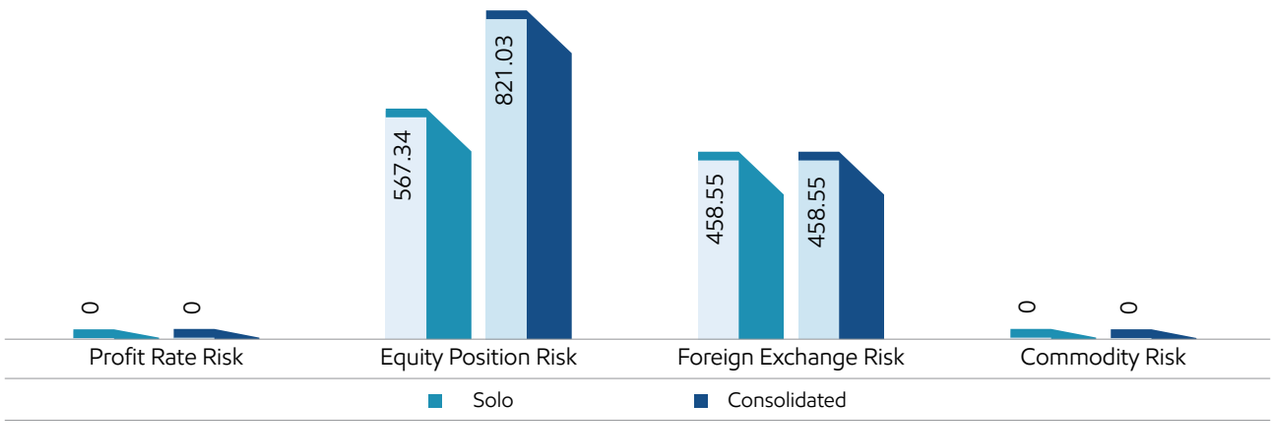
a) i) Views of BOD on trading / investment activities	The Board approves all policies related to market risk, setting of limits and review on Core Risk compliance on a regular basis. The objective is to provide cost effective funding to finance asset growth and trade related transactions.
ii) Methods 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	Solo	Consolidated
	Taka in Million	
Profit rate risk	-	-
Equity position risk	567.34	821.03
Foreign Exchange risk and	458.55	458.55
Commodity risk	-	-
Total Capital Requirement	**1,025.89**	**1,279.58**

(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, Quarterly Operations Report, Key Risk Indicator, 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 α (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	Solo	Consolidated
	Taka in Million	
b) The capital requirements for :		
Operational risk	2,286.32	2,383.69

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%	4.99%
Statutory Liquidity Ratio (SLR)	≥5.50%	12.74%
Investment to Deposit Ratio (IDR)	≤92%	83.64%
Liquidity Coverage Ratio (LCR)	≥100%	158.23%
Net Stable Funding Ratio (NSFR)	>100%	128.01%

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: $\text{LeverageRatio} = \frac{\text{(Tier 1 Capital (after related deductions)}}{\text{(Total Exposure (after related deductions)}}$

Particulars	Solo	Consolidated
	Taka in Million	
Tier 1 Capital (A)*	26,846.54	27,161.16
Exposure Measure:		
On Balance Sheet Exposure*	335,891.33	338,189.18
Off-Balance Sheet Exposure*	56,842.83	56,842.83
Less: Regulatory adjustment made to Tier 1 Capital	(23.60)	(23.94)
Total Exposure (B)	392,710.56	395,008.07
Leverage Ratio (A/B)	6.84%	6.88%
*Considering all regulatory adjustments		

11. REMUNERATION

Qualitative Disclosures

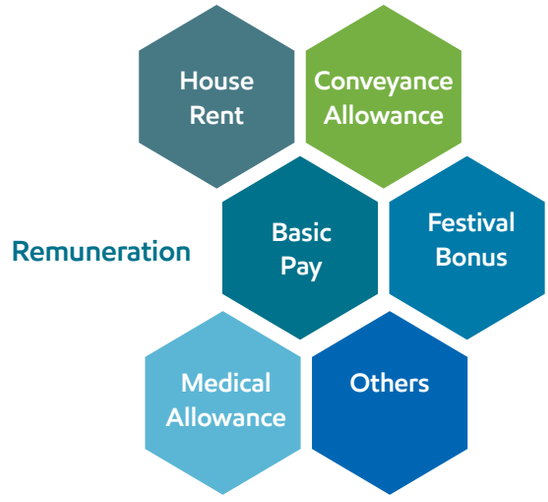
a) Information relating to the bodies that oversee remuneration.

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 Resources 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, 2022, 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 120 Executives of the Bank up to the rank of Vice President as on December 31, 2022 has been considered as senior managers as follows:

Designation	Number
Managing Director	1
Additional Managing Director	4
Deputy Managing Director	4
Senior Executive Vice President	12
Executive Vice President	19
Senior Vice President	36
Vice President	44
Total	**120**

a) 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:



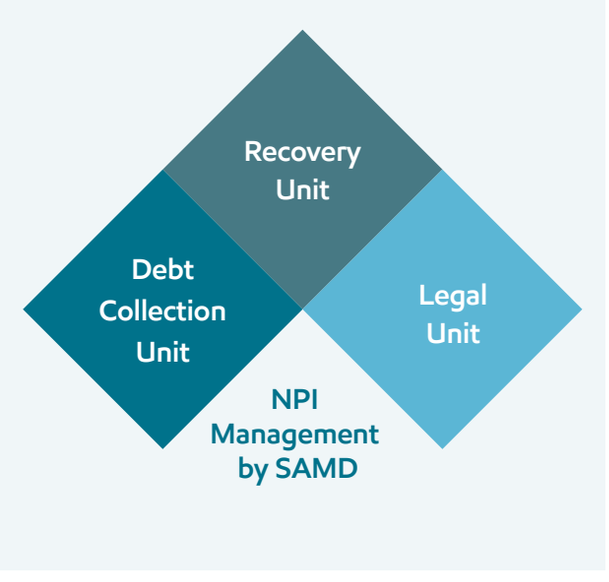
	The basic pay & other allowances like house rent, medical allowance are increased at a fixed rate annually subject to satisfactory performance of past year. The employees are also rewarded by way of special promotion, increment for their outstanding performance. Other than monthly remuneration Bank offers 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, relevants 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 clawback arrangements.	Not Applicable
f) Description of the different forms variable remuneration that the Bank utilizes and the rationale for using these different forms.	
i. An overview of the forms of variable remuneration offered (i.e. cash, share and share-linked instrument and other forms).	The structure of remuneration arrangements for all employees primarily consists of a fixed remuneration component, which is made up of basic salary, allowances and other benefits. Employees are also eligible for variable remuneration arrangements applicable to their position. Variable remuneration consists of Incentive Bonus (cash awards) for most of SJIBL's employees.
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 / 256.04
h) iii. Number and total amount of sign-on awards made during the financial year.	Not Applicable

<table>
<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>(Taka in Million)</th></tr><tr><td>i.</td><td>Fixed and variable</td><td>3,307.55</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)**

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 due to prolonged impact of COVID-19 pandemic and the impact of ongoing Russia Ukraine war. 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 2022:

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 2022. Despite these facts, SAMD had been devoted and enthusiastic in recovery drive and it resulted in significant recovery of nonperforming investment in 2022. Moreover the rate of classified investment of SJIBL was 4.78% in 2022.

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.

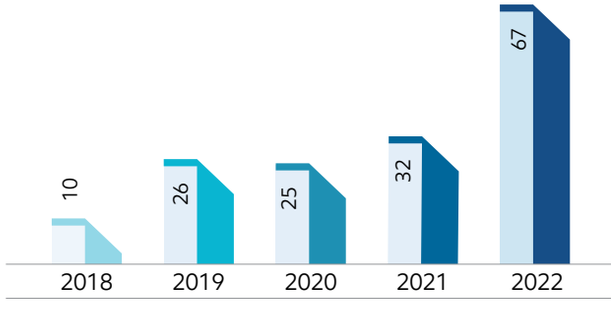
Legal Challenge

- Lengthy and time consuming process
- Stay Order.

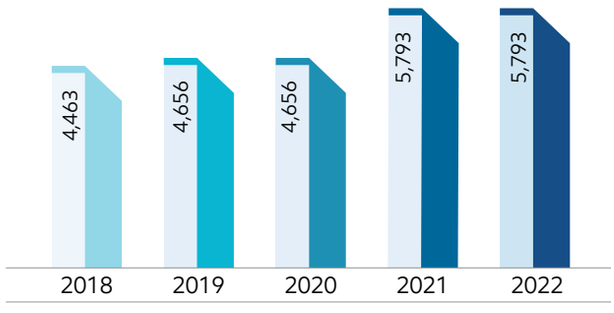
Write-off position and recovery:

As per Bangladesh Bank's rules and regulations, SJIBL has written-off total amount of Tk. 5,794 million and the combined exertion of the management, specially SAMD has got the outcome of Tk.67 million of recovery from Written-off liability in 2022.

WRITTEN-OFF INVESTMENT RECOVERY TREND (BDT in million)



CUMULATIVE WRITTEN-OFF INVESTMENT (BDT in million)



Strategy for 2023 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 biginning of the year in respect to all the functional segments of SAMD and ensure co-ordination amongst the units towards ultimate recovery goal.

Proactiveness by Recovery Team

NPI Prone Branches will be allocated along-with others to Recovery Team Members and they will conduct their functions proactively with gidelines 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. Appropriet and competent legal official/advisors will be deployed for favorable and efficient recovery by legal suits. Regional legal representatives will be assigned for intimitate 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

Targetting reduction of NPIs and its achievement will be rewarded in all possible arn rational manner

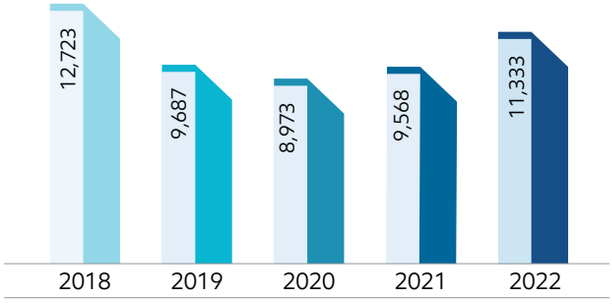
Early Alert mechanism

Early Alert Mechanism will be conducted and guidelines to detect and resolve the sign of NPIs in early stage will be provoked.

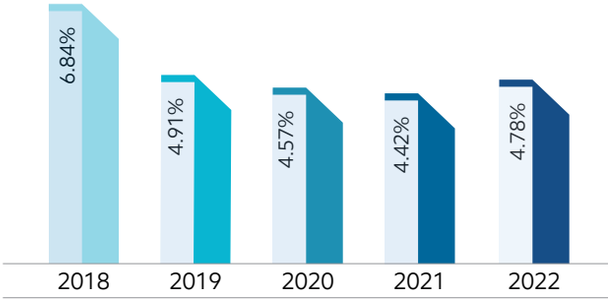
Movement of NPIs: Historical data for the last 5 (five) years indicates that SJIBL management has been prudent and astute enough to maintain the steady declining trend in classification rate throughout the few years.

YEAR WISE TOTAL CLASSIFIED INVESTMENT

(BDT in million)



YEAR WISE % OF CLASSIFIED INVESTMENT



NPI Management Goal set-up for future:

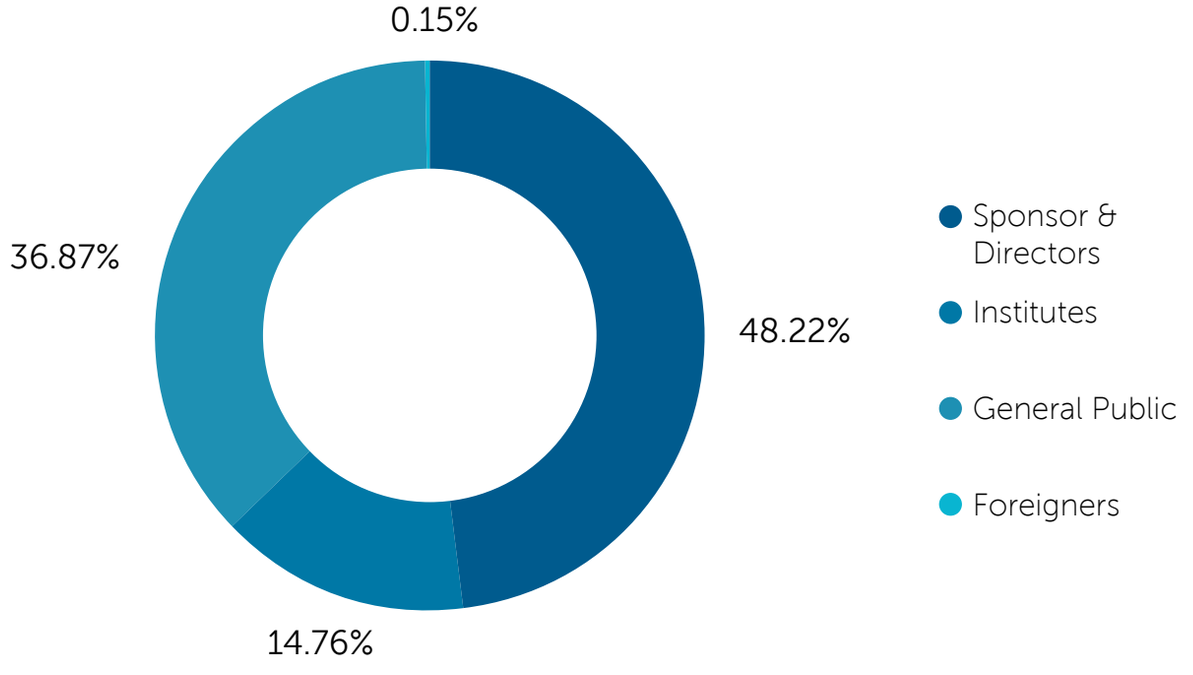
- Classification percentage to be brought down below 3% in coming year 2023.
- Recovery goal will be reached to significant amount against both cash recovery and up-gradation of the liabilities through regularization.
- A major portion of stressed liabilities will be up-held to regular accounts and thus 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 2022

SL. No.	Type of Owner	No. of shares	Value of shares BDT	% of holding
1	Sponsor & Directors	521,053,377	5,210,533,770	48.22%
2	Institutes	159,450,514	1,594,505,140	14.76%
3	General Public	398,383,877	3,983,838,770	36.87%
4	Foreigners	1,664,030	16,640,300	0.15%
	Total	**1,080,551,798**	**10,805,517,980**	**100.00%**



SHAREHOLDING BY **DIRECTORS**

Name of Directors and their shareholdings as at 31 December 2022

SL	Name of Directors	Position	No of Shares	Amount Taka	% of Share
1	Mr. Mohammed Younus	Chairman	26,714,343	267,143,430	2.47%
2	Mr. Mohiuddin Ahmed	Vice-Chairman	21,622,413	216,224,130	2.00%
3	Mr. Abdul Karim (Nazim) Rep. of Shams Uddin Khan & Harun Miah Ltd.	Vice-Chairman	21,611,106	216,111,060	2.00%
4	Dr. Anwer Hossain Khan	Director	32,301,365	323,013,650	2.99%
5	Mr. Md. Sanaullah Shahid Rep. of Electra International Ltd	Director	27,652,414	276,524,140	2.56%
6	Mr. Md. Abdul Barek	Director	21,611,200	216,112,000	2.00%
7	Mr. Abdul Halim	Director	26,285,673	262,856,730	2.43%
8	Mr. Akkas Uddin Mollah	Director	42,725,364	427,253,640	3.95%
9	Mr. Khandaker Sakib Ahmed	Director	21,611,979	216,119,790	2.00%
10	Engr. Md. Towhidur Rahman	Director	24,280,677	242,806,770	2.25%
11	Mr. A.K. Azad	Director	41,195,094	411,950,940	3.81%
12	Mr. Fakir Akhtaruzzaman	Director	21,611,034	216,110,340	2.00%
13	Mr. Mohammed Nasir Uddin Khan Rep. of Anwer Khan Morden Hospital Ltd.	Director	21,666,683	216,666,830	2.01%
14	Mr. Md. Moshiur Rahman Chamak Rep. of Fresh Export Import Ltd.	Director	21,816,648	218,166,480	2.02%
15	Mrs. Tahera Faruque	Director	33,459,927	334,599,270	3.10%
16	Mrs. Jabun Nahar Rep. of Daffodils Trading International	Director	22,141,278	221,412,780	2.05%
17	Mr. Fakir Mashrikuzzaman Rep. of Fakir Knitwear Ltd.	Director	39,405,891	394,058,910	3.65%
18	Mr. Ekramul Hoque	Independent Director	-	-	-
19	Mr. K.A.M. Majedur Rahman	Independent Director	-	-	-
20	Mr. Nasir Uddin Ahmed FCA, FCS	Independent Director	-	-	-
Total			**467,713,089**	**4,677,130,890**	**43.29%**

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

2022

1st Quarter Results issued on	2nd Quarter Results issued on	3rd Quarter Results issued on
28th April 2022	27th July 2022	19th October 2022

Annual Results issued on	22nd Annual General Meeting
05th April 2023	24th May 2023

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

Dividend Information

Distribution of Dividend- 2021

Dividend Rate	Declaration Date	Record Date
5% (Stock) and 10% (Cash)	16th March 2022	06th April 2022

AGM Date	Distribution Date
28th April 2022	Stock- 09th May 2022 Cash- 10th May 2022– 26th May 2022

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 BDT Million

Balance Sheet	31 Dec 22	31 Dec 21	30 Sep 22	30 Sep 21	30 Jun 22	30 Jun 21	31 Mar 22	31 Mar 21
Placement with other Banks & FI's	21,276.96	18,514.59	26,141.02	18,041.19	28,678.77	20,721.19	11,246.63	24,460.44
Inv in Shares & Securities	33,486.50	36,267.60	34,656.90	30,833.25	34,325.52	29,030.01	29,060.08	30,162.83
Investment	237,229.98	216,586.58	237,409.89	204,800.58	237,855.53	199,865.19	229,487.03	194,339.74
Placement from other Banks & FI's	42,036.65	32,436.45	46,587.93	25,178.42	54,333.94	22,715.24	46,493.97	18,906.46
Deposit & Other accounts	227,982.06	217,288.99	238,302.51	212,212.37	230,059.15	216,013.87	212,027.86	213,924.72
Paid up Capital	10,805.52	10,290.97	10,805.52	10,290.97	10,805.52	10,290.97	10,290.97	9,800.92
Total Shareholder's equity	21,870.14	19,802.99	21,895.40	19,576.61	21,029.89	18,981.17	19,713.32	17,894.81
Total Assets	339,818.87	313,731.10	355,366.55	294,793.46	352,204.48	294,480.71	324,187.34	288,932.47
Off Balance Items	154,272.18	171,223.63	174,389.25	149,821.16	190,992.92	143,648.40	190,353.22	136,780.85

Profit and Loss Account	01 Jan 22 to 31 Dec 22	01 Jan 21 to 31 Dec 21	01 Jan 22 to 30 Sep 22	01 Jan 21 to 30 Sep 21	01 Jan 22 to 30 Jun 22	01 Jan 21 to 30 Jun 21	01 Jan 22 to 31 Mar 22	01 Jan 21 to 31 Mar 21
Net Investment Income	7,550.31	6,423.55	6,171.18	4,956.49	3,793.95	2,965.03	1,708.22	1,443.04
Non Investment Income	6,570.51	4,477.17	5,116.96	3,029.66	3,791.47	2,103.72	1,643.10	902.18
Operating Expenses	5,786.18	4,897.03	3,954.84	3,481.03	2,598.58	2,253.49	1,191.27	988.83
Operating Profit	8,334.64	6,003.69	7,333.30	4,505.12	4,986.84	2,815.26	2,160.05	1,356.38
Net Profit After Taxation	3,525.06	2,585.24	3,450.38	2,313.92	2,475.95	1,718.48	948.91	632.12
Earnings per share(EPS)	3.26	2.39	3.19	2.14	2.29	1.59	0.92	0.61

Other Information	31 Dec 22	31 Dec 21	30 Sep 22	30 Sep 21	30 Jun 22	30 Jun 21	31 Mar 22	31 Mar 21
Net Asset Value (NAV) per share	20.24	18.33	20.26	18.12	19.46	17.57	19.16	17.39
NOCFPS	3.59	0.58	13.22	(1.39)	5.79	0.85	2.27	(3.18)

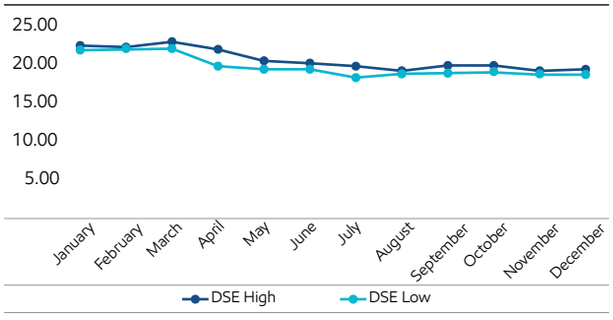
The interim result is reviewed by the Audit Committee of the Board before publishing and then referred it to the Board of Directors for its approval. After being approved by the Board of Directors, the interim financial statements are submitted to the Bangladesh Securities and Exchange Commission (BSEC), 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 - 2022

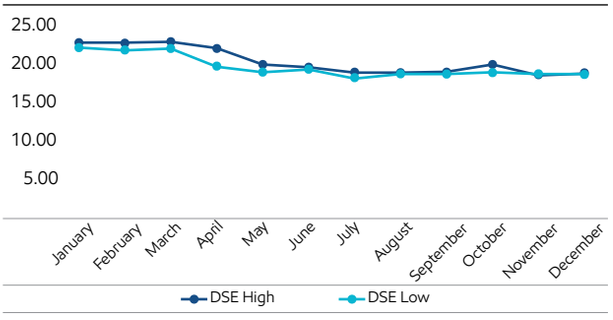
Trade Price of Shares of Shahjalal Islami Bank Limited during the year 2022 on Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited are given below:

Month	DSE			CSE			Total Volume on DSE & CSE
	High Taka	Low Taka	Volume	High Taka	Low Taka	Volume	
January	22.60	22.00	4,342,137	22.90	21.90	175,822	4,517,959
February	22.40	22.10	3,669,278	22.90	21.60	256,780	3,926,058
March	23.10	22.20	4,480,448	23.00	21.80	181,273	4,661,721
April	22.10	19.90	3,415,579	22.30	19.80	240,484	3,656,063
May	20.60	19.50	1,287,238	20.50	19.20	124,499	1,411,737
June	20.30	19.50	2,333,155	20.20	19.50	175,720	2,508,875
July	19.90	18.40	1,289,142	19.60	18.50	26,220	1,315,362
August	19.30	18.90	6,194,015	19.60	19.00	63,691	6,257,706
September	20.00	19.00	5,036,189	19.70	19.00	211,226	5,247,415
October	20.00	19.10	2,287,454	20.50	19.20	56,827	2,344,281
November	19.30	18.80	2,801,462	19.30	19.00	25,548	2,827,010
December	19.50	18.80	1,263,193	19.50	19.00	24,913	1,288,106

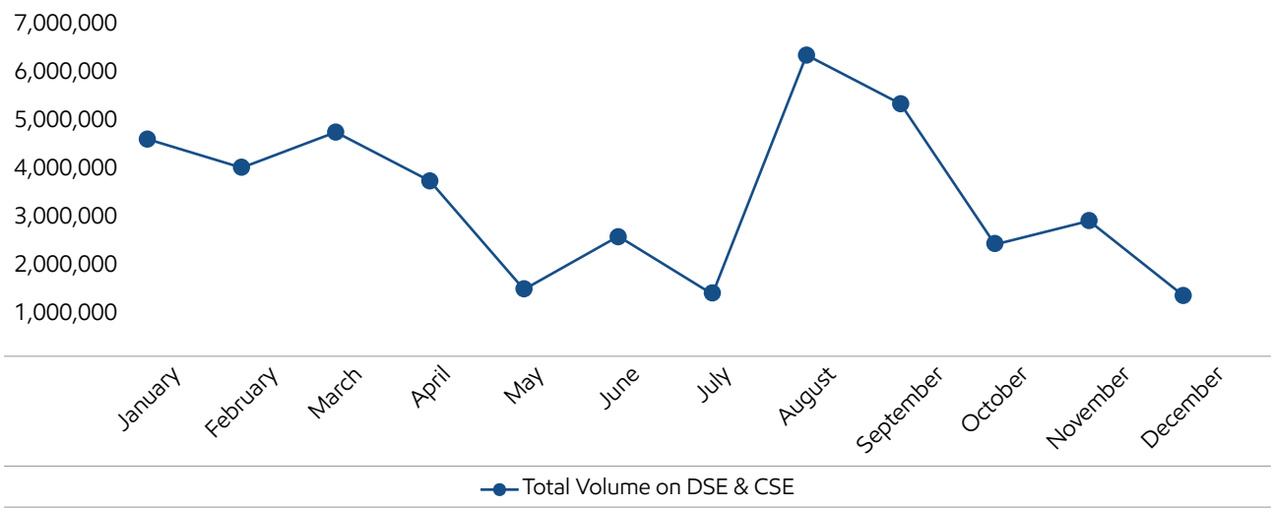
DSE MARKET PRICE - 2022



CSE MARKET PRICE - 2022



TOTAL VOLUME ON DSE & CSE - 2022



PROFITABILITY AND **BUSINESS RATIO**

Profitability/Dividends/Performance and Liquidity Ratios

SL	Items	2022	2021	2020	2019	2018
1	**A) Net Investment Income Ratio**					
2	Net Income Ratio (%)	15.70	14.14	9.44	7.28	7.38
3	Net Profit (Interest) Income Ratio (%)	2.74	2.52	2.42	3.40	3.08
4	Net Profit (Interest) Income as a percentage of Working Funds (%)	2.31	2.12	2.01	2.82	2.58
	B) Profit Before Provisions and Tax					
1	Profit Before Provisions and Tax (in million)	8,335	6,004	4,095	5,865	4,576
2	Cost/Income ratio (%)	40.98	44.92	53.50	44.17	47.11
	C) Price Earnings Ratio					
1	Price Earning Ratio	5.76	9.11	12.35	13.35	17.51
	D) Capital Adequacy Ratio					
1	Tier I Capital Ratio (%)	11.33	10.92	9.15	9.03	7.45
2	Tier II Capital Ratio (%)	3.05	4.12	5.28	6.55	7.05
3	Total Capital Adequacy Ratio (Basel-III/II) (%)	14.38	15.04	14.43	15.58	14.50
	D) Return on Capital Employed					
1	Return on Capital Employed (ROCE) (%)	11.00	8.74	7.11	6.70	6.99
2	Return on Equity (%)	16.92	13.70	11.08	10.98	10.47
3	Return on Assets (ROA) (%)	1.08	0.85	0.68	0.67	0.65
	E) Debt Equity Ratio					
1	Debt Equity Ratio (Times)	14.54	14.84	15.35	15.11	15.48
2	Investment to Total Deposit Ratio (%)	83.64	84.48	79.62	87.47	90.32
3	Net Asset Value per Share (Taka)	20.24	18.33	17.44	16.84	15.84

Business Ratio/Information

SL	Items	2022	2021	2020	2019	2018
1	Statutory Liquidity Ratio (SLR)	12.74	14.73	11.50	7.43	7.21
2	Net profit income as a percentage of working funds/Operating cost-efficiency ratio	2.31	2.12	2.01	2.82	2.58
3	Return on Average Asset	1.08	0.85	0.68	0.67	0.65
4	Cost/Income ratio	40.98	44.92	53.50	44.17	47.11
5	Net Asset Value per Share	20.24	18.33	17.44	16.84	15.84
6	Profit per Employee (in million)	2.94	2.19	1.54	2.21	1.91
7	Capital to Risk Weighted Assets/Capital Adequacy Rato	14.38	15.04	14.43	15.58	14.50
8	Cost of Fund	5.27	5.28	7.39	8.42	8.31
9	Operating profit as a percentage of working funds	2.55	1.98	1.46	2.30	2.03
10	Cash Reserve Ratio/Liquid Asset Ratio	4.99	4.58	4.74	5.94	6.92
11	Dividend Coverage Ratio	2.17	1.67	1.63	1.84	1.73
12	Gross Non-Performing Assets to Gross Investment (Advances)/ Non-Performing Investment (Advances) (Assets) to Total Investment (Advances) (Assets)	4.78	4.42	4.57	4.91	6.84

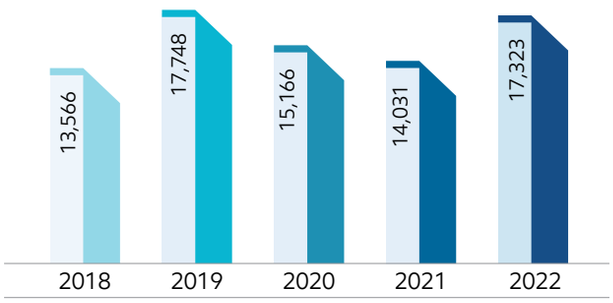
FIVE YEARS
FINANCIAL SUMMARY

SL	Items	2022	2021	2020	2019	2018
A. Financial Position						
1	Authorized Capital	15,000	15,000	15,000	10,000	10,000
2	Paid up Capital	10,805	10,291	9,801	9,334	8,486
3	Reserve and Surplus	11,065	9,512	8,148	7,173	6,303
4	Total Shareholders' Equity	21,870	19,803	17,949	16,507	14,789
5	Total Deposits	227,982	217,289	218,443	203,273	176,862
6	Total Investment	237,230	216,587	196,513	197,286	186,090
7	Investment in Share and Securities	33,486	36,268	27,610	15,639	12,321
8	Fixed Assets	5,273	5,077	4,741	4,504	3,995
9	Total Assets (excluding off-balance sheet items)	339,819	313,731	293,518	265,993	243,660
10	Total Contingent Liabilities and Commitment	154,272	171,224	120,035	113,090	100,787
11	Profit Earning Assets	285,103	266,235	244,232	219,818	202,397
12	Non-profit Earning Assets	54,716	47,496	49,286	46,175	41,263
B. Operating Result						
1	Investment Income	15,885	13,805	17,034	20,291	17,122
2	Profit Paid on Deposit	8,335	7,382	11,418	13,112	11,295
3	Net Investment Income	7,550	6,424	5,615	7,178	5,827
4	Total Income	22,456	18,282	20,224	23,618	19,948
5	Total Expenditure	14,121	12,279	16,129	17,753	15,372
6	Operating Profit	8,335	6,004	4,095	5,865	4,576
7	Profit before Tax	7,226	4,837	3,643	3,894	3,165
8	Profit after Tax	3,525	2,585	1,908	1,718	1,471
C. Capital Adequacy						
1	Risk Weighted Assets	236,937	224,654	196,155	182,776	173,161
2	Capital Requirement	23,694	22,465	19,615	18,278	17,316
3	Tier I Capital	26,846	24,532	17,949	16,507	12,893
4	Tier II Capital	7,218	9,246	10,360	11,970	12,213
5	Total Equity (Tier I & Tier II)	34,064	33,778	28,308	28,477	25,106
6	Capital Surplus	10,371	11,313	8,693	10,200	7,790
7	Tier I Capital Ratio (%)	11.32	10.92	9.15	9.03	7.45
8	Tier II Capital Ratio (%)	3.05	4.12	5.28	6.55	7.05
9	Total Capital Adequacy Ratio (Basel-III) (%)	14.38	15.04	14.43	15.58	14.50
D. Investment Quality						
1	Volume of Non-performing Investment	11,333	9,569	8,973	9,687	12,723
2	Amount of Provision against classified Investment	3,927	3,075	3,440	3,258	2,445
3	Amount of Provision against unclassified Investment	2,662	2,419	2,224	1,901	1,375
4	Amount of Provision against Off Balance Sheets Exposures	1,356	1,356	935	869	837
5	Classified Investment as % of Total Investment	4.78	4.42	4.57	4.91	6.84
E. Foreign Exchange Business						
1	Import Business	254,756	248,934	148,469	157,060	140,382
2	Export Business	265,942	191,899	133,580	147,052	125,402
3	Inward Foreign Remittance	13,411	11,888	7,755	7,849	6,129

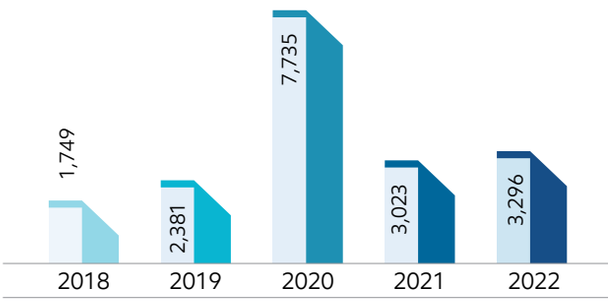
SL	Items	2022	2021	2020	2019	2018
F. Profitability, Performance and Liquidity Ratio						
1	Net Asset Value per Share (Taka)	20.24	18.33	17.44	16.84	15.84
2	Investment to Total Deposit Ratio (%)	83.64	84.48	79.62	87.47	90.32
3	Debt Equity Ratio (Times)	14.54	14.84	15.35	15.11	15.48
4	Return on Equity (%)	16.92	13.70	11.08	10.98	10.47
5	Return on Assets (ROA) (%)	1.08	0.85	0.68	0.67	0.65
6	Cost/Income ratio (%)	40.98	44.92	53.50	44.17	47.11
7	Net Profit (Interest) Income Ratio (%)	2.74	2.52	2.42	3.40	3.08
8	Operating Income Ratio (%)	37.12	32.84	20.25	24.83	22.94
9	Gross Income Ratio (%)	62.88	59.62	43.54	44.48	43.38
10	Net Profit (Interest) Income as a percentage of Working Funds (%)	2.31	2.12	2.01	2.82	2.58
11	Net Income Ratio (%)	15.70	14.14	9.44	7.28	7.38
12	Cost of Deposit (%)	3.32	3.19	4.98	6.05	6.05
13	Cost of Fund (%)	5.27	5.28	7.39	8.42	8.31
14	Return on General Investment (%)	6.36	6.76	8.34	10.07	9.81
15	Net operating Cash flow per Share (Taka)	3.59	0.58	16.15	9.09	(3.07)
16	Profit Per Employee	2.94	2.19	1.54	2.21	1.91
G. Dividend						
1	Cash Dividend	12%*	10%	7%	5%	-
2	Bonus Dividend	3%*	5%	5%	5%	10%
3	Dividend Cover Ratio (Times)	2.17	1.67	1.63	1.84	1.73
4	Market Capitalization	20,314	22,434	22,444	21,842	23,420
		*Proposed by the Board of Directors				
H. Shareholders Information						
1	No. of Share Outstanding (million share)	1,080.55	1,029.10	980.09	933.42	848.56
2	Earnings Per Share (Taka)	3.26	2.39	1.85	1.75	1.58
3	Number of Shareholders	24,172	26,060	28,924	31,022	34,229
5	Market Value Per Share (Taka)	18.80	21.80	22.90	23.40	27.60
6	Price Earning Ratio	5.76	9.11	12.35	13.35	17.51
Other Information						
1	Number of Branches	140	132	132	132	122
2	Number of Brokerage House	8	8	8	8	8
3	Number of Employees	2,835	2,741	2,657	2,652	2,395
4	Number of foreign Correspondents	437	436	412	416	428

GRAPHICAL **PRESENTATION**

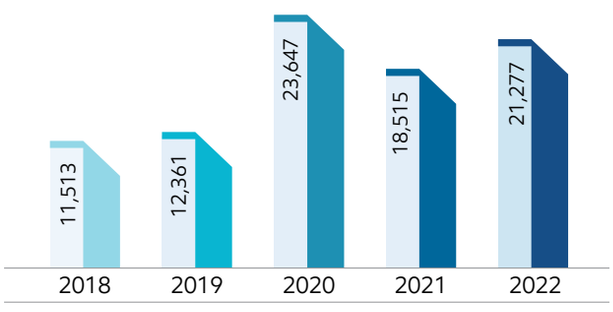
CASH IN HAND & BALANCE WITH BB (BDT in million)



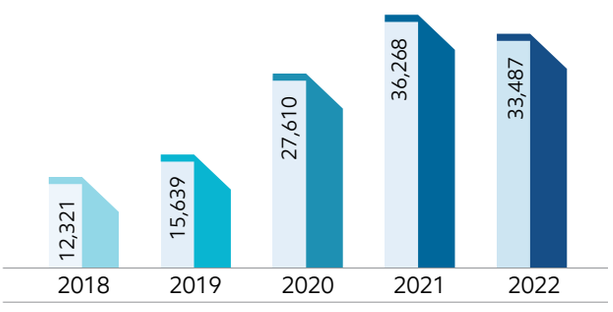
BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS (BDT in million)



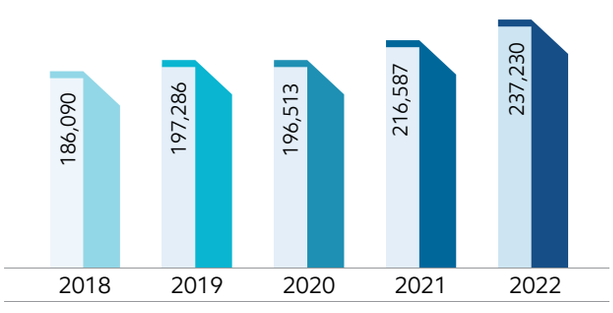
PLACEMENT WITH OTHER BANKS & FINANCIAL INSTITUTIONS (BDT in million)



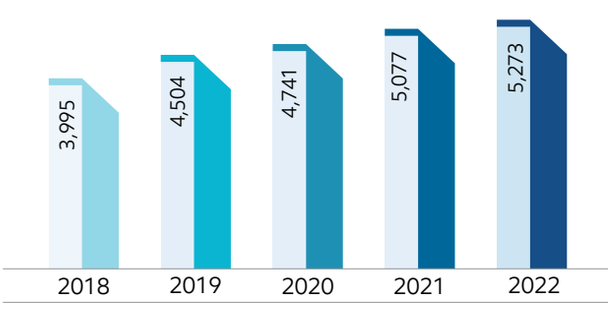
INVESTMENTS IN SHARES & SECURITIES (BDT in million)



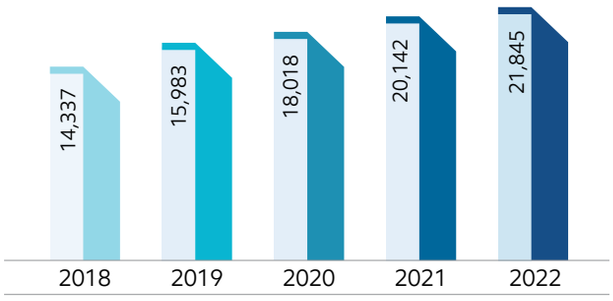
INVESTMENTS (BDT in million)



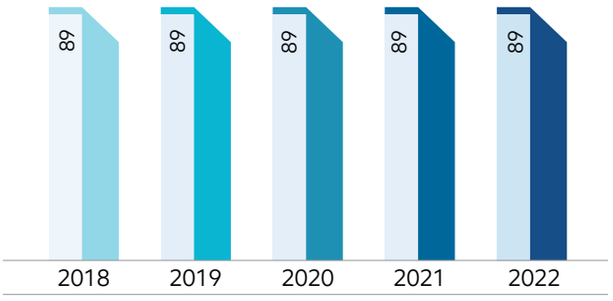
FIXED ASSETS INCLUDING PREMISES (BDT in million)



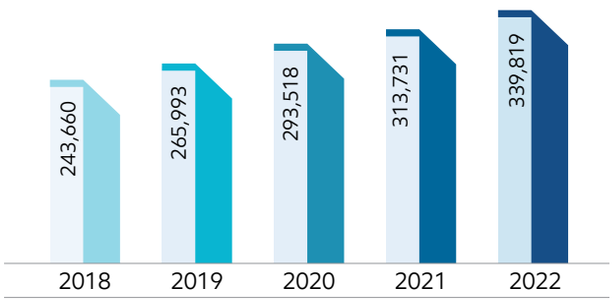
OTHER ASSETS (BDT in million)



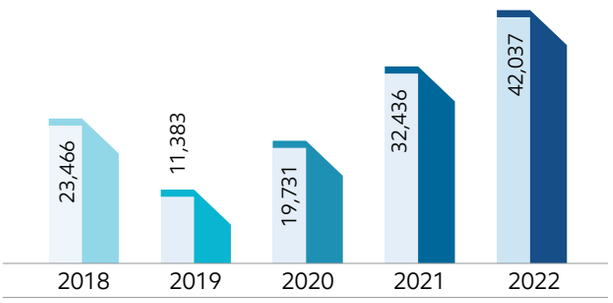
NON BANKING ASSETS (BDT in million)



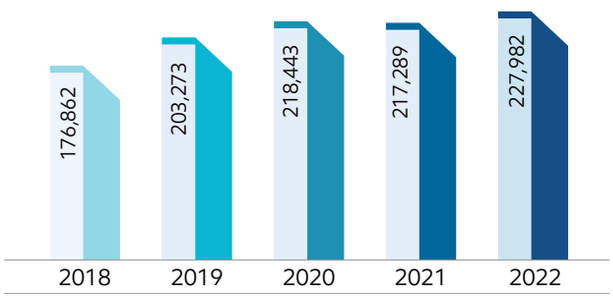
TOTAL ASSETS (BDT in million)



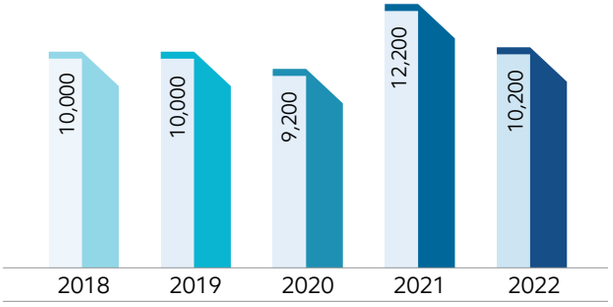
PLACEMENT FROM OTHER BANKS & FINANCIAL INSTITUTIONS (BDT in million)



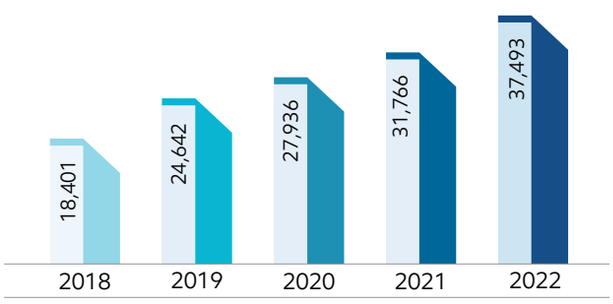
DEPOSITS AND OTHER ACCOUNTS (BDT in million)



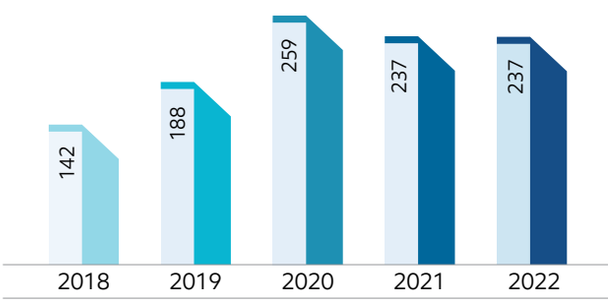
MUDARABA BOND (BDT in million)



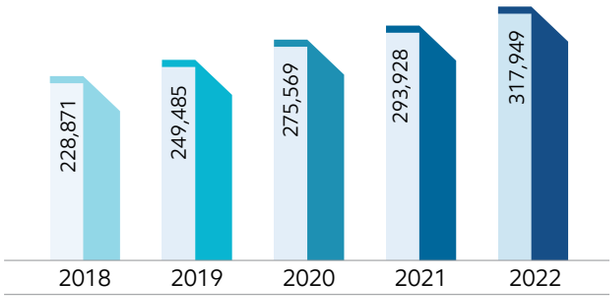
OTHER LIABILITIES (BDT in million)



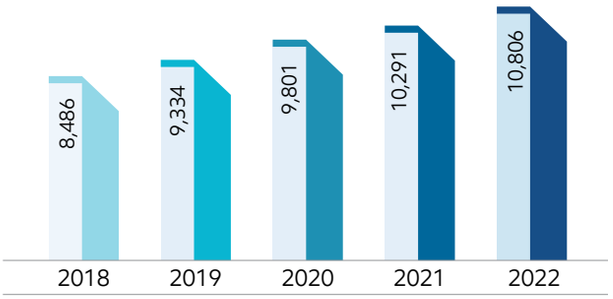
DEFERRED TAX LIABILITIES (BDT in million)



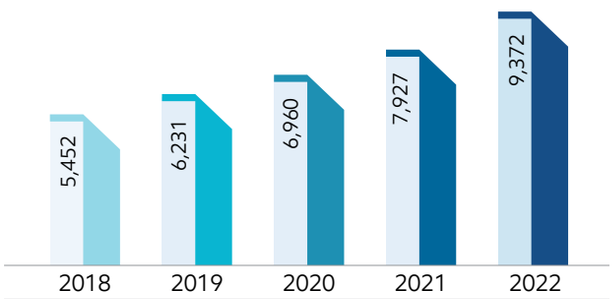
TOTAL LIABILITIES (BDT in million)



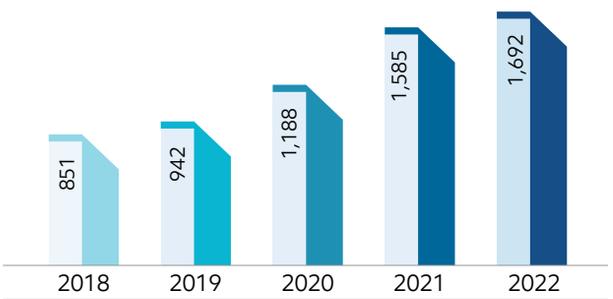
PAID-UP CAPITAL (BDT in million)



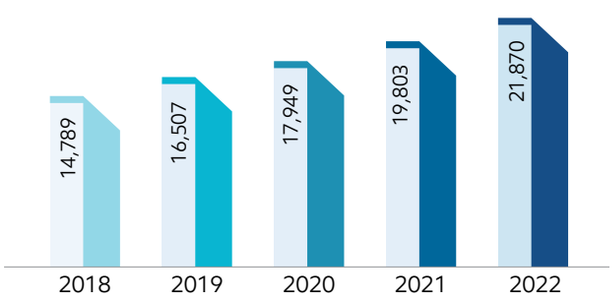
STATUTORY RESERVE (BDT in million)



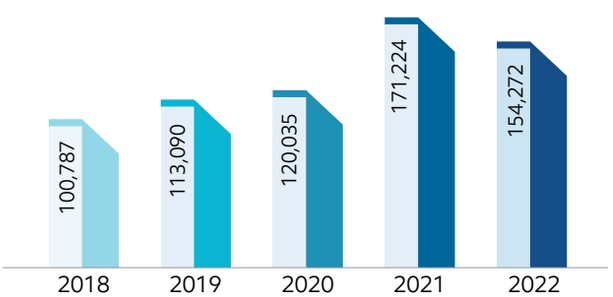
RETAINED EARNINGS (BDT in million)



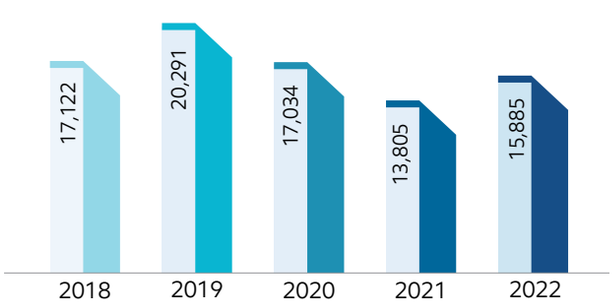
TOTAL SHAREHOLDERS' EQUITY (BDT in million)



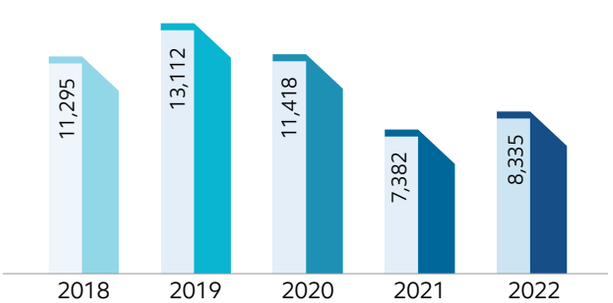
CONTINGENT LIABILITIES (BDT in million)



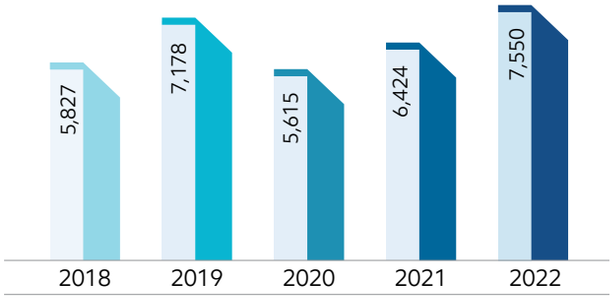
INVESTMENT INCOME (BDT in million)



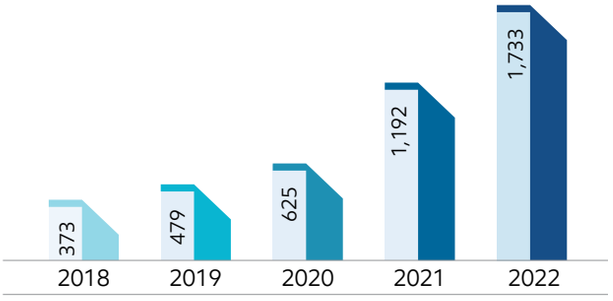
PROFIT PAID ON DEPOSITS (BDT in million)



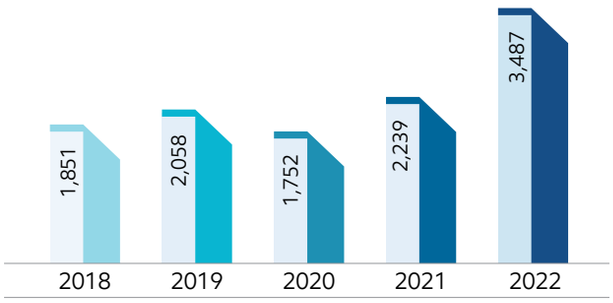
NET INVESTMENT INCOME (BDT in million)



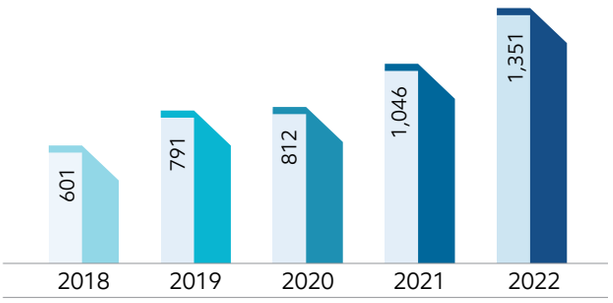
INCOME FROM INVESTMENT IN SHARES/SECURITIES (BDT in million)



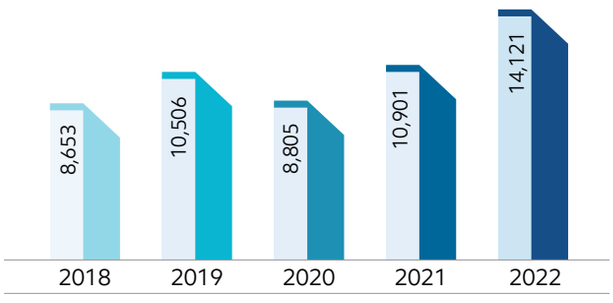
COMMISSION, EXCHANGE AND BROKERAGE (BDT in million)



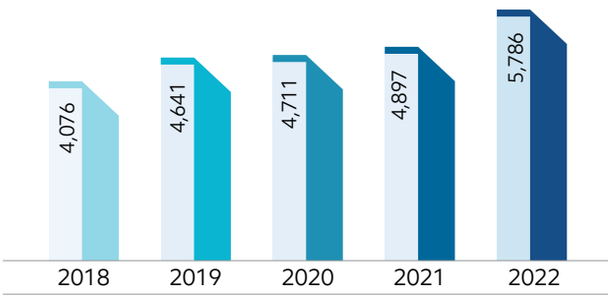
OTHER OPERATING INCOME (BDT in million)



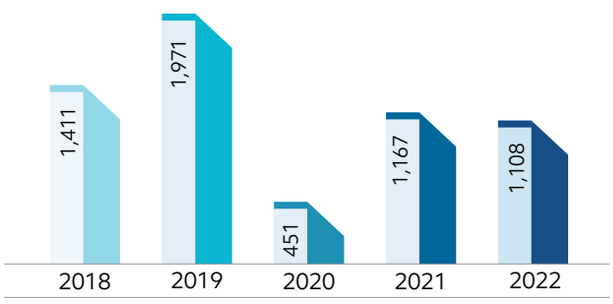
TOTAL OPERATING INCOME (BDT in million)



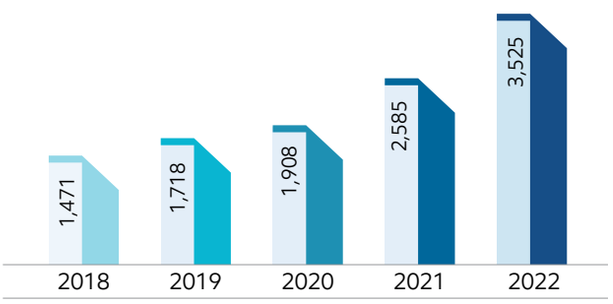
TOTAL OPERATING EXPENSES (BDT in million)



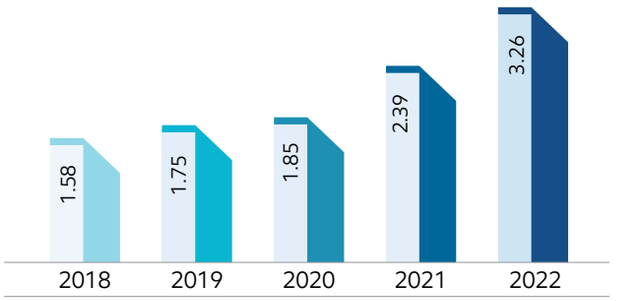
TOTAL PROVISION (BDT in million)



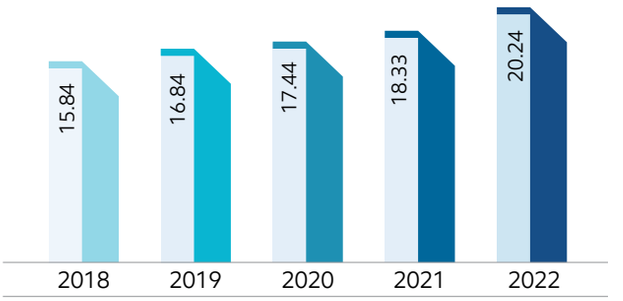
NET PROFIT AFTER TAXATION (BDT in million)



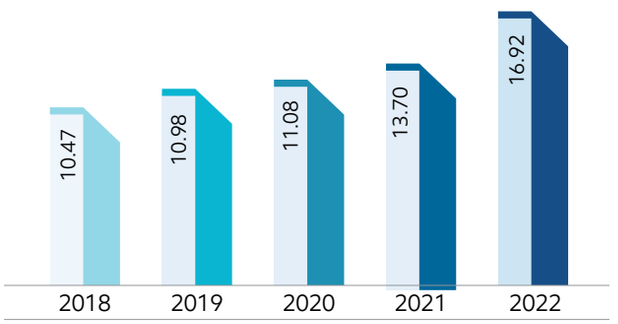
EARNINGS PER SHARE (EPS)



NET ASSET VALUE PER SHARE



RETURN ON SHAREHOLDER FUND



HORIZONTAL & VERTICAL ANALYSIS

HORIZONTAL ANALYSIS FOR THE LAST FIVE YEARS

Balance Sheet

	2022	2021	2020	2019	2018
PROPERTY AND ASSETS					
Cash	**128%**	**103%**	**112%**	**131%**	**100%**
Cash in hand (Including Foreign Currencies)	123%	99%	93%	113%	100%
Balance with Bangladesh Bank & Sonali Bank Ltd (Including Foreign Currencies)	129%	104%	115%	134%	100%
Balance with other Banks and Financial Institutions	**188%**	**173%**	**442%**	**136%**	**100%**
Inside Bangladesh	159%	145%	216%	129%	100%
Outside Bangladesh	297%	277%	1280%	164%	100%
Placement with other Banks & Financial Institutions	**185%**	**161%**	**205%**	**107%**	**100%**
Investments in Shares & Securities	**272%**	**294%**	**224%**	**127%**	**100%**
Government	285%	312%	241%	131%	100%
Others	236%	248%	178%	117%	100%
Investments	**127%**	**116%**	**106%**	**106%**	**100%**
General Investment etc.	126%	114%	104%	105%	100%
Bills Purchased and Discounted	146%	156%	130%	127%	100%
Fixed Assets Including Premises	**132%**	**127%**	**119%**	**113%**	**100%**
Other Assets	**152%**	**140%**	**126%**	**111%**	**100%**
Non Banking Assets	**100%**	**100%**	**100%**	**100%**	**100%**
Total Assets	**139%**	**129%**	**120%**	**109%**	**100%**
LIABILITIES AND CAPITAL					
Liabilities					
Placement from other Banks & Financial Institutions	**179%**	**138%**	**84%**	**49%**	**100%**
Deposits and Other Accounts	**129%**	**123%**	**124%**	**115%**	**100%**
Mudaraba Savings Deposits	178%	175%	146%	119%	100%
Mudaraba Term Deposits	109%	94%	103%	104%	100%
Other Mudaraba Deposits	97%	123%	133%	122%	100%
Al-Wadeeah Current & Other Deposit Accounts	216%	175%	154%	127%	100%
Bills Payable	206%	141%	136%	152%	100%
Mudaraba Bonds	**102%**	**122%**	**92%**	**100%**	**0%**
Other Liabilities	**204%**	**173%**	**152%**	**134%**	**100%**
Deferred Tax Liabilities	**166%**	**166%**	**182%**	**132%**	**100%**
Total Liabilities	**139%**	**128%**	**120%**	**109%**	**100%**
Capital/Shareholders' Equity					
Paid-up Capital	127%	121%	115%	110%	100%
Statutory Reserve	172%	145%	128%	114%	100%
Retained Earnings	199%	186%	140%	111%	100%
Total Shareholders' Equity/Shareholders' Fund	**148%**	**134%**	**121%**	**112%**	**100%**
Total Liabilities & Shareholders' Equity	**139%**	**129%**	**120%**	**109%**	**100%**

Growth of each component of Balance Sheet of every year calculated based on the amount of 2018 which is representing the value 100%. The value above 100% means positive growth and below 100% means negative growth compared to base year 2018. Consistent growth Assets, Liabilities and Shareholders' Equity represents sustainable balance sheet growth of the bank as a whole. Investment to customer has increased due to enhance the economic activities in the post COVID situation.

HORIZONTAL ANALYSIS FOR THE LAST FIVE YEARS

Profit & Loss Account

	2022	2021	2020	2019	2018
Investment Income	93%	81%	99%	119%	100%
Less: Profit paid on Deposits	74%	65%	101%	116%	100%
Net Investment Income	**130%**	**110%**	**96%**	**123%**	**100%**
Income from Investment in Shares/securities	464%	319%	167%	128%	100%
Commission, Exchange and Brokerage	188%	121%	95%	111%	100%
Other Operating Income	225%	174%	135%	132%	100%
	233%	**158%**	**113%**	**118%**	**100%**
Total Operating Income	**163%**	**126%**	**102%**	**121%**	**100%**
Salaries and Allowances	134%	113%	113%	110%	100%
Rent, Taxes, Insurances, Electricity etc.	86%	73%	94%	100%	100%
Legal Expenses	92%	68%	83%	77%	100%
Postage, Stamps, Telecommunication etc.	126%	95%	105%	94%	100%
Stationery, Printings, Advertisements etc.	131%	95%	80%	115%	100%
Chief Executive's Salary & Fees	140%	144%	135%	125%	100%
Directors' Fees & Expenses	106%	103%	108%	119%	100%
Shariah Supervisory Committee's Fees & Expenses	120%	144%	57%	254%	100%
Auditors' Fees	110%	110%	100%	100%	100%
Depreciation & Repairs of Bank's Assets	286%	274%	200%	153%	100%
Zakat Expenses	165%	144%	129%	113%	100%
Other Expenses	177%	142%	121%	132%	100%
Total Operating Expenses	**142%**	**120%**	**116%**	**114%**	**100%**
Profit before Provision/Operating Profit	**182%**	**131%**	**89%**	**128%**	**100%**
Specific provision for Classified Investment	70%	49%	14%	104%	100%
General Provision for Unclassified Investment	101%	93%	109%	251%	100%
General Provision for Off-Balance Sheet Items	0%	1307%	205%	100%	0%
Provision for diminution in value of Investments in Shares	0%	0%	0%	291%	100%
Provision for Other Assets	1120%	100%	0%	0%	0%
Total Provision	**79%**	**83%**	**32%**	**140%**	**100%**
Profit before Provisions for Taxation	**228%**	**153%**	**115%**	**123%**	**100%**
Deferred Tax Expenses	0%	(495%)	1594%	1021%	100%
Current Tax Expenses	219%	135%	98%	126%	100%
Net Profit after Taxation	**240%**	**176%**	**130%**	**117%**	**100%**
Earnings Per Share (EPS)	**188%**	**145%**	**112%**	**106%**	**100%**

Growth of each component of Profit and Loss Account of every year calculated based on the amount of 2018 which is representing the value 100%. The value above 100% means positive growth and below 100% means negative growth compared to base year 2018. Operating Income and Earnings Per Share (EPS) 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.

VERTICAL ANALYSIS FOR THE LAST FIVE YEARS

Balance Sheet

	2022	2021	2020	2019	2018
PROPERTY AND ASSETS					
Cash	**5.10%**	**4.47%**	**5.17%**	**6.67%**	**5.57%**
Cash in hand (Including Foreign Currencies)	13.85%	13.85%	11.97%	12.45%	14.42%
Balance with Bangladesh Bank & Sonali Bank Ltd (Including Foreign Currencies)	86.15%	86.15%	88.03%	87.55%	85.58%
Balance with other Banks and Financial Institutions	**0.97%**	**0.96%**	**2.64%**	**0.90%**	**0.72%**
Inside Bangladesh	66.53%	65.95%	38.47%	74.46%	78.74%
Outside Bangladesh	33.47%	34.05%	61.53%	25.54%	21.26%
Placement with other Banks & Financial Institutions	**6.26%**	**5.90%**	**8.06%**	**4.65%**	**4.73%**
Investments in Shares & Securities	**9.85%**	**11.56%**	**9.41%**	**5.88%**	**5.06%**
Government	76.57%	77.34%	78.58%	75.13%	73.05%
Others	23.43%	22.66%	21.42%	24.87%	26.95%
Investments	**69.81%**	**69.04%**	**66.95%**	**74.17%**	**76.37%**
General Investment etc.	92.88%	91.70%	92.35%	92.59%	93.79%
Bills Purchased and Discounted	7.12%	8.30%	7.65%	7.41%	6.21%
Fixed Assets Including Premises	**1.55%**	**1.62%**	**1.62%**	**1.69%**	**1.64%**
Other Assets	**6.43%**	**6.42%**	**6.14%**	**6.01%**	**5.88%**
Non Banking Assets	**0.03%**	**0.03%**	**0.03%**	**0.03%**	**0.04%**
Total Assets	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
LIABILITIES AND CAPITAL					
Liabilities					
Placement from other Banks & Financial Institutions	**12.37%**	**10.34%**	**6.72%**	**4.28%**	**9.63%**
Deposits and Other Accounts	**67.09%**	**69.26%**	**74.42%**	**76.42%**	**72.59%**
Mudaraba Savings Deposits	16.20%	16.72%	13.88%	12.19%	11.76%
Mudaraba Term Deposits	38.08%	34.27%	37.31%	40.74%	44.90%
Other Mudaraba Deposits	21.96%	29.13%	31.26%	30.96%	29.08%
Al-Wadeeah Current & Other Deposit Accounts	21.18%	18.03%	15.76%	13.98%	12.65%
Bills Payable	2.58%	1.85%	1.78%	2.13%	1.61%
Mudaraba Bonds	**3.00%**	**3.89%**	**3.13%**	**3.76%**	**4.10%**
Other Liabilities	**11.03%**	**10.13%**	**9.52%**	**9.26%**	**7.55%**
Deferred Tax Liabilities	**0.07%**	**0.08%**	**0.09%**	**0.07%**	**0.06%**
Total Liabilities	**93.56%**	**93.69%**	**93.88%**	**93.79%**	**93.93%**
Capital/Shareholders' Equity					
Paid-up Capital	49.41%	51.97%	54.61%	56.55%	57.38%
Statutory Reserve	42.86%	40.03%	38.78%	37.75%	36.87%
Retained Earnings	7.74%	8.00%	6.62%	5.71%	5.75%
Total Shareholders' Equity/Shareholders' Fund	**6.44%**	**6.31%**	**6.12%**	**6.21%**	**6.07%**
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 2022 Investment comprise 69.81% of Total Assets. Customer Deposit comprise the maximum weight of Total Liabilities. In 2022 Customer Deposit comprise 67.09% of Total Liabilities.

VERTICAL ANALYSIS FOR THE LAST FIVE YEARS

Profit & Loss Account

	2022	2021	2020	2019	2018
Investment Income	70.74%	75.51%	84.23%	85.91%	85.83%
Less: Profit paid on Deposits	37.12%	40.38%	56.46%	55.52%	56.62%
Net Investment Income	**33.62%**	**35.14%**	**27.77%**	**30.39%**	**29.21%**
Income from Investment in Shares/securities	7.72%	6.52%	3.09%	2.03%	1.87%
Commission, Exchange and Brokerage	15.53%	12.25%	8.67%	8.71%	9.28%
Other Operating Income	6.02%	5.72%	4.02%	3.35%	3.01%
	29.26%	**24.49%**	**15.77%**	**14.09%**	**14.17%**
Total Operating Income	**62.88%**	**59.62%**	**43.54%**	**44.48%**	**43.38%**
Salaries and Allowances	15.77%	16.31%	14.74%	12.33%	13.24%
Rent, Taxes, Insurances, Electricity etc.	1.76%	1.83%	2.12%	1.94%	2.29%
Legal Expenses	0.01%	0.01%	0.01%	0.00%	0.01%
Postage, Stamps, Telecommunication etc.	0.24%	0.22%	0.22%	0.17%	0.21%
Stationery, Printings, Advertisements etc.	0.60%	0.54%	0.41%	0.50%	0.52%
Chief Executive's Salary & Fees	0.10%	0.13%	0.11%	0.08%	0.08%
Directors' Fees & Expenses	0.03%	0.03%	0.03%	0.03%	0.03%
Shariah Supervisory Committee's Fees & Expenses	0.00%	0.00%	0.00%	0.01%	0.00%
Auditors' Fees	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation & Repairs of Bank's Assets	2.49%	2.93%	1.93%	1.27%	0.98%
Zakat Expenses	0.92%	0.98%	0.80%	0.60%	0.62%
Other Expenses	3.86%	3.80%	2.93%	2.72%	2.45%
Total Operating Expenses	**25.77%**	**26.79%**	**23.29%**	**19.65%**	**20.44%**
Profit before Provision/Operating Profit	**37.12%**	**32.84%**	**20.25%**	**24.83%**	**22.94%**
Specific provision for Classified Investment	70.87%	46.40%	34.78%	58.89%	79.00%
General Provision for Unclassified Investment	19.03%	16.67%	50.62%	26.66%	14.85%
General Provision for Off-Balance Sheet Items	0.00%	36.07%	14.60%	1.63%	0.00%
Provision for deminution in value of Investments in Shares	0.00%	0.00%	0.00%	12.82%	6.15%
Provision for Other Assets	10.10%	0.86%	0.00%	0.00%	0.00%
Total Provision	**4.94%**	**6.38%**	**2.23%**	**8.35%**	**7.07%**
Profit before Provisions for Taxation	**32.18%**	**26.46%**	**18.02%**	**16.49%**	**15.87%**
Less: Income Tax Expenses	**16.48%**	**12.31%**	**8.58%**	**9.21%**	**8.49%**
Deferred Tax Expenses	0.00%	(0.98%)	4.10%	2.10%	0.26%
Current Tax Expenses	100.00%	100.98%	95.90%	97.90%	99.74%
Net Profit after Taxation	**15.70%**	**14.14%**	**9.44%**	**7.28%**	**7.38%**

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 2022 Investment Income comprise 70.74% of total income. Profit paid on Deposits comprises the maximum weight of Total Expense. In 2022 Profit paid on Deposits comprise 37.12% 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

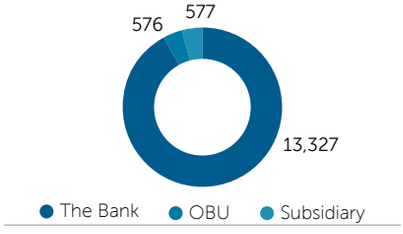
This includes retail investments and deposits, banking services and card business.

Treasury

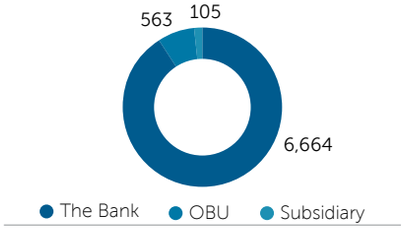
This includes fixed income, equity, foreign exchange, funding, own position securities and placement with/from others.

Consolidated

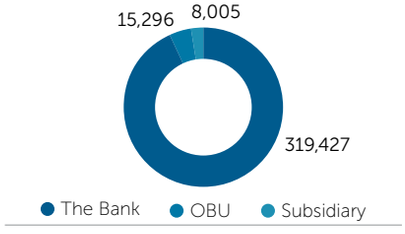
OPERATING INCOME (Taka in million)



PROFIT BEFORE TAX (Taka in million)

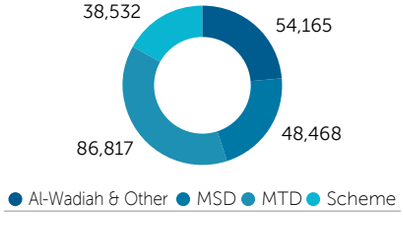


TOTAL ASSETS (Taka in million)

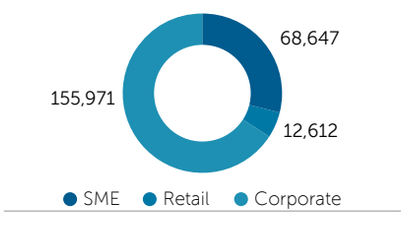


Stand Alone

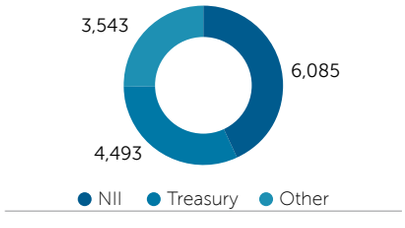
DEPOSIT (Taka in million)



INVESTMENTS (Taka in million)

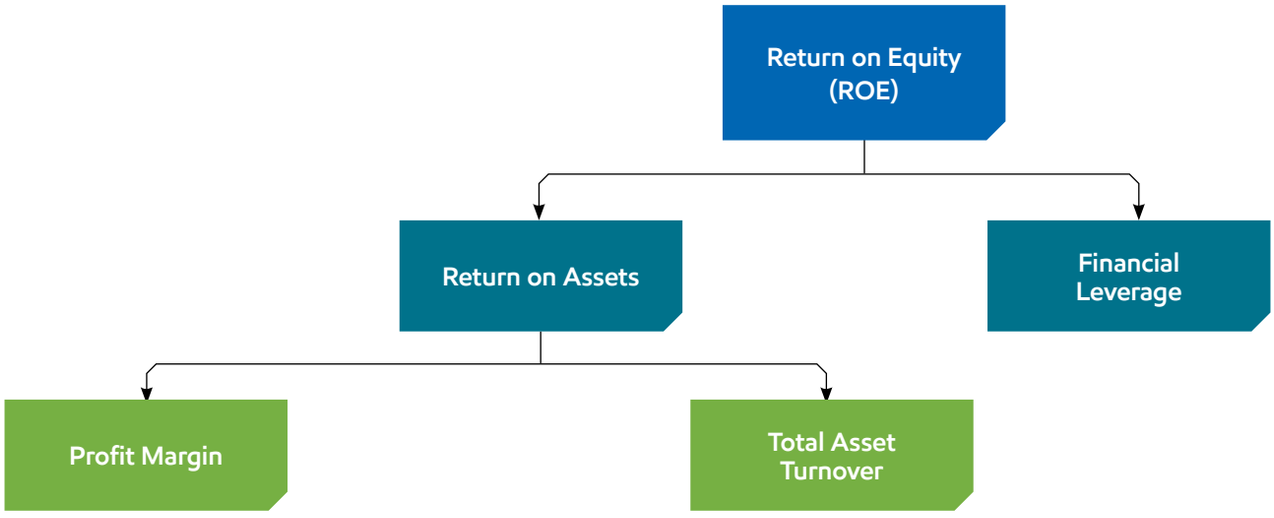


REVENUE (Taka in million)



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	2022	2021
Net Profit Margin (PAT/Total Income)	15.70%	14.14%
Total Asset Turnover (Total Income/Average Assets)	6.87%	6.02%
Return on Asset (PAT/ Average Assets)	1.08%	0.85%
Financial Leverage (Average Assets/Average Equity)(Times)	15.68	16.09
Return on Equity (PAT/Average Equity)	16.92%	13.70%

The higher the value of all components of DuPont analysis indicates the higher positive impact on Return on Equity. Main Highlights of DuPont analysis:

1. Net Profit Margin has been increased due to significant increase of net investment income and other operating income.
2. Asset Turnover in terms of total income has been increased due to substantially increased of other operating income.
3. Financial Leverage shows decreasing trends due to increase of shareholder's equity.
4. Return on Equity has been increased due to significant increase of net investment income and other operating income.

CREDIT
RATING REPORT

Emerging Credit Rating Limited (ECRL) has assigned an upgraded "AA+" (pronounced Double A Plus) 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 2022 and other relevant information. "AA+" rating indicates that the credit rating of Shahjalal Islami Bank Limited in long term has been upgraded this year to "AA+" from "AA" of last year within the major rating category.

	Long Term	Short Term
Surveillance Rating-2021	AA+	ST- 2
Outlook	Stable	
Date of Rating	16 April 2023	

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
2022	ECRL	AA+	ST- 2
2021	ECRL	AA	ST- 2
2020	ECRL	AA	ST- 2
2019	CRAB	AA2	ST- 2
2018	CRAB	AA2	ST- 2

Corporate GOVERNANCE



REPORT ON THE ACTIVITIES OF **THE AUDIT COMMITTEE**



Ekramul Hoque
Chairman, Audit Committee

Audit Committee of the Board

The Audit Committee (AC) is formed as a subcommittee of the Board of Directors of Shahjalal Islami Bank Limited. The AC assists the Board in ensuring that the financial statements reflect a true and fair view of the Bank's state of affairs and in establishing a good monitoring system within the business. The AC has the primary responsibility of conducting systematic and continuous review, monitoring, and assessment of organizational performance against evolving regulatory requirements. Its roles and responsibilities are defined in accordance with the Corporate Governance-related Circulars of Bangladesh Bank, the Notifications of the Bangladesh Securities and Exchange Commission, and the Bank Company Act 1991.

The main objectives of the Audit Committee are:

- To assist the Board in fulfilling its oversight responsibilities, including the 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 review the compliance status of the inspection report from Bangladesh Bank.

Constitution of the Audit Committee

In accordance 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 reconstituted the Board Audit Committee at its Meeting No. 354, held on January 11, 2023. The committee consists 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	Bachelor
3	Mr. Md. Moshiur Rahman Chamak	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

- Oversee the financial reporting process and monitor the choice of accounting policies and principles.
- Hold meeting with the external or statutory auditors for a review of the annual financial statements before submission to the Board for approval or adoption.
- 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

- 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.
- Audit committee will monitor whether internal audit is working independently from the management.
- Review the activities of the internal audit and the organizational structure and ensure that no unjustified restriction or limitation hinders the internal audit process.
- Examine the efficiency, effectiveness and adequacy of the internal audit function;
- Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not.
- Review and assess the annual internal audit plan.
- 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 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 a 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.
- Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis.

Access to the Audit Committee

According to the Committee's Approval on the subject, the Audit Committee can be reached directly by the Head of Audit and the Head of Internal Control & Compliance.

Reporting to the Board of Directors

The Audit Committee shall report on its activities to the Board. The Audit Committee shall immediately report to the Board on the following findings, if any:

- Report on conflict of interest
- Suspected or presumed fraud, irregularity, or material defect identified in the internal audit and compliance processes or in the financial statements.
- Suspected infringement of laws and regulatory compliances, including securities related laws, rules, and regulations; and
- Any other matter that the Audit Committee deems necessary shall be disclosed to the Board immediately.

Reporting to the Authorities

If the Audit Committee has reported to the Board about anything that has a material impact on the financial condition and results of operations 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 a finding to the Commission.

Meeting of the Audit Committee

As required by regulations, the Audit Committee must hold at least four meetings per year, and it may meet at any time it deems necessary. In 2022, the Committee met nine times, during which it held in-depth discussions and reviews with the Head of Audit, the Head of Internal Control & Compliance, and external auditors. The Committee provided guidance to management on the required actions to address the auditors' findings and recommendations on various issues. The following are the details of the meetings:

SL No.	Meetings	Date of Meeting
1	240th Audit Committee Meeting	15 March 2022
2	241st Audit Committee Meeting	27 April 2022
3	242nd Audit Committee Meeting	22 June 2022
4	243rd Audit Committee Meeting	26 July 2022
5	244th Audit Committee Meeting	31 August 2022
6	245th Audit Committee Meeting	27 September 2022
7	246th Audit Committee Meeting	19 October 2022
8	247th Audit Committee Meeting	21 November 2022
9	248th Audit Committee Meeting	14 December 2022

Major Activities of the Audit Committee in 2022

The Audit Committee:

- Reviewed the annual financial statements of the bank for the year ended December 31, 2021, as certified by the external auditors, before submission for consideration to the Board.
- Reviewed the unaudited quarterly (Q1, Q2, and Q3) financial statements of the bank for the year 2022 before submission to the Board for consideration.
- Reviewed the Management Report on the Bank for the year ended December 31, 2021, submitted by the External Auditors, M/s ACNABIN, Chartered Accountants, and its subsequent compliance.
- Reviewed the Comprehensive Inspection Report based on December 31, 2021, the Special Inspection Report, and the Inspection Report on AML/CFT issued by Bangladesh Bank, and subsequent compliance by the management.
- Reviewed and approved the 'Annual Audit Plan 2023' and the 'Risk-Based Audit Plan 2023'.
- Reviewed the steps taken by the management in response to fraudulent incidents to strengthen supervisory and internal controls for more effective fraud risk management.

- Reviewed the compliance status of core risks at Shahjalal Islami Bank Limited and related risk levels at branches, various departments, and subsidiaries.
- Reviewed the money laundering and terrorist financing risk management policy, asset-liability management (ALM) policy, and other core risk management policies of Shahjalal Islami Bank Limited.
- Reviewed the actions of the Information Technology (IT) Department on IT security issues and reviewed the Bank's ICT Security Policy.
- Reviewed the bank's Non-Performing Investments (NPIs) and related issues.
- Reviewed the overall effectiveness of the control system of Shahjalal Islami Bank Limited.
- Reviewed the health report of the bank.

The minutes of the Audit Committee meetings, containing various suggestions and recommendations to management, were duly presented to the Board for ratification.

The Audit Committee:

- Ensured that the rules and regulations of Regulatory Authorities were properly followed by the Bank.
- Assessed the whistle blowing policy throughout the year and made recommendations to further improve the policy as a means of communicating sincere concerns.
- Confirmed that the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) were followed in the preparation of the Bank's financial statements and that full disclosure was provided.
- Verified that the Bank implemented good corporate governance.
- Conducted an annual self-evaluation at the end of the year, which found that the Committee's performance was successful.

Professional Advice

The Committee may seek professional assistance from outside sources on issues within its scope. During the year, the Committee consulted with various professionals on matters under its purview.

Focus of Future Activities

At the beginning of each year, the Committee discusses its key priorities for the coming year. In 2023, the Committee will continue to prioritize internal controls, particularly those supporting regulatory reporting.

The Audit Committee thanks the Board of Directors, management, and auditors for their sincere support and cooperation in fulfilling the Committee's 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**

The Board of Directors is appointed to act on behalf of the shareholders and oversee the day-to-day affairs of the business. The Board is directly accountable to the shareholders and holds an Annual General Meeting (AGM) each year, at which the directors provide a report to the shareholders on the performance of the Bank, its future plans and strategies.

A key aspect of the Board's duties is to establish and maintain an effective internal control system within the Bank and to assess the effectiveness of the current system. The management of the Bank is also responsible for implementing, operating, monitoring, and improving the internal control system to ensure compliance with the control system established by the Board.

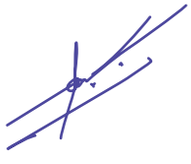
The Board of Directors recognizes its overall responsibility for the Bank's systems of internal control, which are designed to ensure efficiency, effectiveness, reliability, timeliness, completeness, and compliance with applicable laws and regulations.

Banking transactions are complex and diverse, and they come with inherent risks that are no longer limited to the boundaries of a single country. The Board of Directors of Shahjalal Islami Bank is committed to maintaining a robust system of internal controls that allows business to be conducted within an acceptable risk appetite while avoiding potential loss or reputational damage. At the same time, the Board understands that a successful risk management strategy is necessary to achieve the Bank's main objectives.

The Board recognizes that no system or structure can be completely dependable, and therefore the Bank's internal control system is designed to manage or minimize risks to an acceptable level rather than completely eliminate them. As such, the internal control system of the Bank can only provide reasonable, not absolute, assurance that it is achieving its goals and objectives and generating potential returns for shareholders.

The Board has also established a continuous process of monitoring and follow-up to identify any deviations from internal controls during the bank's daily operations. This is an integral part of the internal control process to ensure that errors are corrected and the control mechanism is further strengthened. The processes and guidelines of the bank are regularly reviewed and updated to meet the needs of changing business environments and regulatory guidelines.

On behalf of the Board of Directors,



Mohammed Younus
Chairman

STATEMENT OF BOARD OF DIRECTORS ON ADEQUACY OF INTERNAL CONTROL SYSTEM

The Board of Directors of Shahjalal Islami Bank Limited (The Board) has established an internal control mechanism to ensure the financial reporting system provides reasonable assurance regarding the reliability of financial reporting and that financial statements for external purposes are prepared in accordance with relevant accounting principles and regulatory requirements.

The Board places significant importance on the soundness of internal controls and risk management practices for good corporate governance. To maintain a strong internal control environment within 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.

In accordance with the instructions and guidelines of Bangladesh Bank, the Board has delegated specific responsibilities to three committees of the Board (the Executive Committee, Audit Committee, and Risk Management Committee). These committees assist the Board in fulfilling its oversight responsibilities by ensuring the adequacy and completeness of accounting records, the accurate representation of financial information, the effective management of risks, and the strengthening of the Bank's assets and overall internal control process. These committees have the authority to examine specific issues and report back to the Board with their recommendations.

The Board has adopted written policies and guidelines, including the Internal Control and Compliance Policy, for various areas 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 necessary to ensure compliance with applicable laws and regulations and are made available to all employees. The Internal Control and Compliance Policy promotes awareness among all employees about the internal control components and the basic control policy of the Bank.

An independent audit mechanism has been established to conduct regular reviews of the Bank's operational activities. These reviews examine and evaluate the adequacy and efficiency of financial and operating controls and highlight the significance of risks and the impact of non-compliance on the Bank.

At the beginning of each calendar year, the Audit Committee approves a risk-based audit and inspection plan, and the Internal Control and Compliance Division (IC&CD) conducts internal audits and inspections on various branches, divisions, and units of the Bank. The Audit Committee ensures that IC&CD conducts audits and inspections independently, without fear or favor, and reports directly to the Audit Committee without interference from the Bank's management. All major findings, observations, and suggestions from internal and external auditors and regulatory authorities are discussed in the Audit Committee meetings. The management implements the decisions and recommendations of the Audit Committee.

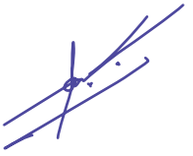
The Board of Directors, through its Audit Committee, reviews the effectiveness of the Internal Control and Compliance system annually. The Audit Committee, where applicable, makes recommendations to improve the effectiveness of the Bank's risk management, control, and governance processes. The Audit Committee of the Board has active oversight of the independence, scope of work, and resources of the internal audit function. It also reviews the internal control and compliance functions, including the scope of the annual audit plan and the frequency of internal audit activities.

The Board is satisfied that the Bank's system of internal control is effective and adequate and provides reasonable, not absolute, assurance of achieving the Bank's objectives and goals, including:

- 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 accounting records, etc.

There is always room for improvement in the existing system, and therefore it cannot entirely eliminate associated risks, but it can minimize the risk level to an acceptable level. The Directors confirm that the Board, through its various committees, has reviewed the soundness of the Bank's internal control for the year ended December 31, 2022.

On behalf of the Board of Directors,



Mohammed Younus
Chairman

REPORT ON CORPORATE **GOVERNANCE**

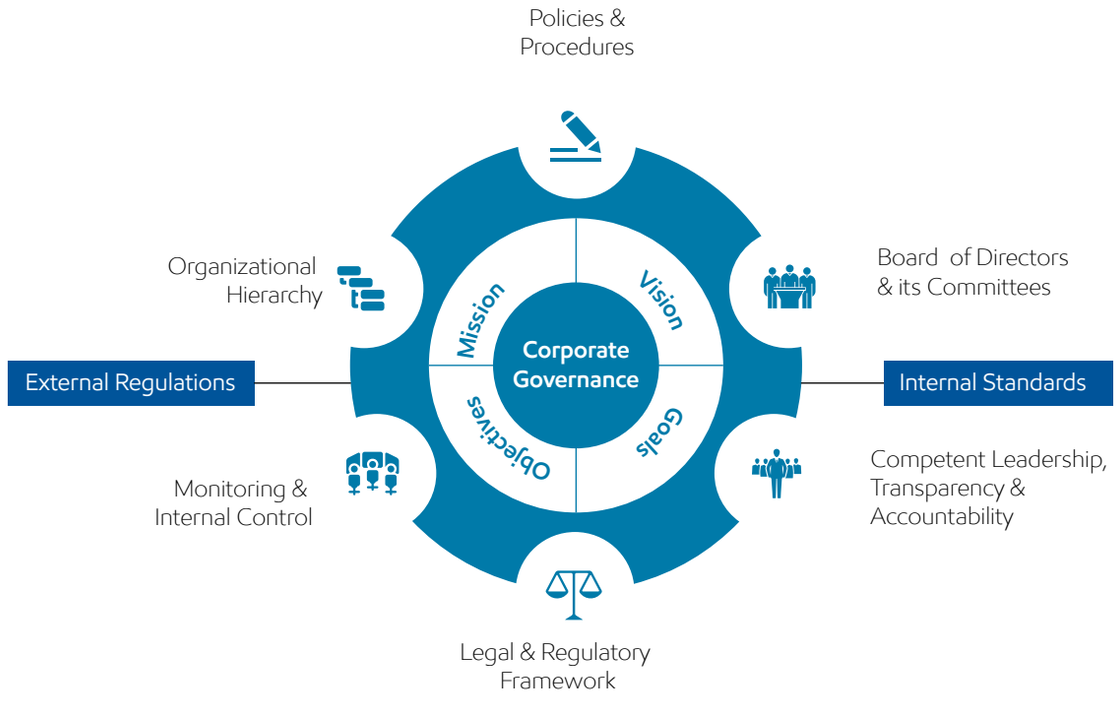
The principles of corporate governance include accountability, transparency, fairness, and responsibility. Strong corporate governance is crucial for long-term corporate success and helps to build trust among stakeholders. Shahjalal Islami Bank Limited (SJIBL) has implemented a corporate governance structure that complies with legal and regulatory requirements and addresses the information needs of stakeholders. The bank's commitment to good governance is demonstrated through its adherence to ethical business practices, its values, and its compliance with relevant laws and regulations, all while seeking to increase shareholder value.

Corporate Governance Practices in SJIBL

Shahjalal Islami Bank Limited (SJIBL) has consistently upheld a commitment to responsible and ethical banking practices since its inception. The bank has implemented the highest international standards of corporate governance and fostered a corporate culture that promotes sustainable performance, client-centricity, innovation, and partnership. The bank's corporate governance report demonstrates its strong commitment to best practices and full compliance with the rules and regulations set forth by regulatory bodies such as the Bangladesh Bank and the Bangladesh Securities and Exchange Commission.

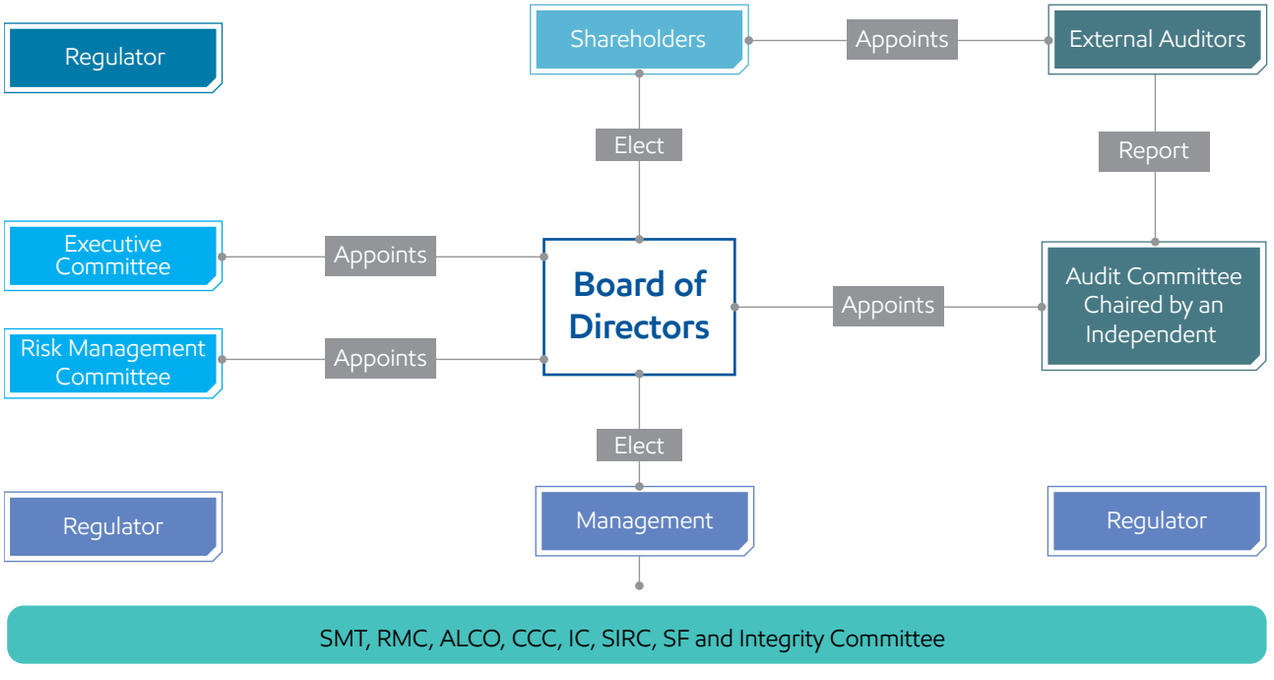


A Board Meeting in progress



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:



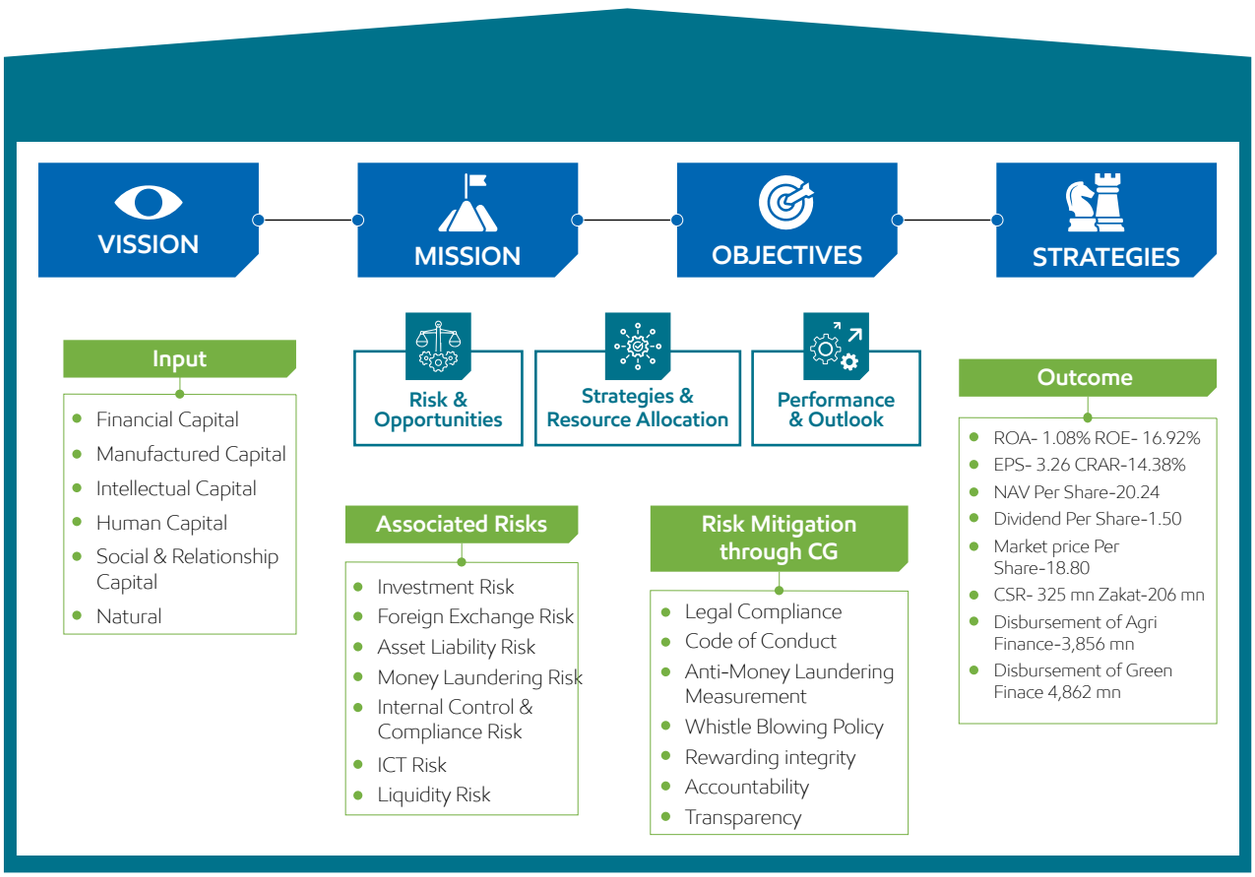
Guiding philosophy of governance practices

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 inevitably linked. 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, all of whom are non-executive, 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. Abdul Karim (Nazim)	Vice-Chairman	-	-	-
4	Dr. Anwer Hossain Khan	Director	Member	-	Member
5	Mr. Md. SanaullahShahid	Director	Member	-	-
6	Mr. Md. Abdul Barek	Director	-	-	-
7	Mr. Abdul Halim	Director	-	Member	-
8	Mr. Akkas Uddin Mollah	Director	Chairman	-	-
9	Mr. KhandakerSakib Ahmed	Director	Member	-	-
10	Engr. Md. Towhidur Rahman	Director	Member	-	Chairman
11	Mr. A.K. Azad	Director	-	-	-
12	Mr. Fakir Akhtaruzzaman	Director	Vice-Chairman	-	-
13	Mr. Mohammed Nasir Uddin Khan	Director			
14	Mr. Md. Moshiur Raman Chamak	Director	-	Member	-
15	Mrs. TaheraFaruque	Director	-	-	-
16	Mrs. JabunNahar	Director	-	-	-
17	Mr. Fakir Mashrikuzzaman	Director	-	-	Member
18	Mr. EkramulHoque	Independent Director	-	Chairman	-
19	Mr. K.A.M.Majedur Rahman	Independent Director	-	Member	Member
20	Mr. Nasir Uddin Ahmed FCA, FCS	Independent Director	-	Member	-
21	Mr. Mosleh Uddin Ahmed	Managing Director	-	-	-

1.1 Bank's Policy on appointment of Directors

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 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, economics, IT, accounting, marketing, administration, engineering, etc.

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 casual 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 values 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 BRPD Circular No. 11 dated October 27, 2013 are the following:

- Reviewing the bank's operational performance towards the achievement of objectives,
- Approving policies and operational manuals to establish effective risk management and internal control in core banking areas,
- Reviewing the company's corporate governance standards for further improvement,
- Determining the bank's corporate social responsibility status and taking steps to improve it,
- Developing a compliance culture within the bank,
- Approving proposals that exceed the management's delegated business/financial/administrative powers,
- Appointing the Managing Director (CEO) and fixing 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 progress,
- Analyzing the reasons for the success or failure of the bank's annual budget achievement,
- Periodically reviewing the bank's operational budget achievements,
- Implementing risk management initiatives,
- Reviewing the sufficiency and requirements for the bank's internal control efforts,
- Reviewing the bank's human resources policy,
- Managing the bank's finances and reviewing them periodically,
- Approving policies and making decisions to improve the bank's operations and compliance culture.

1.1.2 Induction Policy of the Directors

Every new director is given an appropriate induction about the bank's affairs, as well as 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, Sections 79–87 of Schedule I of the Act, and Clauses 20.12 and 20.13 of the Bank's Articles of Association, one-third of the directors shall retire from office 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 follows the resolution determined at the shareholders' meetings. Accordingly, the respective directors of SJIBL will retire and be reappointed at the 22nd Annual General Meeting.

List of the Directors who wereretired, appointed/ re-appointed during 01-01-2022 to 31-12-2022

SL	Name of the Director	Designation	Remarks
1	Dr. Anwer Hossain Khan	Director	Retired and Re-appointed
2	Mr. Md. Sanaullah Shahid	Director	Retired and Re-appointed
3	Mr. Md. Abdul Barek	Director	Retired and Re-appointed
4	Mrs. Jabun Nahar	Director	Retired and Re-appointed
5	Mr. Fakir Mashrikuzzaman	Director	Retired and Re-appointed
6	Mr. Ekramul Hoque	Independent Director	Retired and Re - appointed
7	Mr. K.A.M. Majedur Rahman	Independent Director	Retired and Re - appointed
8	Mr. Md. Harun Miah	Director	Retired but not Re-appointed
9	Mr. Abdul Karim (Nazim)	Vice-Chairman	Appointed
10	Mr. Mohammed Nasir Uddin Khan	Director	Appointed
11	Mr. Mohammed Golam Quddus	Director	Withdraw his nomination

1.1.4 Directors' Shareholding Status

All sponsors/promoters and directors of the bank shall hold a minimum of 30% (thirty percent) of the bank's shares perpetually. Each director other than the independent director(s) of the Bank shall hold a minimum of 2% (two percent) of the Bank's paid-up capital. 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 with this BSEC Notification accordingly.

Shares held by the Directors:

SL	Name of Directors	Position	No of Shares	% of Share
1	Mr. Mohammed Younus	Chairman	26,714,343	2.47%
2	Mr. Mohiuddin Ahmed	Vice-Chairman	21,622,413	2.00%
3	Mr. Abdul Karim (Nazim) Rep. of Shams Uddin Khan & Harun Miah Ltd.	Vice-Chairman	21,611,106	2.00%
4	Dr. Anwer Hossain Khan	Director	32,301,365	2.99%
5	Mr. Md. Sanaullah Shahid Rep. of Electra International Ltd	Director	27,652,414	2.56%
6	Mr. Md. Abdul Barek	Director	21,611,200	2.00%
7	Mr. Abdul Halim	Director	26,285,673	2.43%
8	Mr. Akkas Uddin Mollah	Director	42,725,364	3.95%

SL	Name of Directors	Position	No of Shares	% of Share
9	Mr. Khandaker Sakib Ahmed	Director	21,611,979	2.00%
10	Engr. Md. Towhidur Rahman	Director	24,280,677	2.25%
11	Mr. A.K. Azad	Director	41,195,094	3.81%
12	Mr. Fakir Akhtaruzzaman	Director	21,611,034	2.00%
13	Mr. Mohammed Nasir Uddin Khan Rep. of Anwer Khan Morden Hospital Ltd.	Director	21,666,683	2.01%
14	Mr. Md. Moshiur Rahman Chamak Rep. of Fresh Export Import Ltd.	Director	21,816,648	2.02%
15	Mrs. Tahera Faruque	Director	33,459,927	3.10%
16	Mrs. Jabun Nahar Rep. of Daffodils Trading International	Director	22,141,278	2.05%
17	Mr. Fakir Mashrikuzzaman Rep. of Fakir Knitwear Ltd.	Director	39,405,891	3.65%
18	Mr. Ekramul Hoque	Independent Director	Nil	-
19	Mr. K.A.M. Majedur Rahman	Independent Director	Nil	-
20	Mr. Nasir Uddin Ahmed FCA, FCS	Independent Director	Nil	-
21	Mr. Mosleh Uddin Ahmed	Managing Director	Nil	-

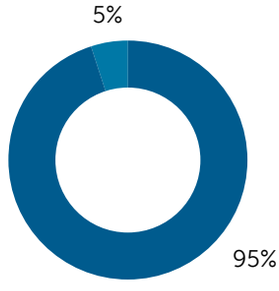
1.1.5 Directors' Remuneration

As per Bangladesh Bank guidelines, Directors are entitled to receive Tk. 8,000 for attending each meeting of Board and its committee.Directors are not entitled to any other remuneration than attending the meeting of the Board and its committees. However, the directors will be entitled to have their portion of dividend like all other shareholders. SJIBL has complied with the applicable rules and regulations of Bangladesh Bank and BSEC regarding the remuneration of director.

1.2 Adequate representation of Non-Executive Directors

A non-executive director is one who does not hold any positions in the bank other than serving on the board and its committees. All the directors of SJIBL, including the Chairman, are non-executive directors, except for 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 the separation of management from the owners, which is an integral part of good corporate governance.

REPRESENTATION OF DIRECTORS



1.3 Appointment & qualification of Independent Directors

Before being appointed by the board, independent directors are critically evaluated and approved by shareholders at the AGM, followed by approval from Bangladesh Bank and the Bangladesh Securities Exchange Commission (BSEC). SJIBL emphasizes the mix of knowledge, skills, experience, and perception when appointing independent directors. These 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. These directors are proficient in the fields of financial, regulatory, and corporate laws and enjoy full freedom to carry out their assigned responsibilities. They exert an objective 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

The bank meets the criterion for independence by appointing directors who are not shareholders in the bank and have no family or other ties to the board of directors, executives, or management. In addition to their roles as directors, independent directors also perform the following tasks:

- Overseeing issues where there is a potential conflict of interest.
- Reviewing, evaluating, and providing oversight over related-party transactions to ensure that they are fair and in the best interests of SJIBL.
- Validating that the organization maintains an effective and independent compliance function.
- Bringing 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 the 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. Mosleh Uddin Ahmed as the Managing Director and CEO of the bank.

The Chairman of the Board approves the agendas for board meetings. This includes 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, organizational structure, human resources policy, customer service strategies, and procurement policy.

The CEO acts as the head of the management team and is therefore accountable to the board and its committees. Their role includes managing and running the bank in accordance with prescribed policies, principles, and strategies established by the Board and the rules, regulations, and guidelines of the Central Bank, the BSEC, and other regulatory authorities.

1.5 Roles and Responsibilities of the Chairman of the Board

According to BRPD Circular No. 11, dated October 27, 2013, issued by Bangladesh Bank, and the Corporate Governance Code issued by the BSEC on June 3, 2018, the Chairman of the Board of Directors has the following major roles and responsibilities:

Roles of the Chairman:

- Accepting the leadership of the Board in order to ensure proper decision making.
- Supporting the Managing Director and CEO of the bank.
- Acting as a link between the Board and the Management.
- Assisting in the agenda-setting for Board meetings along with the Managing Director and the Company Secretary.
- Ensuring the focus of the Board on key issues.
- Monitoring the succession of the Board.

Responsibilities of the Chairman:

- Ensuring that the board sets and implements the bank's direction and strategy effectively.
- Organizing the business of the board, ensuring its effectiveness, and establishing its agenda.
- Ensuring effective operations of the Board and its committees in conformance with the highest standards of corporate governance.
- Ensuring that all key issues are discussed in a timely and constructive manner by the Board of Directors.
- Ensuring the non-intervention of any director in the routine affairs of the bank.
- Signing the minutes of the board meeting for formal confirmation."

1.5.1Independence 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 formulating the general strategies of the bank; they also ensure confidentiality regarding the bank's affairs.

1.6 Annual Appraisal of the Board's Performance and disclosure

Shareholders critically evaluate the performance of the board, assess the financial position and performance of the bank, and review the adequacy and effectiveness of the internal control system and overall governance mechanism at the AGM. During the AGM, shareholders may also ask questions and make inquiries to the board, and the chairman of the board will provide a patient hearing and respond to all their inquiries. The performance of the board is evaluated based on certain parameters, such as shareholder return, share price, return on capital employed, earnings per share, etc., of the bank. Every board meeting ensures the attendance and active participation of directors in meetings on various agenda items and reviews the adequacy and effectiveness of the internal control system and overall governance mechanism. 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. In addition, performance reports are presented by supporting committees at regular intervals during board meetings for assessment. The performance reports of the supporting committees

of the board are also presented at board meetings, through which the performance of board members is regularly evaluated.

1.7 Annual Performance Evaluation of the Chief Executive Officer by the Board

The Board of Directors of SJIBL has clearly defined and approved the roles, responsibilities, and duties of the Managing Director and CEO. The Board evaluates the CEO's performance annually through various reports, such as the financial position and performance of the bank. The parameters typically consist of:



Furthermore, given the competitive nature of the banking industry, it is important to evaluate 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 accordance 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 finalized only after obtaining a No Objection Certificate (NOC) from Bangladesh Bank. The following factors are considered before appointing a CEO:

Moral Integrity

It is necessary to confirm that the individual has not been convicted by any criminal court of law or punished for violating a rule.

Experience and Suitability

It is required to ensure that the individual has a minimum of 15 years of banking experience as an active officer and at least 2 years of experience in a position immediately below the Chief Executive Officer. A master's degree from a recognized university is also required.

Transparency and Financial Integrity

It is necessary to confirm that the individual has not been involved in any illegal activity while performing his/her duties and is 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 to ensure that directors are able to carry out their duties properly. Special discussion sessions with experts on highly technical and complex issues may also be scheduled. In addition, directors participate in business, economic, technical, professional, and corporate governance programs and seminars conducted by various professional organizations both at home and abroad. Each newly appointed director receives a briefing on their obligations as a member of the board, as well as their legal and other responsibilities as a director of a bank. They also receive a comprehensive induction package detailing the statutory and regulatory obligations of a director, the governance structure, policies, procedures, and codes of the bank, the terms of reference of board subcommittees, and the charter of responsibilities.

1.9 Directors' Knowledge and Expertise in Finance and Accounting

One of our Directors, Mr. Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK), and ACA (England & Wales), has extensive experience in finance and accounting. Two of our board members have previously served as managing directors of private commercial 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

The Board meeting is usually held once a month, but more than one meeting may be held if necessary. 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 2022:

Sl. No.	Particulars	No. of Meeting
1	Number of Board meeting	21
2	Number of Executive Committee (EC) meeting	23
3	Number of Audit Committee meeting	9
4	Number of Risk Management Committee (RMC) meeting	7

1.10.1 Board Meeting attendance and remuneration

The following is a statement of board meetings held in 2022, as well as the attendance of directors from January 1, 2022, to December 31, 2022:

SL	Name of Directors	Position	Meeting Held	Attended	Remuneration (Per Meeting)
1	Mr. Mohammed Younus	Chairman	21	21	8,000
2	Mr. Mohiuddin Ahmed	Vice-Chairman		21	8,000
3	Mr. Abdul Karim (Nazim)	Vice-Chairman		21	8,000
4	Dr. Anwer Hossain Khan	Director		17	8,000
5	Mr. Md. Sanaullah Shahid	Director		20	8,000
6	Mr. Md. Abdul Barek	Director		15	8,000
7	Mr. Abdul Halim	Director		17	8,000
8	Mr. Akkas Uddin Mollah	Director		19	8,000
9	Mr. Khandaker Sakib Ahmed	Director		21	8,000
10	Engr. Md. Towhidur Rahman	Director		20	8,000
11	Mr. A.K. Azad	Director		14	8,000

SL	Name of Directors	Position	Meeting Held	Attended	Remuneration (Per Meeting)
12	Mr. Fakir Akhtaruzzaman	Director		18	8,000
13	Mr. Mohammed Nasir Uddin Khan	Director		20	8,000
14	Mr. Md. Moshiur Raman Chamak	Director		20	8,000
15	Mrs. Tahera Faruque	Director		11	8,000
16	Mrs. Jabun Nahar	Director		21	8,000
17	Mr. Fakir Mashrikuzzaman	Director		20	8,000
18	Mr. Ekramul Hoque	Independent Director		21	8,000
19	Mr. K.A.M. Majedur Rahman	Independent Director		14	8,000
20	Mr. Nasir Uddin Ahmed FCA, FCS	Independent Director		18	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. In compliance with the Bangladesh Bank circular, SJIBL has formed 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 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 are running smoothly. Any decision reached by the committee, however, must be validated by the board. During the year 2022, the EC held a total of 23 (twenty three) meetings.

Executive Committee Meeting, attendance and remuneration

The following is a statement of executive committee meetings, attendance, and member remuneration from January 1, 2022, to December 31, 2022:

SL	Name of Directors	Position	Meeting Held	Attended	Remuneration (Per meeting)
1	Mr. Akkas Uddin Mollah	Chairman	23	22	8,000
2	Mr. Fakir Akhtaruzzaman	Vice Chairman		18	8,000
3	Dr. Anwer Hossain Khan	Member		15	8,000
4	Mr. Md. SanaullahShahid	Member		23	8,000
5	Mr. Mohiuddin Ahmed	Member		22	8,000
6	Mr. KhandakerSakib Ahmed	Member		22	8,000
7	Mr. Engr. Md. Towhidur Rahman	Member		21	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 5 (five) 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 working properly on the identification, management, and mitigation of risks that arise in the ordinary course of business. 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 2022, the RMC held 7(seven) meetings and had thorough conversations and review sessions with the CRO about their findings, observations, and recommendations on issues of bank's affairs.

Risk Management Committee meeting, attendance and remuneration

The statement of the risk management committee meetings, attendance, and remuneration from January 1, 2022, to December 31, 2022, is appended below:

SL	Name of Directors	Position	Meeting Held	Attended	Remuneration (Per meeting)
1	Mr. Engr. Md. Towhidur Rahman	Chairman	7	7	8,000
2	Dr. Anwer Hossain Khan	Member		1	8,000
3	Mr. Mohiuddin Ahmed	Member		7	8,000
4	Mr. Fakir Mashrikuzzaman	Member		5	8,000
5	Mr. K.A.M.Majedur Rahman	Member		4	8,000

1.10.3 Key activities performed by the Board in 2022

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 values of the bank and adopts appropriate standards to ensure that the bank conducts its operations in compliance with relevant laws, rules, and regulations. The responsibilities of the Board include:

- Authorization of the quarterly and annual financial statements for 2021
- Approval of the annual business plan for 2021
- Adoption of the director's report for 2021
- Appointment of statutory and corporate governance auditors and determination of their remuneration
- Convening of the annual general meeting
- Declaration of dividends for the year 2021
- Approval of amendments to the various 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-making on COVID-19 risk management and mitigation
- Review of the bank's operational performance towards the achievement of its objectives
- Review of the policies and operational manuals to establish effective risk management and internal controls in core banking areas
- Review of the bank's corporate governance standards for further improvement
- Review of the bank's corporate social responsibility status and implementation of necessary steps
- Approval of proposals that are beyond the business/ administrative delegation powers of management

1.11 Directors Report on Financial Statements 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 on pages 338 and 339 of 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

At SJIBL, the cultivation of competent leaders is a top priority. These leaders are proficient in their fields and utilize their expertise to benefit others. The leadership process emphasizes a framework that prioritizes listening, learning, and leading. The management team is committed to understanding the issues faced by employees and clients before presenting solutions. During the development and approval process for products and services, all steps are taken with the aim of gathering knowledge and insights before making decisions, which ultimately supports sustainable leadership within the bank's board and management.

1.14 Succession Plan

Effective succession planning is crucial for meeting the long-term goals and objectives of the bank, as well as for ensuring that its members have the necessary knowledge, experience, and abilities to navigate the constantly evolving financial industry. SJIBL 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 fulfill their responsibilities. The succession process at SJIBL includes the following steps:

- Identifying critical roles
- Constructing successors' profiles
- Assessing members' qualifications
- Formulating development plans
- Developing successors
- Preparing successors
- Reviewing and adapting.

1.15 Related Party Transactions

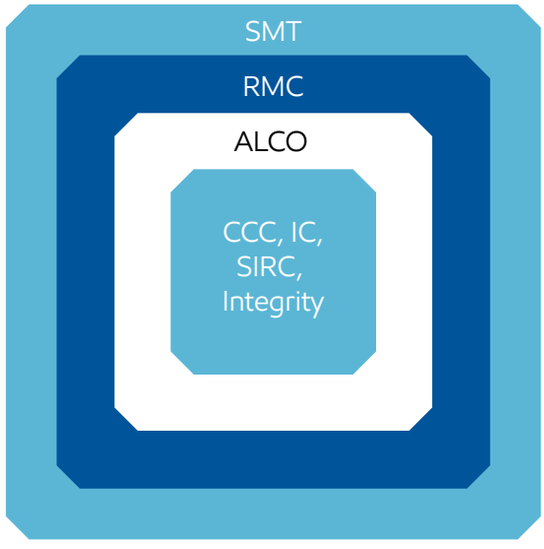
Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or significant 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," the guidelines of Bangladesh Bank, and the BSEC. Details of the related party transactions have been disclosed on page 502 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 of at concessionary rates, which are applicable to all the eligible staff. To ensure compliance with related party transaction guidelines, the Bank follows the following process:

- 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 keeps the Board informed from time to time.
- Approval by the Board of Directors for the rescheduling of investments 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 the directors.
- All related party transactions are disclosed as per IAS 24 'Related Party Disclosures'.

1.16 Management Committees

In an effective corporate governance structure, bank management, under the leadership of the Managing Director, has a collective mandate to operate in the best interests of its shareholders. To assist in the successful conduct of banking operations, SJIBL has established a number of committees in addition to the functional units. These committees are illustrated in the following diagram:



i) Senior Management Team (SMT)

The Senior Management Team consists of 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 line with Pillar II of BASEL-III.

iii) Risk Management Committee (RMC)

The RMC consists of the divisional heads of IRMD, ICCD, AMLD, ITD, Treasury Division, 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 risk, interest rate risk, 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. Mosleh Uddin Ahmed is the CEO and Managing Director of the bank. He is responsible for efficiently running the business, formulating and implementing appropriate business strategies, and overseeing the day-to-day business operations. He is accountable to the Board of Directors for the financial and operational performance of the bank. His major responsibilities as CEO include:

- Achieving financial, operational, and other business targets.
- Ensuring compliance with the Bank Company Act 1991 and other applicable laws and regulations.
- Facilitating the smooth operation of the bank.
- Recruiting and promoting staff, except for those in the two tiers below him (CEO).

- Approving all types of business delegation with full responsibility, including authority over transfer and disciplinary measures for staff, except those in the two tiers below the CEO.

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 (CFO) is responsible for setting the bank's financial goals, objectives, and budgets and advising the Board of Directors on actions to maintain high standards of financial control and reporting. The CFO also oversees all 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 Division (IC&CD) conducts risk assessments and provides an update on the risk management status of the bank to mitigate identified risks. He is responsible for the Bank's strategic risk-based internal audit and managing the internal audit function under the Bank's internal audit charter. His responsibilities include providing reasonable assurance of the effectiveness of the Bank's risk management and internal controls.

1.21 Attendance of CEO, CFO, CS & Ho 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 meetings. However, they do not 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	Bank holds 91.79% Shares
2	Mr. 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	
8	Mr. Mosleh Uddin Ahmed	MD	Director	
9	Mr. Abdul Aziz	AMD	Director	
10	Mr. Main Quamrul Hasan Chowdhury	AMD	Director	
11	Mr. M Akhter Hossain	AMD	Director	
12	Mr. Shahjahan Shiraj	DMD	Director	
13	Mr. Md. Abul Bashar	SEVP	Director	
14	Mr. Md. Jafar Sadeq FCA	SEVP	Director	

2. VISION/MISSION AND STRATEGY

2.1 Vision / Mission Statements of SJIBL

The bank's vision and mission statement, as approved by the Board of Directors, can be found on page 14&15 of this Annual Report. The statements are also available on the bank's website and in other publications.

2.2 Business Objectives and Areas of Business Focus

Business objectives and areas of business focus, as well as strategies to achieve the business objectives have been updated and included in the Integrated Reporting chapter of this Annual Report. The detailed Business

Objectives and Areas of Business Focus are given in this Annual Report.

2.3 General description of Strategies to achieve the company's business objectives

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. The Board's strategic priorities, as directed from time to time, are provided in this annual report. The "Management Discussion and Analysis" section of this report goes into great detail about our sector-specific objectives, plans, priorities, and future business outlooks.

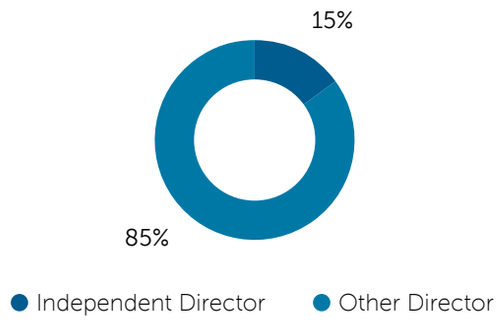
3. AUDIT COMMITTEE

The Audit Committee (AC) is a subcommittee of the 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

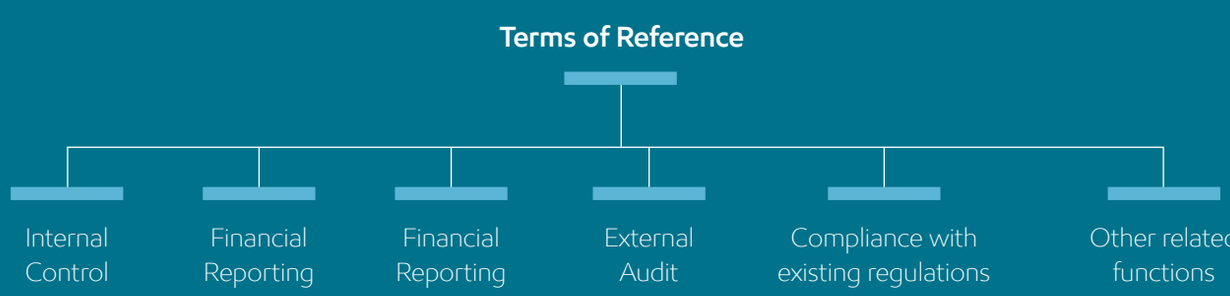
The Board Audit Committee is reconstituted by the Board from time to time in accordance with Bangladesh Bank's BRPD Circular No.11 dated October 27, 2013, and the BSEC's Corporate Governance Code dated June 3, 2018. The Board Audit Committee reviews and oversees the bank's financial reporting, non-financial corporate disclosures, internal control systems, and compliance with applicable laws and regulations, among other things.

APPOINTMENT AND COMPOSITION



3.1.1 Chairman of the Audit Committee as an Independent & Non-Executive Director and his qualification

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 of private commercial banks. 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. EkramulHoque has made a significant contribution to the banking sector and the economy of Bangladesh.



3.1.2 Terms of Reference of Audit Committee

The Audit Committee is responsible for overseeing and controlling various risks associated with banking operations. In order to maintain disciplined banking operations, the committee reinforces the system of internal controls and also 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 the hiring and performance of external auditors;
- Hold meetings with external auditors, whenever required;
- Review the 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;
- Examine all related party transaction statements;
- 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 of the Bank serves as the secretary to the Audit Committee.

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 expert in Finance & Accounting

All members of the Audit Committee are sufficiently qualified professionals with working experience in the banking and financial industries. The Chairman of the Audit Committee, Mr. Ekramul Hoque, having a brilliant academic and banking background, got his MA degree in Economics from the University of Dhaka. He was the Managing Director of Al-Arafah Islami Bank Limited. In his 43-years professional career, he also had a golden touch at Uttara Bank Limited, National Bank Limited, and the Export Import Bank of Bangladesh Limited. As an independent director of the bank, Mr. K.A.M. Majedur Rahman serves 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 Limited as well as Premier Bank Limited. Similarly, he was the country head of Bank Alfalah, a multinational bank. Mr. Nasir Uddin Ahmed, FCA, FCS, is a seasoned professional with over 34 years of effective leadership experience. He is a senior partner of MABS & J Partners, Chartered Accountants. He is a fellow member of the ICAB and the ICSB. Mr. Abdul Halim, a renowned businessman, and Mr. Md. Moshiur Rahman Chamak a young business leader 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 has the necessary authority to have direct access to the Audit Committee as needed. In addition, the Audit Committee meets with the Head of the ICC at least once annually, without the presence of management, to discuss any issues that may have arisen from internal audits. The Head of the ICC has the authority to raise concerns whenever they deem it necessary.

3.1.6 Meeting & Attendance Requirement:

The Audit Committee met 9 (nine) times during the year 2022. The committee held extensive discussions and review sessions with the Head of the ICC and external auditors, considering their findings, views, and suggestions. Corrective actions on related banking business that needed to be addressed were also discussed. The minutes of the Audit Committee meetings, which include numerous proposals and recommendations, were regularly presented to the Board for ratification. Key areas of focus for the Audit Committee in 2022 were presented in the "Report on the Activities of the Audit Committee" 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, 2022 to December 31, 2022:

SL	Name of Directors	Position	Meeting Held	Attended	Remuneration (Per meeting)
1	Mr. Ekramul Hoque	Chairman	9	8	8,000
2	Mr. Abdul Halim	Member		9	8,000
3	Mr. Md. Moshiur Rahman Chamak	Member		3	8,000
4	Mr. K.A.M. Majedur Rahman	Independent Director		7	8,000
5	Mr. Nasir Uddin Ahmed FCA, FCS	Independent Director		7	8,000

3.1.7 Quorum of the Audit Committee Meetings

The quorum for the meeting of the Audit Committee shall be composed of either two members or two-thirds of the members of the Audit Committee, whichever is greater, with the presence of an independent director being required. The company secretary shall serve 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 annual general meeting of SJIBL to ensure transparency and accountability. In the absence of chairman, the audit committee will designate another member to attend the Annual General Meeting (AGM).

3.1.9 Reporting to the Board of Directors

The Audit Committee is responsible for providing a report on its activities to the Board. If any of the following findings arise, the Audit Committee shall immediately report them to the Board:

- Conflicts of interest;
- Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;
- Suspected violation of laws, regulatory compliance including securities-related laws, rules, and regulations; and
- Any other matter deemed necessary by the Audit Committee that must be immediately disclosed to the Board.

However, no such incidents occurred at SJIBL during the year 2022.

3.1.10 Reporting to the Authorities

If the Audit Committee reports to the Board about any matter 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 upon reporting such matters to the Board for three times or upon completion of a period of six months from the date of the first report to the Board, whichever occurs earlier. In the year 2022, no such incidents occurred at SJIBL.

3.1.11 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) of the BSEC Corporate Governance Code dated June 3, 2018, duly signed by the Chairperson of the Audit Committee and disclosed in the Annual Report of the Bank. No report to the Board under condition No. 5(6)(a)(ii) of the BSEC Corporate Governance Code dated June 3, 2018 required to be made during the year 2022.

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, semiannual, and annual financial statements before submitting these to the Board for consideration. The objectives and activities of the Audit Committee are described in the "Report on the Activities of the Audit Committee" on page 334 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 a review of the activities of IC & CD in 2022. This is discussed in detail on page 334 of this annual report in the Report on the Activities of the Audit Committee.

3.2.2 Statement to indicate Audit Committee's role in ensuring compliance with Laws and Regulations

The Audit Committee observed that whether the applicable laws and regulations are complied by the Bank. The effectiveness of internal control is reviewed on an ongoing basis by the Audit Committee to ensure

that it is operating adequately and effectively. The Committee also reviews the actions taken on lapses identified in the IC&CD reports.

3.2.2.1 Audit Committee's role in ensuring timely settlement of statutory dues

The Audit Committee observed that whether all statutory dues are settled in time. In this regard, the audit committee instructs the Internal Control and Compliance Division to review the status of payment of all statutory dues and report the same to the committee.

3.2.3 Audit Committee involvement in the review of the external audit function

Based on the proposal of the Audit Committee, the board recommended appointing Hoda Vasi Chowdhury & Co., Chartered Accountants, as statutory auditors of the bank for 2022 to the shareholders at the 21st AGM. Accordingly, the shareholders have approved their appointment. In compliance with the BSEC corporate governance code, the statutory auditors will not provide any other services other than the statutory audit. During their tenure, the IC&CD department has coordinated and reviewed its functions and reported to the Audit Committee. The Audit Committee reviewed the activities of the external auditors and discussed the requisite issues with them; both the committee and the auditors expressed their satisfactions and presented the financial statements to the board.

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

- ensure effective coordination of external audit function;
- ensure the independence of external auditors;
- review the external auditor's findings to ensure appropriate actions are taken;
- ensure that the external auditor has not been assigned any non-audit work;
- review the appointment/reappointment of the external auditor;
- 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. Hoda Vasi Chowdhury & Co., Chartered Accountants, performed the statutory audit of the bank. M/S. Hoda Vasi Chowdhury & Co., Chartered Accountants, did not provide any of the following services during 2022:

- Appraisal or valuation services or fairness opinion;
- Financial information system design and implementation;
- Book keeping or other services related to accounting records or financial statements;
- Broker-dealer services and Actuarial services;
- Internal audit services or special audit services;
- Audit or certification services on compliance of corporate governance;

3.2.4 Selection of appropriate accounting policies

The Audit Committee reviewed the financial statements of 2022. 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. 420.

3.2.5 Review and recommend 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, reviewed and recommended on the quarterly, half-yearly, and annual financial statements before submission to the Board for approval.

3.2.6 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 2022, covering the head office, selected branches, core risks, and different divisions as carried out each year, and issued inspection reports. The bank has addressed the issues and responded to the report issued 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.

3.2.7 Review of reliability of the management information used for such computation

Effective internal controls are essential for preventing potential fraud and forgery. Based on internal audits conducted throughout the year 2022, the Audit Committee expressed its satisfaction to the Board regarding 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 the 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 provides effective oversight of the whole process, including the policies, processes, laws, regulations, tasks, behaviors, and other aspects of the 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 reviews the reports submitted by its audit committee at its quarterly meetings regarding compliance with the 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 the assignment of authority and responsibility for establishing an appropriate control environment.



Risk assessment

The Board of the Bank established a process for risk assessment and management. The internal control system will identify and analyze these risks to prevent an adverse event.



Control activities

Control activities at the bank refer to the policies and procedures put in place to ensure the proper functioning of the organization. These activities include top-level reviews and the segregation of duties, which are designed to promote accountability and prevent errors or fraud. The internal control system is structured in a way that promotes diversification of responsibilities and transactions among staff, ensuring that no one individual has too much control over a particular process or decision.



Information and communication

The exchange of information within the bank is facilitated by clear lines of communication flowing from management to employees and vice versa. This enables each member of the team to successfully carry out their responsibilities.



Monitoring

Monitoring refers to the process of assessing the effectiveness of internal controls. The board regularly evaluates management and supervisory activities, the budget, and all other financial documents. These evaluations help to ensure that the organization is operating effectively and efficiently and that internal controls are being properly implemented and maintained.

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 interests of its stakeholders. 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 regularly reviews the internal control system of the bank and provides necessary guidelines for improvement. SJIBL has strengthened and divided its Internal Control and Compliance Division (IC&CD) into three distinct units in accordance with the pertinent guidelines set by Bangladesh Bank. The division operates independently and completes its tasks with objectivity and impartiality.

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 the risks that the bank faces in its daily operations. The Risk Management Division (RMD) of SJIBL is primarily responsible for the management, integration, and monitoring of all risks within the risk appetite set by the Board Risk Management Committee (BRMC). 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 the 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 current foreign exchange market is very unstable in terms of dollar rates and availability. However, the bank has low exposure to the aforementioned risk because major foreign exchange-related transactions are carried out on behalf of the clients. Due to shariah principles, the bank does not engage in any speculative activities. The foreign exchange transactions are conducted independently by the Treasury Division, and the Treasury Back Office validates the deal and passes the necessary accounting entries.

c) Asset Liability Risk Management

ALCO reviews the bank's liquidity requirements, asset and liability maturities, deposit and investment pricing strategies, and liquidity contingency plans. 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 risks, the bank has designated a Chief Compliance Officer at the corporate office and branch compliance officers at each branch. These individuals independently review accounting transactions to identify and verify suspicious transactions. The bank has also implemented a "Know Your Customer" (KYC) policy and a "Transaction Profile" (TP) format. The bank is complying with regulatory requirements and following guidelines for KYC when opening new accounts.

e) Internal Control & Compliance Risk Management

The bank has a well-designed policy on internal control and compliance risk management, through which internal control and compliance risks are identified and managed at all levels of the organization. The Board and Management are accountable for the bank's internal control and 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 (IT) policy ensures that IT measures are aligned with the business strategy

of the bank. To this end, 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 is responsible for continuously assessing, monitoring, and managing IT-related risks in accordance with the bank's risk management policy. This process helps the bank ensure that its IT systems and processes are secure and compliant with relevant regulations.

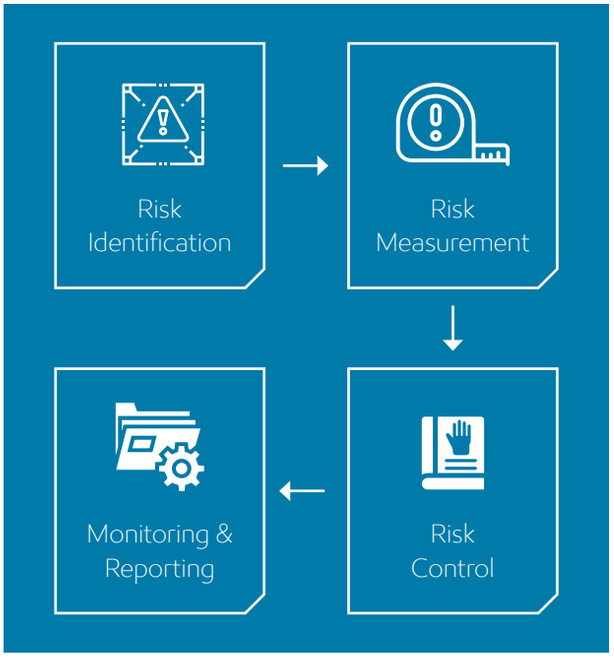
g) Liquidity Risk Management

To effectively manage liquidity risks, SJIBL has implemented several measures. First, the bank sets limits on major liquidity risk management indicators to ensure that it remains well positioned to meet its financial obligations. Second, the bank has an early warning system in place to identify potential liquidity risks that may arise in the financial market. This helps to ensure that the bank can take proactive measures to mitigate any potential risks.

Risk Management Committee (RMC) of the Board

In addition to the Executive Committee and Audit Committee of the Board, the bank has a Risk Management Committee (RMC) that is responsible for planning and guiding the overall risk management of the bank. The RMC's roles and responsibilities are described in detail in the "Report on Risk Management." The RMC is a committee of the board and serves an important function in ensuring the bank's risk management practices are effective and align with its overall goals and objectives.

4.5 Disclosure of the strategies adopted to manage and mitigate the risks



As mentioned above, the SJIBL business unit serves as the first line of defense against banking risks. The Risk Management Division functions as the second line of defense, while the third and final line of defense is the Board of Directors of the bank. The Board decides on and instructs the ultimate risk-taking measures for the management of the bank. All core risk policy guidelines have been approved and are reviewed periodically by the Board of the Bank.

- SJIBL Operations Policy & Guidelines
- SJIBL Investment Risk Management Policy
- SJIBL Foreign Exchange Manual
- SJIBL ICT Security Policy
- SJIBL Islamic Credit Card Policy

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) that reflect and enact the bank's values. Compliance means conforming or adapting one's actions to another's wishes, a rule, or a necessity. The terms "ethical" and "compliance" are often used interchangeably when referring to 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":



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 general public, and other employees 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.



Conflict of interest

Employees must not use their position in the bank for personal gain or to obtain benefits for themselves or members of their families or friends.



Compliance with laws and regulations

All employees are expected to follow and comply with the laws of the land and the internal rules and regulations of the bank.



Misappropriation of assets

No employee shall convert funds or property that are not legitimately theirs for their own use and benefit, nor shall they assist another person in such exploitation.



Acceptance of gifts

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 estimate of its value.

5.2 Dissemination of the statement of ethics, business practices and code of conduct

It is a requirement for all employees of SJIBL to sign a declaration form acknowledging their understanding of the ethics, business practices and code of conduct. The Human Resources Division distributes the necessary declaration forms and ensures that all employees have signed and submitted them to the appropriate department. The Internal Control and Compliance Division evaluates whether employees have breached the ethics, business practices and code of conduct through their periodic audits.

5.3 The Board's commitment to establish high level of ethics and compliance within SJIBL

The Board of Directors is committed to upholding a high standard of ethics and compliance among all bank employees. They consistently encourage management to ensure that all employees maintain a high level of ethics at the bank and provide guidance on ethics and integrity policies. Additionally, the bank has introduced

Integrity Awards to recognize its employees for upholding these values.

5.3.1 Conflict of Interest

A conflict of interest in business typically refers to a situation in which a board member's personal interests clash with the professional interests of the bank. Board members are expected to prioritize the interests of the bank over their own personal interests and fulfill their duties and responsibilities objectively and effectively. If a board member reasonably expects a transaction or relationship to potentially create a conflict of interest with the bank, they are required to fully disclose it to the entire board and seek authorization from the board to pursue such transactions or relationships.

5.3.2 Insider Trading

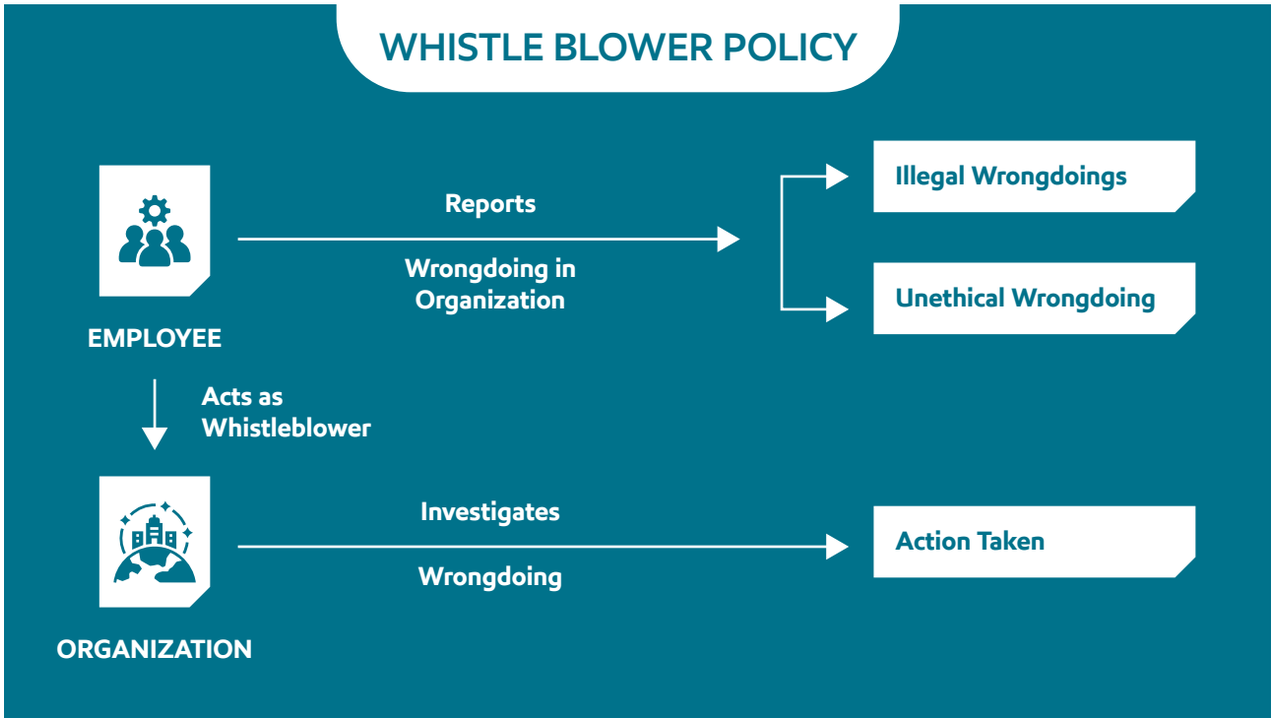
Insider trading involves trading in the bank's stock by the directors, executives who have non-public material information about that stock. Board members shall not engage in insider trading with respect to the purchase and sale of the bank's securities. Board members shall not buy or sell securities 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, puts 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

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. 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.

5.4.1 Whistle Blower Policy

The bank has implemented a whistleblower policy to encourage employees to report any instances of fraud or suspected fraud. This policy holds that it is the responsibility of every bank employee to report 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. Employees are expected to report any fraud or suspected fraud that they have credible information about or reasonable grounds to suspect. This policy allows employees to serve as whistleblowers and helps to ensure that the bank is able to effectively detect and prevent fraudulent activity.



5.4.2 Effective protection of whistleblowers

SJIBL's governance structures ensure that whistleblowers are protected from dismissal, loss of promotion, harassment, discrimination, or any other form of victimization as a result of raising a genuine or reasonably suspected fraud. This protection extends to all employees who serve as whistleblowers and helps to ensure that they are able to report instances of fraud without fear of retaliation. These measures reflect the bank's commitment to solid governance and help to create a safe and supportive environment for employees to report potential fraudulent activity.

5.4.3 Establishing effective anti-fraud programs and controls

SJIBL has a strong anti-fraud stance and takes a proactive, comprehensive approach to combating fraud. The bank has implemented a thorough fraud risk management program to safeguard it against these risks, including measures such as establishing policies and procedures to detect and prevent fraudulent activities, training employees on how to identify and report potential fraud, and regularly reviewing and updating fraud prevention strategies. These efforts allow SJIBL to effectively protect itself and its customers from the dangers of fraud.

5.4.4 Establishing a hot line for reporting of irregularities, etc.

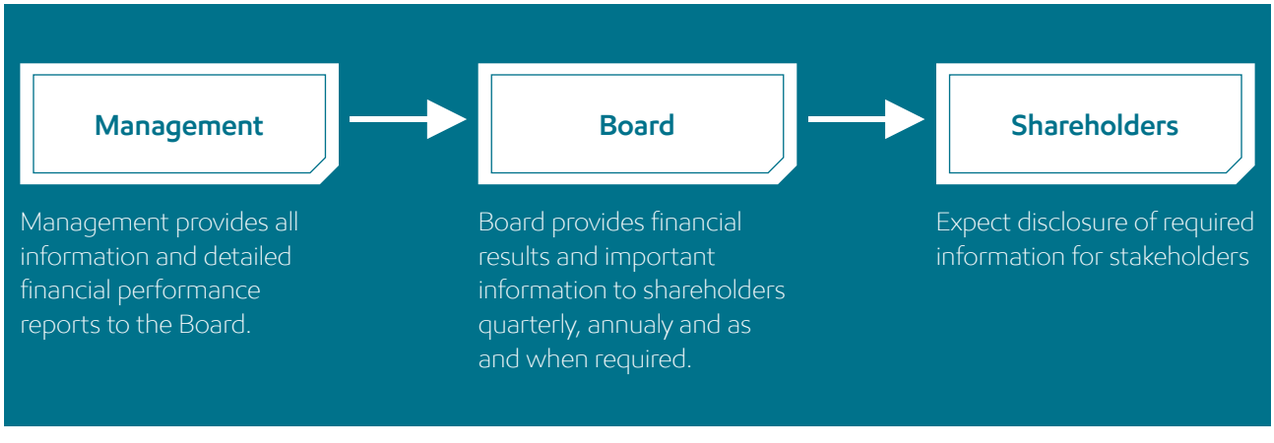
SJIBL has introduced a 24/7 hot line and the number of hot line is 16302. Through this hot line customers and other stakeholders will be able to get better services. Moreover, the employees, customers and other stakeholders will be able to report any kind of irregularities to the management of the bank through this hotline.

5.4.5 Maintaining Confidentiality of Information

The bank is committed to maintaining the privacy and confidentiality of all information acquired during the course of its professional activities. This includes information about the bank's customers and their affairs, as well as confidential financial and business information. The bank will not disclose this information unless required to do so by law. Additionally, the bank is committed to not using inside information, including customer data and product manuals, for personal gain or the benefit of others, either directly or indirectly. This commitment to confidentiality and ethical conduct helps to ensure the trust and loyalty of the bank's customers.

5.4.6 Accountability

The bank has implemented a control system that ensures the accountability of management and the board of directors. Under this system, management is accountable to the board and the board is accountable to the shareholders and stakeholders. This system helps to ensure that the bank is transparent in its decision-making and operations and that the interests of all stakeholders are taken into consideration. By establishing clear lines of accountability, the bank is able to maintain strong governance practices and build trust with its customers and other stakeholders.



5.5 Disclosure of director's interest in significant contracts and arrangements of the Bank

The Bank in its ordinary course of business undertook financial transactions with some entities or persons that fall within the definition of 'Related Party' where the directors of the bank have interest. We have disclosed separately in the notes to the financial statements, the significant contracts and arrangements where the directors have interest. We have disclosed director's interest in significant contracts and arrangements in note number 53 of the financial statements.

5.6 Details of Related Parties with whom the bank had entered into transactions, basis of relationship and percentage of shareholdings

Details of Related Parties with whom the bank had entered into transactions, basis of relationship and percentage of shareholdings are given in note number 53 of financial statements. 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.

5.7 Board's review on the Bank's business continuity plan/ disaster recovery plan

As per Bangladesh Bank circular the bank has prepared a business continuity plan/ disaster recovery plan and submitted the same to Bangladesh Bank. The plan was reviewed by the Board of Directors of the bank before submission.

5.8 Board's policy on IT Governance

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. In addition to this, up-to-date security solutions have been implemented to ensure confidentiality, integrity and availability of critical business data.

5.9 Policy to encourage employee's participation in Management

SJIBL fosters employee engagement and participation in management through regular manager conferences and employee meetings. These meetings provide a forum for employees to freely express their thoughts and ideas on a range of topics, including bank policies, operational procedures, product and service innovation, and more. By encouraging employee participation in decision-making and encouraging open communication, the bank is able to tap into the knowledge and expertise of its workforce and create a more collaborative and inclusive culture.

5.10Knowing level of customer satisfaction

To ensure that it is meeting the needs and expectations of its clients, SJIBL conducts an annual client satisfaction survey and uses mystery shopping techniques. These measures allow the bank to assess the level of satisfaction among its clients and identify areas for improvement. The Research Division at SJIBL is also continuously working to understand and improve client satisfaction, recognizing that it is an evolving phenomenon. By regularly evaluating and addressing client satisfaction, the bank is able to maintain strong relationships with its customers and provide high-quality service.

5.11 Payment to vendors on time

To ensure the quality and reliability of the products and services it uses, SJIBL has enlisted vendors that have been approved by the competent authority of the bank. The bank has established policies and procedures for making vendor payments and ensures that these payments are made regularly in accordance with these policies. This helps to ensure that vendors are able to meet the bank's standards and requirements and that the bank is able to maintain strong relationships with its suppliers.

5.12 Payment of Taxes to the Government Authorities on time

SJIBL complies with applicable tax laws and regulations and pays income tax and VAT on income and expenses as required. The bank also deducts and collects tax and VAT on behalf of the government, as required by law. All taxes and VAT due from the bank are paid to the government's exchequer in a timely manner. By following these procedures and paying all required taxes, the bank is able to fulfill its financial obligations and maintain good relationships with tax authorities.

5.13 Policy on Supply Chain management

The Procurement Committee at SJIBL is responsible for overseeing the supply chain management of the bank. The Common Service Division is responsible for maintaining an uninterrupted supply chain, and the procurement committee provides the necessary approval for the purchase of goods and services. This ensures that the supply chain process runs smoothly and without disruption, and helps to ensure that the bank has access to the products and services it needs to operate effectively. By carefully managing its supply chain, the bank is able to minimize risk and ensure the efficient and timely delivery of goods and services.

6. NOMINATION AND REMUNERATION COMMITTEE

6.1 Charter of Nomination and 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, the Audit Committee, and the 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. Furthermore, according to Bangladesh Bank letter ref: BRPD(R-1)717/2021-5064 dated June 16, 2021, the bank is not permitted to form a 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 Nomination and Remuneration Committee

At the management level, the Managing Director, Head of the Human Resources Division and Chief Financial Officer are responsible for the governance of compensation and remuneration. Usually, they make a proposal 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 responsibilities of these individuals include presenting recommendations to the board regarding the remuneration, compensation packages, incentive schemes of management, and retirement benefits for all employees. They also work to ensure that all employees are remunerated fairly and receive performance-based compensation by implementing an effective remuneration policy. This helps to ensure that the bank's compensation and remuneration practices are transparent, fair, and aligned with business goals.

6.3 Key policies with regard to the remuneration of directors, senior management and employees

As outlined in BRPD Circular Letter No. 11, dated October 4, 2015, directors are entitled to receive an honorarium of TK 8,000.00 per meeting for attending board and subcommittee meetings. This includes meetings of the board, executive committee, audit committee, and risk management committee. The remuneration of the Managing Director & CEO is recommended by the board and approved by Bangladesh Bank, while the remuneration of senior management and other employees is determined in accordance with the bank's HR Policy. These policies and procedures ensure that directors and other employees are fairly compensated for their time and efforts, while also aligning with industry standards and regulatory requirements.

6.4 Number of meetings of the Remuneration Committee and work performed

Despite not having a formal "Remuneration Committee" due to regulatory constraints, the topic of employee compensation and benefits is given careful consideration at board meetings. In 2022, issues related to employee promotions, increments, performance bonuses, and other matters were discussed at various board meetings. Despite the lack of a dedicated committee, the board is committed to ensuring that all employees are fairly compensated and recognized for their contributions to the organization. This includes carefully considering and approving any changes to compensation and benefit policies, as well as regularly reviewing and updating these policies to ensure that they remain aligned with the needs and goals of the organization.

6.5 Remuneration of directors, chairman, chief executive and senior executives

SJIBL has a well-defined remuneration policy that is regularly reviewed and updated by management. The bank's senior executives receive market-based, competitive compensation in order to attract, motivate, and retain skilled and competent employees. The compensation of directors, the chairman, and the CEO is set in accordance with the guidelines provided by the Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank circulars. This ensures that the bank's compensation practices are aligned with regulatory requirements and industry standards, while also supporting the recruitment and retention of top talent.

6.5.1 Remuneration of chairman & directors

The remuneration of directors and the chairman is paid in accordance with the guidelines provided in BRPD Circular Letter No. 11, dated October 4, 2015. In 2022, the total amount of directors' fees paid was Tk. 5,345,600. The details of directors' fees and expenses can be found in note No. 34 of the bank's financial statements. This information is provided in order to ensure transparency and compliance with relevant regulations and guidelines.

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 2022 was Tk. 22,399,944. 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.

7. HUMAN CAPITAL

Shahjalal Islami Bank Limited (SJIBL) is committed to excellence in banking and has been operating in a highly professional manner to achieve continuous and sustainable growth in the industry. HR plays an instrumental role in securing the future success of SJIBL. In doing so, the function is guided by its long-term vision of working in partnership to create an environment where employees can thrive and are enabled to deliver sustainable organizational performance. It considers that a set of quality, balanced & motivated human resources is the key success factor for its business. The Bank has its clear set of mission, vision and strategies and Human Resources Division tries to ensure finding such talented manpower having right attitude and place them in right positions to achieve goal of the Bank. The Bank always focuses on creating a learning and innovative culture throughout the organization to take the challenges as well as to move the bank forward.

Developing employees' capabilities always remained at the forefront of the Bank as efficient and skilled manpower can manage the financial risks and optimize the organizational values. Human Resources Division in this regard focuses to transform its human into human capital with deep sense of organizational commitment and ownership. To this effect Human Resources Division continuously evaluates its employees' strengths as well as weaknesses to provide required trainings and updates the HR policies, employee benefits, social security, undertakes career development programs to ensure that the employees are motivated, inspired and proactive for achieving the goals.

7.1 HR Policies & Practices with respect to Human Resource Development and Management

SJIBL is pursuing a standards 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 Succession Planning

HR plays an instrumental role to ensure the future success of the Bank in terms of efficient workforce. To achieve this vision, it is required to build the capabilities of middle management to help them develop both professionally and personally and position them in the organization properly. A talent management process is in practice to build a pool of trained and skilled executives who are ready to take the key roles immediately the position fell vacant. This process of succession planning started when fresh recruits join the Bank through a stringent process. Once recruited, SJIBL focuses on developing the employees' skills, expertise and knowledge so they are prepared to take the leadership roles in branch/division/department in the event of organizational growth or attrition. Furthermore, leadership training arranged regularly to develop the middle management for taking higher responsibility so that old employees' exit is well covered by new employees as successors.

7.1.2 Merit based Recruitment

SJIBL continues to attract, retain and invest in the best talent to ensure that our business is future-ready. Based on the organization's strategic plan, HR regularly assesses the current HR capacity and future requirements. The knowledge, skills and abilities of current employees also identified through performance management system. Following gap analysis, the bank regularly hires fresh and experi-enced employees following a rigorous recruitment process to strengthen its organizational competen-cies. The bank believes that combination of experienced and fresh officers in operational area is a pru-dent exercise and the juniors could be trained more effectively with the requirement of the organiza-tion. Talent acquisition is a long-term

and continuous HR strategy of the Bank. Aiming to find top talents HRD undertakes necessary programs to support the recruits to bring their unique skills and tal-ents for the solid development of the bank. Finding, recruiting and retaining the talents is highly chal-lenging and complex job for the Human Resources Division. During 2022, Bank recruited 100 Proba-tionary Officers through competitive examination. HRD arranged orientation program at Training Academy where new joiners were introduced to different aspects of Bank's business and culture be-fore placement.

7.1.3 Performance Appraisal System

The Bank believes that an efficient reward system is beneficial effect upon the performance for instilling a sense of ownership amongst the employees, enhances employee motivation, facilitate long term focus with continuous improvement, promotes team work, minimizes employee dissatisfaction and enhanced employee performance of the Bank.

Considering the strategic importance of performance appraisal in reward and recognition of employees, HRD has been practicing a standard performance appraisal system in its HR Management Software. The system based appraisal helps to complete the process throughout the organization within a shortest possible time. The division undertakes performance appraisal 02 times in each year which help the employees to understand their strengths and weaknesses and work to improve any deficiencies. The performance appraisal system incorporates key principles and involves all officials in a common platform where they are evaluated using set parameters. This appraisal is further reviewed by a senior management committee to ensure transparency and eliminate any potential biases. The performance appraisal system is widely used in the Bank, as it is linked to promotion, compensation, placement, and employee development.

7.1.4 Promotion, Reward and Motivation

Employee motivation is essential for any organization since motivated employees are dedicated, work harder and therefore produce more. An engaged employee is emotionally committed to the company and this commitment tends to influence his/her behavior towards the organization. Employee motivation of the Bank is promoted through the use of promotions, rewards, such as incentives, appreciation letters, foreign trainings for deserving employees etc. Human Resources Division also focuses on employees' residence and district of permanent residence while planning their transfer and posting in different Branches facilitating them to stay close to their family members. It helps to improve employee motivation and engagement with the organization. The Bank also provides a healthy working environment throughout the organization and provides competitive pay package and other benefits which improve employees' belongingness with the organization.

7.1.5 Training and Competence Development

Shahjalal Islami Bank considers training & development as a key factor to develop human resources capacity and skill. The Bank consistently creates a favorable environment for the employees in which they can learn better and apply innovative ideas, acquire new competencies, develop skills, behaviors and attitudes which influence their productive capacity and business potential.

To keep up with the fast changing business synergies, product profile, processes, customer preferences, numerous technology applications and compliance and regulatory requirement, training has become a focal strategy of the Bank. In this regard bank identifies the requirements of particular trainings covering different priority aspects of baking/business thus prepare the target group considering their level of knowledge & position. Bank considers each training as an investment where training courses are perfectly designed keeping in view of the objective and hired right trainers to ensures that each program since conducted are useful and help to develop required skill & capabilities of the employee to better handle any complex issues. The Bank provides training to employees at all levels for improvement of their knowledge and skills to ensure that they acquire required skill sets in their future positions throughout the year at Banks own Training Academy.

Furthermore, Bank regularly nominated officers/ executives to participate course/seminar/workshop arranged by reputed institutions like BIBM, BBTA, BAB, etc.

Sl No	Course Type	Training Provider/Training Institute	No. of Courses	No. of Participants
	SJIBL (in house) Training Program	SJIBTA & Corporate Head Office	60	5449
	External Training Programs (Local)	Bangladesh Bank & BBTA	27	60

Sl No	Course Type	Training Provider/Training Institute	No. of Courses	No. of Participants
	External Training Programs (Local)	BIBM	37	88
	External Training Programs (Local)	BAB, DSEL, CSBIBB, NAPD, IBB, Franklin Covey Bangladesh infinigent consulting Limited, ICCB, Experts Academy Limited, Citi Bank N. A., ABB, Thriving Skills Limited, BSEC, FINSALLIANCE, ICCB & LIBF, Blackstone Institute, AACOBB and Moody's Analytics, SCB, AACOBB &Fintelekt, DBBL, IBBL, EBL, Green Tech Foundation Bangladesh, Bank Asia Ltd., AB Bank Ltd. NCC Bank Ltd, First Security Islami Bank Ltd., Skill Jobs, Southeast Bank Limited, ArafahIslami Bank Ltd., ICCB etc.	43	153
	Foreign Training (India)	ICICI Bank Ltd.	1	1
Total			**168**	**5751**

Area Specific Training Programs:

S.N	Area of Training	No. of Participants
1	Foreign Trade	547
2	Anti Money Laundering	506
3	Information & Communication Technology (ICT)	453
4	General Banking & Cash	778
5	Shariah Compliance	795
6	Banking Laws and Regulations	200
7	Banking Operations & compliance	1418
8	Investment	290
9	Foundation Course	206
10	ISS Reporting	312
12	Others	246
	Total Number of Participants	**5751**

7.1.6 Grievance management and counseling

Effective employee relations management involves creating a systematic mechanism for employees to voice their grievance and concerns to their supervisors and management. If not properly managed through channels such as grievance procedures and counseling, these issues can negatively impact productivity, business efficiency, and employee engagement. The use of SJIBL's whistle blowing mechanism also ensures that employees who bring concerns forward are protected by competent authority. Furthermore, the anti-female harassment policy makes female employees feel safe in the workplace.

7.1.7 Diversity at Workplace & Culture (Gender/Race/Faith diversity)

Shahjalal Islami Bank believes that work place diversity can create synergy for the organization and is a key enabler for long-term success. Only by building teams of people with different backgrounds, education, skills and experiences we can create sustainable value across the Bank. The Bank pursues to uphold work place diversity in thoughts, culture, religion and gender which makes the Bank stronger to serve the clients as well as to achieve the goals. Shahjalal Islami Bank focuses on maintaining gender ratio to acceptable level and provides equal employment opportunities.

Year wise employee position:

S.L	Employee Type	2018	2019	2020	2021	2022
1	Executive	224	261	270	298	310
2	Officer	1,306	1,443	1,432	1,476	1,562
3	Cash Officer	397	455	466	479	476
Total		**1,927**	**2,159**	**2,168**	**2,253**	**2,348**
Change over the year #		**(7)**	**232**	**9**	**85**	**90**
	% of Change	**-0.36%**	**11%**	**0.42%**	**3.77%**	**3.84%**
Number of Branches		**122**	**132**	**132**	**132**	**140**

Employee Type & Gender:

Name of Position	Male	Female	Total-2022	Total-2021
Executive	291	19	310	298
Officer	1,232	330	1,562	1,476
Cash Officer	355	121	476	479
Sub-Staff	485	2	487	488
Total	**2,363**	**472**	**2,835**	**2,741**

Employee Distribution:

a. Division wise position:

Name of Division	No. Branch	No. Employees	Percentage
Dhaka*	74	2,030	71%
Chattogram**	32	418	15%
Khulna	9	105	4%
Sylhet	7	98	4%
Rajshahi	8	85	3%
Barishal	6	61	2%
Rangpur	4	38	2%
Total	**140**	**2,835**	**100%**

*.Also includes CHO, OBU & CPC **. Also includes Zonal office & CPC

b. Branch Vs Corporate Head Office:

Name of Position	CHO	Branch	Total-2022	% of Total
Executive	141	169	310	11%
Officer	428	1,134	1,562	55%
Cash Officer	5	471	476	17%
Sub-Staff	131	356	487	17%
Total	**705**	**2,130**	**2,835**	
% of Total	25%	75%		

Age Group Wise Position:

Name of Position	Male	Female	Total-2022	Total-2021
Below 30 Years	368	70	438	435
30 to 40 Years	977	228	1,205	1,240
40 to 50 Years	780	161	941	847
50 to 60 Years	231	13	244	213
Above 60 Years	**7**	**0**	**7**	**6**
Total	**2,363**	**472**	**2,835**	**2,741**

7.1.8 Policy on Recruitment, Retention, Training and Empowering Retarded/Handicapped employees

SJIBL is committed to implementing a standardized set of Human Resources policies and guidelines that cover all aspects of HR management. These policies provide a clear framework for HR operations and decision-making, enabling the organization to streamline internal processes. The HR policies of SJIBL encompass a range of areas, including recruitment, retention, training and empowering retarded/handicapped employees HR development, performance management, remuneration and allowances, disciplinary and grievance management, sexual harassment prevention, and employee background screening. Other policies, such as the employee house-building and car policies and the internship policy, are also included. By following these policies, SJIBL ensures a consistent approach to HR management throughout the organization.

7.1.9 Human Resource Accounting

Human resource accounting (HRA) is a process of measuring the cost incurred by the organization to recruit, select, train, and develop human assets. Approaches to human resource accounting were first developed in 1691. HRA facilitates decision making about the personnel, i.e. either to keep or to dispense with their services or to provide mega-training.

Amount in BDT mn

Particulars	2022	2021
Total Asset	339,818.87	313,731.00
Human Asset (Individuals' value)	36,905.62	33,591.46
Value of investments (Training Expense)	7.46	2.13
Total Asset including Human Asset	376,731.95	347,324.59
Total Liabilities	339,818.87	313,731.00
Human Capital	**36,913.08**	**33,593.59**
Total Capital & Liabilities including Human capital	376,731.95	347,324.59

SJIBL reported the total value of Human Capital to be 376,731.95 in the year 2022 using Present Value of Future Earning Model (Lev & Schwartz) which discounts total benefits payable to employees with the assumption of minimum expected earnings up to the date of retirement.

7.2 Organizational Chart

The organizational chart of SJIBL is a diagram that illustrates the relationships between different officials and departments within the Bank. It is used to show the structure of the organization as a whole, as well as how the Bank is divided into divisions and departments. This chart is useful for understanding the overall structure of SJIBL and the roles and responsibilities of different officials. It can be found on page 102 of this annual report.

7.3 Our Management Approach

The bank believes in the importance of creating an inclusive workplace, building a culture that embraces differences and recognize the value and contributions of individuals at all levels of employees. Our approach ensures that we cultivate a workplace culture where all employees are provided with equal opportunities and different views are valued. To reach at the desired objectives Human Resources Division stretched out a set of unique and standard HR management policies and practices that pursue ultimate goal of the organization.

7.4 Digitalization in HR Management

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 System, Employee Business Target Management, Performance Appraisal Management, E-Learning System and Automation of End Service Benefits. The Bank also internally developed its E-Recruitment system. 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.

7.5 Developing Shariah Knowledge

Islamic banking does considerably differ from its conventional counterpart in terms of principles, norms, values and practices. The specialty of Shariah banking and the soundness of its transactions mainly depend on strict compliance of Islamic Shariah in all its transactions. In this regard to uphold the spirit of application of sharia in all operational affairs, the Bank strives to provide shariah knowledge to all employees for better compliance with shariah guidelines and norms. SJIBL being a shariah based bank believes that it is entrusted

with the responsibility to adhere the shariah instructions in all its banking business and to this effect Bank undertakes specialized shariah training for the officials and also includes basic shariah course in Foundation Training of the employees. To strengthen the shariah related affairs, the bank in year 2022recruited 5 officers specialized in shariah knowledge through competitive exam and placed them at Shariah Inspection and Compliance Division.

7.6 Employee Health Insurance Facility

To provide health insurance facility to all employees, SJIBL entered into a group health insurance agreement with Pragati Life Insurance Company Limited and brought all employees of the bank under health insurance coverage at the expense of the Bank. Bank's group health insurance facility covers the employee along with their family members. During the year employees received about 404 insurance claims from the company under group health insurance facility of the bank.

7.7 Work place hygiene & safety

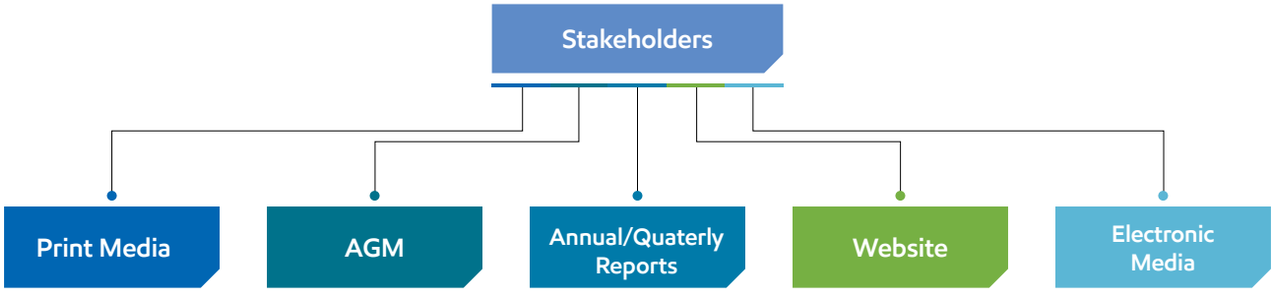
Bank ensures the cleanliness issues in all offices for better health & hygiene of all staffs. A retired Army person in the rank of Major under Common Service Division is looking after the health & safety issues with a large pool of cleaning staffs deployed throughout the organization. To acquaint with safety issues as well as tackling unexpected situation like earthquake/ fire Corporate Head Office and Branches conducts fire drills at regular intervals to train the employees and also regularly test the effectiveness of the safety equipment.

8. COMMUNICATION TO SHAREHOLDERS AND STAKEHOLDERS

8.1 Policy/strategy to facilitate effective communication with Shareholders and other stakeholders

The Company Secretary of the Bank is responsible for managing the Share Department, which is responsible for effective communication/engagement with shareholders and other stakeholders of the Bank. During office hours, shareholders and other stakeholders can contact this department with any questions or concerns. SJIBL provides updated information on its website for shareholders and other stakeholders. The Bank engaged with its shareholders in the following ways:

- By publishing Price Sensitive Information (PSI) in national newspapers and online 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 notices to shareholders to hold annual general meetings and extraordinary general meetings (as needed)
- By sending the Annual Reports of the Bank to shareholders every year
- By publishing financial statements in the newspapers
- By holding General Meetings of the Shareholders.



Ways of communicating with Stakeholders

8.1.1 Communication through electronic media

The Board recognizes the importance of communication with shareholders and other stakeholders. The Bank's website, www.sjiblbd.com, displays a range of information for these groups, including annual reports, half-yearly reports, quarterly reports, monthly business reviews, a list of products and services, a schedule of charges, the profit rates of deposits and investments, current announcements, presentations, and information on events. In addition to these disclosures, the Bank also provides information required by regulatory bodies such as the Bangladesh Securities and Exchange Commission (BSEC), the Bangladesh Bank, and the listing rules of the Dhaka Stock Exchange Limited and the Chittagong Stock Exchange Limited.

8.1.2 Communication through quarterly/ annual report

The Annual Report of SJIBL is a comprehensive source of information for all stakeholders. The bank also publishes quarterly and half-yearly reports to keep shareholders informed on a regular basis.

8.1.3 Communication through Print Media/ TV

SJIBL communicates with shareholders through newspapers and TV regarding price-sensitive information, marketing campaigns, award ceremonies, and other information. In addition to these disclosures, the bank also provides required information to regulatory bodies such as the Bangladesh Securities and Exchange Commission (BSEC), the Bangladesh Bank, the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE).

8.2 Policy on Ensuring Participation of Shareholders at AGM

The following steps are taken to ensure shareholder participation in the AGM:

Step 1: SJIBL sends out the notice at least 21 days before the AGM, allowing shareholders ample time to receive and review the notice and reply with their attendance.

Step 2: Annual Reports are circulated in accordance with the provisions of the Companies Act 1994 and related notifications issued by the Bangladesh Securities and Exchange Commission (BSEC), giving shareholders sufficient time to review the report and freely provide their valuable comments and suggestions at the AGM.

Step 3: Shareholders are allowed to speak freely at the AGM to offer their valuable suggestions. These suggestions are noted for future compliance.



The 21st AGM was held in 2022 through digital platform.

8.3 Investor / Shareholder's grievance policy

Any complaint received at the AGM or throughout the year related to the transfer and transmission of shares, the non-receipt of Annual Reports, non-receipt of dividends in a timely manner, or other share-related matters is resolved lawfully and in a timely manner. The Company Secretary of SJIBL is responsible for handling such issues related to shareholders.

8.3.1 Shareholders' Satisfaction and Confidence in the Bank

The AGM is considered a day of judgment by shareholders for the previous year's activities of an organization. Shareholders of SJIBL are free to express their opinions, satisfaction, or dissatisfaction on the day of the AGM, and the Board secretariat notes issues for future compliance. The SJIBL Board of Directors is elected by obtaining shareholder approval at the AGM.

Furthermore, shareholders show their satisfaction and confidence in the bank, as reflected in the share price.

8.3.2 Reminders to Shareholders for Encashment of Dividends

According to SJIBL's dividend distribution policy, dividends are typically distributed through bank transfers and the BEFTN channel. Shareholders who cannot be reached through these methods have their dividend warrants 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 credited directly to the BO account within 30 days of approval, subject to clearance by the stock exchanges and CDBL. SJIBL's Share Division sends reminders to shareholders for the encashment of dividends and tracks the number of dividends that are en-cashed following the AGM. The Share Division also takes steps to notify shareholders of their right to en-cash unclaimed dividends. Further details of SJIBL's dividend distribution policy can be found on page no. 379 of this Annual Report.

8.3.3 Compliance with the ICSB Secretarial Standard

SJIBL strictly follows the Bangladesh Secretarial Standard of the Institute of Chartered Secretaries of Bangladesh (ICSB). The SJIBL Board secretariat follows all procedures to ensure sound corporate governance. The compliance status of ICSB Secretarial Standards is as follows:

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

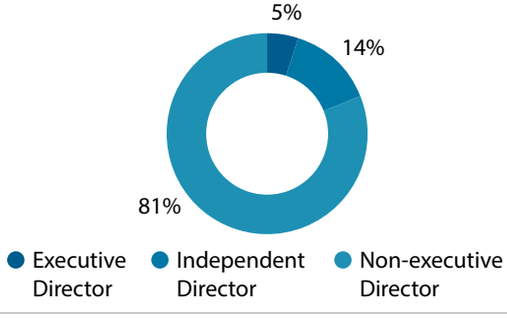
8.3 Diversity of the Board

The SJIBL Board consists of experts from various fields that provide a well-rounded view of the company and help in effective strategic management and implementation. SJIBL has a diverse Board of Directors in terms of the following categories:

i) Board Composition

The Board of Directors of SJIBL is well-balanced, with a mix of independent and non-executive directors. There are three independent directors who have full freedom, while 17 non-executive directors provide a healthy balance of power.

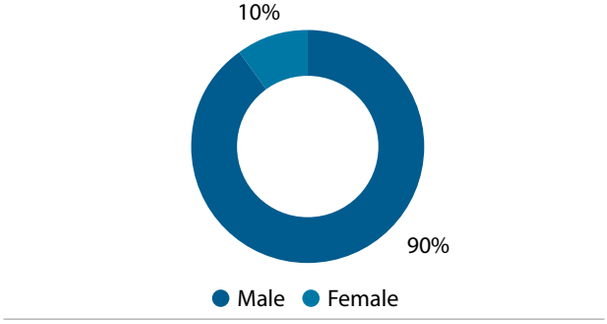
BOARD COMPOSITION



ii) 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

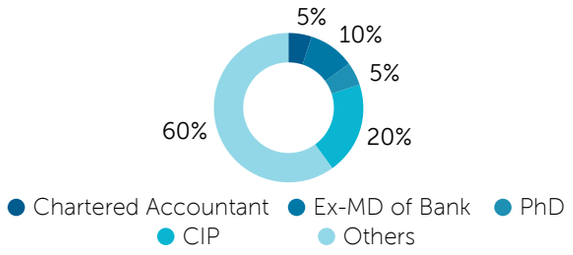


iii) Professional Background

Many of the directors have a wealth of knowledge and experience in business and commerce due to their involvement in various other businesses in addition to banking. This is a valuable asset to the Board. Among the directors on the SJIBL board, one is a renowned

chartered accountant, two are former Managing Directors of private commercial banks, one holds a PhD, four directors are Commercially Important Persons (CIPs), and the remaining directors are market leaders and entrepreneurs in the business sector.

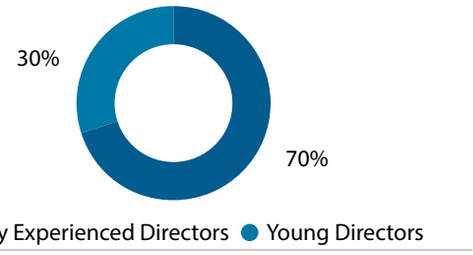
PROFESSIONAL BACKGROUND



iv) Experience

The independent directors on the Board bring a wealth of experience from their roles in respected banks and other organizations, including multinational corporations. The other directors also bring a significant amount of business experience to the table.

EXPERIENCE OF DIRECTORS



8.4 Rights of Shareholders

Shareholders are the true owners of the bank. As such, they have specific privileges and rights that are governed by the laws. The basic rights that shareholders enjoy include:

- Entitlement to dividends.
- Effective participation and voting in shareholder meetings.
- The right to elect board members.
- The ability to convey or transfer shares.
- Participation and information on basic decisions, including amendments to governing documents, new share authorization, and extraordinary transactions.
- Sufficient and timely information on board meetings.
- The right to question the board and provide input on fundamental issues.
- The ability to consult with each other concerning their interests

8.5 Free-Float Shares & Interests of General Investors

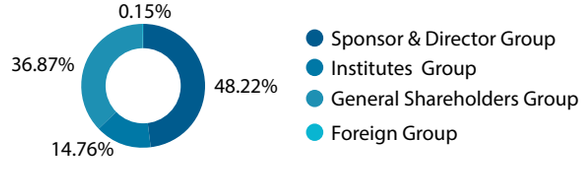
The portion of shares held by investors other than restricted shares owned by the company's sponsor shareholders and directors is known as the "free float." These free-floating shares are available to all types of investors. Sponsor shareholders and directors of SJIBL can only sell shares in the market after receiving approval from the appropriate regulatory authorities and ensuring that all requirements are met. As part of effective governance, the SJIBL authority endeavors 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 Tk. 10,805,517,980, divided into 1,080,551,798 ordinary 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 as follows:

Types of Shareholders	Percentage of Holding	Number of Share
Sponsor & Director Group	48.22%	521,053,377
Institutes Group	14.76%	159,450,514
General Shareholders Group	36.87%	398,383,877
Foreign Group	0.15%	1,640,300
Total	100.00%	1,080,551,798

SHAREHOLDING PATTERN



8.7 Shares Held by Parent, Subsidiary, or Associated Companies

Shahjalal Islami Bank does not have a parent company or an associated company. It has only one subsidiary company, Shahjalal Islami Bank Securities Limited, which does not hold any shares of Shahjalal Islami Bank Limited. Therefore, no shares were held by parent, subsidiary, or associated companies during the year 2022.

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 31.12.2022
1	a)	Mr. Mosleh Uddin Ahmed 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. Nazimuddoula 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. No.	Name	Designation	Shareholdings as on 31.12.2022
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. Akhter Hossain	Additional Managing Director	Nil
5	Mr. Imtiaz Uddin Ahmed	Deputy Managing Director	Nil

8.10 List of Shareholders Holding 10% or More 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 same family can purchase more than ten percent of a bank's shares, either individually, jointly, or in both ways. There were no shareholders holding 10% or more shares in the paid-up capital of the bank, either individually or jointly, or in both ways, during the year 2022.

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. Therefore, there is no family influence in the bank because no individual or single family holds a majority share of the bank to control it unilaterally.

9. ENVIRONMENTAL AND SOCIAL OBLIGATIONS

9.1 Board's oversight/Bank's policies and practices relating to environment, society and jurisdiction it operates

As a responsible stakeholder of the society, SJIBL has been addressing the issue of environmental and social development ranging from sustainable banking practices and making CSR to the society it operates. 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.

9.1.1 Bank's policies and practices relating to environment

SJIBL recognizes that environmental issues are core risks that must be regularly addressed by the Board of Directors. To ensure that its banking practices are sustainable, the Board has approved a Green Banking Policy and Environmental and Social Risk Management Guidelines. Prior to approving any investment, the Board or Management conducts "Environmental Due Diligence" (EDD) to assess potential risks. During the year 2022, SJIBL did not finance any high-risk projects, such as ship-breaking or tanneries.

9.1.2 Bank's policies and practices relating to society and jurisdiction it operates

As a responsible stakeholder of the society, SJIBL made CSR with especial focus on education, health care, poverty alleviation, disaster management, etc. The bank approved a significant amount of CSR for the society it operates in. During the year 2022 the bank expensed an amount of Tk.325.36 million in CSR activities which is 39.68% higher than that of 2021.

9.2 SJIBL's Disclosure of specific activities undertaken by the Bank in pursuance of these policies and practices

SJIBL is prioritizing sustainability and the health of the Earth and moving away from traditional investment/ financing approaches. To do so, the bank has made its investment appraisal process more stringent from an "Environmental and Social Risk Management" (ESRM) perspective, evaluating all environmental and social factors before approving any investment. This approach is designed to ensure that SJIBL's investments are sustainable and support the health of the planet.

9.2.1 Participation in national programs and assistance to disadvantaged group

i) **In response to disaster, pandemic and national call:** The bank donated an amount of Tk. 100.00 million to Prime Minister's Disaster Management Fund for the help of flood affected people of Bangladesh.

ii) **Development of neighborhood and the community:** SJIBL is actively engaged with development of neighborhood and the community. The Bank is participating in increasing community events to addressing tough issues such as affordable housing, poverty alleviation, ensuring education and health care for poor people etc. Community engagement can help the bank connect with their residents to address these pressing issues together.

iii) **Development of sports/culture, research & technical education:** The bank is contributing to the development of sports, culture, research & technical education of the country. Each year the bank donates a substantial amount for development of sports, culture, research & technical education.

iv) **Health care sector:** During the year the bank expensed Tk. 30.28 million in health care of people of the community it operates.

v) **Education:** The bank expensed Tk. 50.72 million for scholarship to poor meritorious students and infrastructural development of educational institutions.

vi) **Distribution of warm cloths:** An amount of Tk. 98.82 million expended for distribution of warm cloths to the cold stricken people of Bangladesh.

9.2.2 Activities towards sustainable environment

SJIBL is creating a sustainable business by integrating sustainability into all of its 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. The bank extends investment facilities to clients whose business activities reduce ecological damage, promote energy efficiency, and support communities. The following initiatives have been taken by SJIBL to create a sustainable business environment:

- Recycling/re-use of water and waste: SJIBL is financing to the water treatment plant for recycling/ reuse of water and west management plant.
- Effluent Treatment for curbing pollution: The bank is emphasizing on financing the Effluent Treatment Plant for curbing pollution.
- Lessening of toxic emission: The Bank is not financing to the projects which are responsible for the toxic emission.
- Organizational response towards climate change
- Use of Green Financing
- A greater focus on green products for investment.
- The growth of sustainable finance through more agriculture and SME investment.
- The reduction of unnecessary energy consumption (electricity, fuel, water).
- The reuse of paper and other printing stationary items.
- The promotion of digital products and services.

9.3 SJIBL's initiatives towards sustainable banking

The Board and Management will not approve any investment unless the following conditions are met, as applicable:

- Site/Location Clearance Certificate
- Environmental Clearance Certificate
- Environmental Impact Analysis (EIA) Report

In addition, the following steps have been taken:

- Environmental Risk Rating is included in investment proposals, as applicable.
- No disbursements are allowed for projects that pose 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 the "Sustainability Report" on page no. 162.

9.4 Corporate Social Responsibility

Corporate Social Responsibility (CSR) is an integral part of the business and an urgent priority. The pursuit of profit must also consider the impact on society. Aligned with this philosophy, Shahjalal Islami Bank Limited is committed to conducting its business operations in a responsible and sustainable manner, thereby making social responsibility an integral part of the organizational culture. In 2022, the bank spent Tk. 325.36 million on CSR activities.

9.5 Certificates and checklists reference

Sl. No.	Report Name	Page No.
1	Declaration by CEO and CFO	382
2	Compliance Certificate on Corporate Governance Code	383
3	Compliance Status of BSEC Notification	384
4	Compliance Status of Bangladesh Bank Guidelines	399

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/UNDISTRIBUTED/UNPAID STOCK DIVIDEND AND CASH DIVIDEND AND/OR **FRACTIONAL DIVIDEND : AS ON 31.12.2022**

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:

Dividend Year	Declaration	Status of Stock Dividend (Bonus Share)			Status of Cash Dividend and/or Fractional Dividend				
		Stock Dividend Unpaid including corporate benefit as on 31.12.2022	Transferred to CMSF Fund on 21.06.2022	Balance of Unpaid Bonus Share remain within the Bank as on 31.12.2022	Net Cash Dividend including Fractional Dividend (Tk.)	Paid/Distributed to the shareholders (Tk.)	Actual Unpaid/ Undistributed Dividend as on 31.12.2022 (Tk.)	Amount Transferred to CMSF Fund on 29.08.2021 & 28.06.2022 (Tk.)	"Unpaid Dividend remain within the Bank as on 31.12.2022 including Profit and after deduction of charges (Tk.)"
2002	12.5% Stock	-	-	-	-	-	-	-	-
2007	20% Stock	4,685	4,685	-	8,907	8,691	216	216	-
2008	22% Stock	10,658	10,658	-	1,589,831	730,391	859,441	859,441	-
2009	25% Stock	1,332	1,332	-	4,825,254	2,352,551	2,472,703	2,472,703	-
2010	30% Stock	2,529	2,529	-	1,010	902	108	108	-
2011	25% Stock	15,961	15,961	-	567,554	517,286	50,268	50,268	-
2012	20% Stock	1,029	1,029	-	370,602	228,031	142,571	142,571	-
2013	10% Stock	4,211	4,211	-	210,032	166,171	43,861	43,861	-
2014	10% Cash	-	-	-	632,080,756	623,476,050	8,604,706	8,604,706	-
2015	13% Cash	-	-	-	821,005,689	811,764,957	9,240,732	9,240,732	-
2016	10% Cash & 5% Stock	2,434	2,434	-	632,652,616	626,625,160	6,027,456	6,027,456	-
2017	10% Stock	1,415	1,415	-	343,582	262,199	81,383	81,383	-
2018	10% Stock	4,508	-	4,508	296,968	229,431	67,536	67,536	-
2019	5% Cash & 5% Stock	451	-	451	405,045,733	399,348,819	5,696,914	-	5,704,139
2020	7% Cash & 5% Stock	63	-	63	597,886,993	590,705,810	7,181,183	-	8,516,428
2021	10% Cash & 5% Stock	4,932	-	4,932	1,029,325,485	1,020,378,573	8,946,130	-	8,946,130
		54,208	**44,254**	**9,954**	**4,126,211,012**	**4,076,795,022**	**49,415,208**	**27,590,981**	**23,166,697**

* An amount of Tk. 29,398.13 was transferred to Capital Market Stabilization Fund (CMSF) on 29.08.2021 which remained unclaimed/undistributed as Non Refunded IPO Subscription.
* Totaling of Tk.2,75,49,938.59 (Tk.29,398.13 of IPO Subscription included) was transferred to Capital Market Stabilization Fund (CMSF) on 29.08.2021
* Further an amount of Tk.70,440.33 was also transferred to Capital Market Stabilization Fund (CMSF) on 28.06.2022
* Capital Market Stabilization Fund (CMSF) settled an amount of Tk. 45,258.86 of the shareholders during the year 2022 from the transferred Fund to them.

DECLARATION BY
CEO AND CFO

05 April 2023

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 2022

Dear Sirs,

Pursuant to condition No. 1(5) (xxvi) imposed by 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 31 December 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in 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 to present a true and fair view of the financial statements;

(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 the 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 31 December 2022 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) To the best of our knowledge and belief, there are 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 of Directors or its members.

Sincerely yours,

Mosleh Uddin Ahmed
Managing Director & CEO

Md. Jafar Sadeq FCA
Chief Financial Officer

Ahsan Manzur & Co.
Chartered Accountants

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Mohakhali, Dhaka-1 206, Bangladesh
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E-mail : info@amc-bd.com
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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, 2022. This Code relates to the Notification No. BSEC/CMRRCD/2OO6-158/2O7/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: 9 April 2023

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 (if any)
		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;	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	√		-
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		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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 Mr. Ekramul Hoque and Mr. K.A.M. Majedur Rahman have such qualification. They were former MD of Private Commercial Bank.
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		-
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 Mr. Nasir Uddin Ahmed FCA FCS 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;	√		Mr. Mohammed Younus, the Chairman of the Board and Mr. Mosleh Uddin Ahmed, MD & CEO of the Bank aredifferent individuals.
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;	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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;	√		-
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;	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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);	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	√		-
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		No such changes occurred during the year 2022
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.	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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		(BRBD (R-1) 717/2021- 5064 Date: 16 June 2021
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.	√		-
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			

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	√		Included in this 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 (if any)
		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;	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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 9 meetings in 2022
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.	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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 occurred
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 occurred
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-		No such event occurred
5(6)(a)(ii) (d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-		No such event occurred
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 occurred

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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;	-		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	-		
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:	-		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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;	-		
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;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	√		Representative of the external auditor were present in the AGM held in 2021.
8	**Maintaining a website by the Company.**			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		www.sjiblbd.com the official website & it is linked with websites of DSE & CSE.
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.	√		Certificate is included in this Annual Report which is obtained from a reputed Professional Accountant
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

Sl. No.	Particulars	Compliance Status
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
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.	

Sl. No.	Particulars	Compliance Status
(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
(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.	

Sl. No.	Particulars	Compliance Status
(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
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.	

Sl. No.	Particulars	Compliance Status
	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.	
	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.	

Sl. No.	Particulars	Compliance Status
	(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.	
	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

Sl. No.	Particulars	Compliance Status
	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
	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

Sl. No.	Particulars	Compliance Status
	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
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

Sl. No.	Particulars	Compliance Status
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

Sl. No.	Particulars	Compliance Status
	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
	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

Sl. No.	Particulars	Compliance Status
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
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

بِسْمِ اللهِ الرَّحْمٰنِ الرَّحِيْمِ

Annual Report of the Shari'ah Supervisory Committee
For the year ended on 31st December, 2022

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. 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 shall 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, 2022.

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 2022, 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, 2022 to 31st December, 2022. 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 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 statements presented to us regarding 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, 2022 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 Ta`ala 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 Shahed Rahmani
Chairman, Shari'ah Supervisory Committee

بِسۡمِ اللّٰہِ الرَّحۡمٰنِ الرَّحِیۡمِ

শরীয়াহ্ সুপারভাইজারী কমিটির বার্ষিক প্রতিবেদন-২০২২

الحمد لله رب العالمين والصلوة والسلام على سيدنا محمد وعلى آله وصحبه أجمعين، ومن تبعهم بإحسان إلى يوم الدين.

সকল প্রশংসা মহান আল্লাহ্ রাব্বুল আলামীনের এবং 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।

শাহ্জালাল ইসলামী ব্যাংক লিমিটেড-এর সম্মানিত শেয়ারহোল্ডারবৃন্দ!

আস্সালামু আলাইকুম ওয়ারাহ্মাতুল্লাহ্।

৩১ ডিসেম্বর, ২০২২ ইং তারিখে সমাপ্ত বছরের জন্য শাহ্জালাল ইসলামী ব্যাংক লিমিটেড-এর কার্যক্রমের উপর নিম্নলিখিত প্রতিবেদন উপস্থাপন করা হল।

শাহ্জালাল 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। ২০২২ ইং সালে কমিটির ৪ (চার) টি সভা অনুষ্ঠিত হয়।

আমরা ১লা জানুয়ারী থেকে ৩১ ডিসেম্বর, ২০২২ ইং সময়কালে শাহ্জালাল 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। শাহ্জালাল 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 নিকট উপস্থাপিত প্রতিবেদন পর্যালোচনার ভিত্তিতে একটি স্বাধীন মতামত প্রদান করা এবং আপনাদের বরাবর রিপোর্ট পেশ করা।

আমরা যেসব বিষয় পর্যালোচনা করেছি তার মধ্যে রয়েছে, পরীক্ষামূলকভাবে বিভিন্ন ধরনের লেনদেন এবং শাহ্জালাল ইসলামী ব্যাংক লিমিটেড কর্তৃক গৃহীত প্রাসঙ্গিক ডক্যুমেন্টেশন 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 ২০২২ ইং তারিখে সমাপ্ত বছরে শাহ্জালাল ইসলামী ব্যাংক লিমিটেড কর্তৃক সম্পাদিত যেসব চুক্তি, লেনদেন ও কর্মকা আমরা পর্যবেক্ষণ করেছি তা শরীয়াহ্'র বিধিবিধান ও নীতিমালা পরিপালন করে সম্পাদিত হয়েছে মর্মে আমাদের নিকট প্রতীয়মান হয়েছে ;

খ. বিভিন্ন প্রকার মুদারাবা 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. শরীয়াহ্'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-ত্রুটি ক্ষমা করুন। আমীন!



মুফতী শাহেদ রহমানী
চেয়ারম্যান, শরীয়াহ্ সুপারভাইজারী কমিটি

FROM THE **DESK OF CFO**



Bismillahir Rahmanir Rahim

By the grace of Almighty Allah (SWT), Shahjalal Islami Bank Limited (SJIBL) has successfully completed another year. However, the year 2022 was an extraordinary one, especially from a global perspective. The prolonged impact of the COVID-19 pandemic and the ongoing Russia-Ukraine war, along with related sanctions, had a significant impact on economies worldwide, including Bangladesh. The foreign exchange market's volatility reached new heights, causing a higher trade deficit during the year. Import payments increased significantly, while export income increased at a slower pace, and remittance flow declined. The country faced the highest inflation rate in a decade due to soaring prices of both food and non-food items. Moreover, the trade deficit was the highest ever recorded in Bangladesh's history. If this high current account deficit persists for an extended period, the exchange rate will come under further pressure, leading to a depletion of foreign exchange reserves. As a trading country heavily dependent on imports of fuel and industrial raw materials, many companies struggled to open LCs due to a shortage of foreign currency. Despite the government and Bangladesh Bank's efforts and initiatives regarding foreign exchange and currency management, the situation remains gloomy.

Given the circumstances, we adopted a cautious approach towards investing and rationalizing operational expenses. To respond to the unprecedented challenges we faced, we took decisive action to cut investments in unproductive sectors and cease importing luxury and non-essential items. We also made sure to strengthen the bank's capital base to withstand any future crises. Lastly, we extended maximum support to our customers and stakeholders and demonstrated our resilience in the face of the mounting crisis.

As we look back on the eventful 12 months of 2022, it is inevitable that the recent domestic and global situations will present even greater challenges to the banking sector in the future. As a leading Islamic bank, I believe that our role in the national economy extends beyond financial services. SJIBL aims to be a channel for economic stimulation and international trade while contributing to the overall stability of the financial sector through prudent and sustainable banking solutions. This role as a specialized financial facilitator has now gained greater prominence as the country faces new headwinds due to significant foreign exchange limitations. As an inclusive, accessible, and modern financial services model, the bank is well-positioned to support our country and customers during these uncertain times. Our performance during the 12 months under review demonstrates exceptional

resilience and, more significantly, the transparency of the strategic vision that guides the bank in its financial as well as social objectives. As the country continues to experience multiple economic challenges, we have shown our courage with a solid financial performance reinforced by responsible banking. Whatever challenges lie ahead, SJIBL is confident that it has the experience, agility, resilience, and resourcefulness to overcome them.

We have solid financial foundation

Despite the multiple impacts of the ongoing Russia-Ukraine war, the volatility in the forex market, and the highest inflation rate in a decade, the bank's total assets stood at BDT 339,818.87 million at the end of 2022, up 8.32% over the previous year. Deposits stood at BDT 227,906.83 million, showing growth of 4.89%, and investment stood at BDT 237,229.98 million, exhibiting a growth of 9.53%, demonstrating the bank's strong role as a financial intermediary. The bank's investment-to-deposits ratio was 83.64% as of December 31, 2022, reflecting a growth in investment commensurate with the growth in deposits. The bank's asset quality is one of the best in the industry, achieving improvement through prudent provision management and enhanced recovery efforts. NPI restricted to 4.78% in 2022 (in 2021: 4.42%); no-cost and low-cost deposits comprise 45% of total deposits, and the capital adequacy ratio was 14.38%. Moreover, both ROA and ROE improved substantially.

Credit Rating

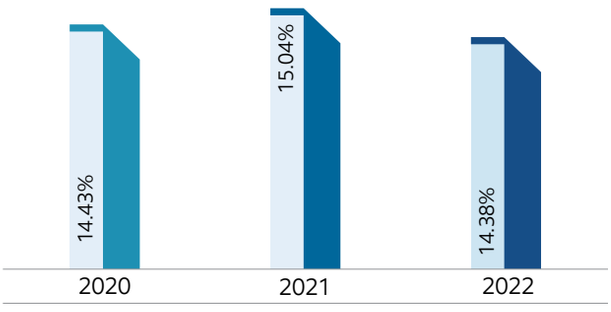
Shahjalal Islami Bank Limited has been rated by Emerging Credit Rating Limited (ECRL). ECRL performed the rating surveillance based on audited financial statements of December 31, 2022, and other relevant information, and the report was issued on 16 April 2023 They have upgrated the rating of the bank as "AA+" under the "Long-Term" category and "ST-2" under the "Short Term" category. This rating was assigned considering the bank's strengths and challenges, along with the impact of the current economic turmoil from the Russia-Ukraine war. An institution rated "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 "ST-2" under the "Short Term" category has a strong capacity to meet its financial commitments in a timely manner. This credit rating exhibited the strong foundation of the bank.

Strong Capital Adequacy Position

The Bank's Capital Adequacy Status is strong as its Capital to Risk Weighted Assets Ratio (CRAR) consistently remains above the required level of 12.5% (including the capital conservation buffer), and as of December 31, 2022, it stood at 14.38%. To support business growth and meet increased CRAR requirements, the Bank recently issued a Mudaraba Perpetual Bond of BDT 5,000 million, which bolstered the Bank's Additional Tier-1 capital. Additionally, the bank has issued the 1st and 2nd Mudaraba Subordinated Bonds of BDT 4,000 million and BDT 6,000 million, respectively, and is currently in the process of issuing the 3rd Mudaraba Subordinated Bond. The bank is also consistently focusing on maintaining asset quality to reduce risk-weighted assets and retain profits to further strengthen its capital base. Since the inception of the Basel III implementation process, SJIBL has successfully maintained the required CRAR, which is as stated below:

2018	2019	2020	2021	2022
14.50%	15.58%	14.43%	15.04%	14.38%

CRAR (In %)



Pragmatic Capital Planning

SJIBL has successfully maintained a Capital to Risk Weighted Assets Ratio (CRAR) that exceeds the required level through empirical capital planning initiatives. The Bank's capital planning approach is dynamic, forward-looking, and ongoing, taking into account the changes in strategic focus, risk tolerance, business plans, and alignment with the bank's mission, vision, goals, and objectives. The bank aims to achieve prospective growth while maintaining adequate capital and emphasizing capital savings by ensuring minimum capital requirements and maximizing returns. In order to manage capital efficiently, the bank has prepared a 10-year capital plan based on macroeconomic factors.

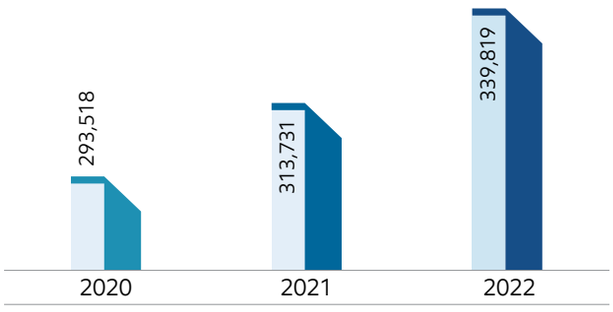
Budget and achievement

The Russia-Ukraine war and the COVID-19 pandemic have had a significant impact on the banking industry, resulting in multiple challenges. In addition, the investment profit rate cap, which has been set at a maximum of 9.00%, continues to be in effect except for retail investments. However, despite these challenges, we are pleased to report that we have successfully achieved nearly all of our 2022 budget targets. Please see below for a summary of the key targets and their accomplishments in 2022.

Amount in BDT million

Sl. No.	Particulars	Budget	Actual	Achievement
1	Deposit	246,000	227,982	93%
2	Investment	249,000	237,230	95%
3	Operating profit	7,250	8,335	115%
4	Export	221,250	265,940	120%
5	Import	286,000	254,760	89%

TOTAL ASSETS (BDT in million)



Deposit

SJIBL maintained a well-diversified deposit portfolio with a good number of products depending on depositors' preferences. The bank's total deposit was BDT 227,982.06 million as of December 31, 2022, compared to BDT 217,288.99 million as of December 31, 2021, an increase of BDT 10,693.07 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 slower growth of deposits. In the year 2022, the bank focused on individual deposits, and as a result, individual deposits increased significantly. The bank places a strong emphasis on deposit mobilization by offering popular and innovative products. The deposits that have been mobilized are reinvested in the economy through profitable and secure ventures.

Investment

Due to the impact of the ongoing Russia-Ukraine war, volatility in the foreign exchange market, the highest inflation rate in a decade, and the prolonged effect of the COVID-19 pandemic, 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 in 2022. Total investment of the bank stood at BDT 237,229.98 million as of December 31, 2022, as compared to BDT 216,586.58 million as of December 31, 2021, registering an increase of BDT 20,643.39 million, or 9.53%, from 2021. As part of the bank's diversification strategy, the bank has been developing a balanced portfolio of corporate, retail, SME, and agricultural investments.

Asset Quality

Our focus during the past years was on maintaining high-quality assets, and we implemented several initiatives that led to favorable outcomes. As a result, our non-performing investment (NPI) rate was 4.78% in 2022, which is significantly lower than the industry average of 8.16%. To achieve this, we reinforced our investment discipline and streamlined the recovery process, resulting in a reduction of NPIs to an acceptable level. At SJIBL, the NPI rate increased slightly to 4.78% from 4.42% in the previous year. However, we continue to pursue additional measures to regularize and minimize non-performing investments even further.

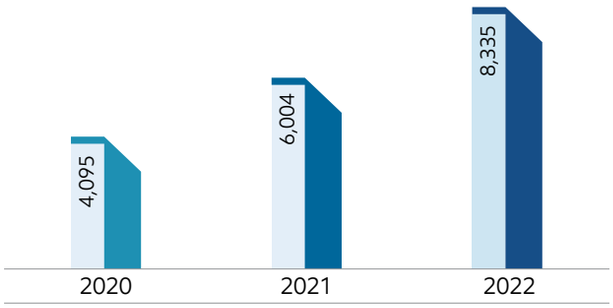
Financial performance highlights of SJIBL

The main focus throughout the year was on enhancing asset quality, recovering classified investments, attracting low-cost and no-cost deposits, automating processes, maintaining excellent service standards, and rationalizing costs. Despite significant challenges, the bank successfully achieved an operating profit of BDT 8,334.64 million with a growth rate of 38.83% in operating profit, 4.89% in deposit, 9.53% in investment, and 8.32% in total assets while maintaining the NPI rate at 4.78%. In 2022, SJIBL's ROA was 1.08% and ROE was 16.92%.

A brief review of financial performances is given below:

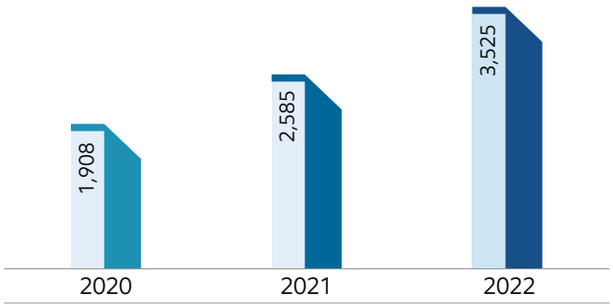
- Net Investment Income increased by 17.54% in 2022 compared to last year. This is because of investment income increased by 15.07% whereas profit paid on deposits increased by 12.92% during the year under review.
- Non-profit income increased by 46.76%, mainly due to an increase in commission, exchange, and brokerage income of 55.71%, an increase in income from investments in shares and securities of 45.31%, and an increase in other operating income of 29.22%. We emphasized non-funded business, and accordingly, both export and import business increased significantly during the year.
- The operating income increased by 29.54% and the operating expense increased by 18.16% during the year 2022 compared to the previous year. As a consequence, the operating profit of the bank increased notably by 38.83% and reached BDT 8,334.64 million in 2022, up from BDT 6,003.69 million in 2021.

OPERATING PROFIT (BDT in million)



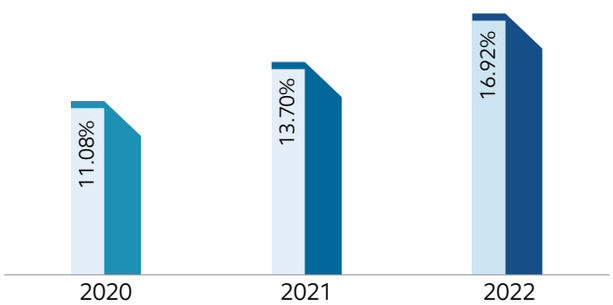
- The bank's profit after tax (PAT) increased by BDT 939.82 million, which is 36.35% growth over 2021.

PROFIT AFTER TAX (BDT in million)



- The increase in profit after tax by 36.35% in 2022 led to an increase in ROE to 16.92% from 13.70% and ROA to 1.08% from 0.85%. Additionally, the bank's efficient operation is reflected in the significant decrease in the cost-to-income ratio, which dropped to 40.98% in 2022 from 44.92% in 2021. The operating income of the bank increased by 29.54%, while the operating expenses increased only by 18.16%. Moreover, the Capital to Risk Weighted Assets Ratio (CRAR) of the bank was 14.38% in 2022, which is much higher than the required ratio.

RETURN ON EQUITY (In %)



Appropriation of profit

During the year 2022, the bank recorded a profit after tax of BDT 3,525.06 million, out of which BDT 1,445.26 million was transferred to the statutory reserve, BDT 35.25 million to the start-up fund, and BDT 393.56 million to the dividend against the Mudaraba Perpetual Bond. Therefore, the cumulative profit available for distribution amounts to BDT 1,692.16 million, out of which the Board of Directors recommended a 15% dividend (12% cash & 3% stock) for the year 2022. Since its inception, the bank has been paying attractive dividends to its shareholders, reflecting the higher market value of its shares.

Regulatory Compliance

We prioritize safeguarding the interests of our customers and shareholders. To ensure compliance with regulatory requirements, we worked closely with regulators in all aspects of our banking operations. Our main focus in 2022 was conducting business prudently while remaining within the regulatory framework. As a result, we were able to comply with all key regulatory ratios, including CRR, SLR, ID ratio, CRAR, leverage ratio, MCO, capital market exposure, LCR, and NSFR, which demonstrates our commitment to our key stakeholders. Additionally, we submitted all required reports, returns, and statements to different regulatory authorities in a timely and accurate manner. Throughout 2022, the bank complied with all regulatory requirements of the primary regulator, the Bangladesh Bank, as well as all regulatory requirements of other regulators.

Financial Reporting

The financial statements for the year ended on December 31, 2022, have been prepared in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) applicable in Bangladesh. In cases where there were deviations from the standards, adequate disclosures have been made in the notes to the financial statements. Accounting estimates and judgments related to the financial statements were made in a reasonable and consistent manner. Additionally, the financial statements were prepared on the assumption of a going concern.

The financial statements for the year ended December 31, 2022, have been prepared in compliance with applicable guidelines, circulars, and laws, including the Companies (Second Amendment) Act 2020, the Bank Companies Act 1991 (amended up to 2018), the Securities & Exchange Commission Rules, and relevant guidelines of Bangladesh Bank. The financial statements also include adequate disclosures in the notes section to meet the requirements and expectations of all stakeholders. SJIBL prioritizes transparency and accuracy in financial reporting through appropriate disclosures.

Appreciation

I am delighted to seize this opportunity to extend my heartfelt appreciation and gratitude to the Board of Directors, the Management Team, and all my colleagues at every level, as well as to our esteemed customers, regulators, and stakeholders at large. Their unwavering support and commitment have played a pivotal role in our success. With their continued support and dedication, I am confident that we will drive the bank towards greater heights, creating more value for 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 2022 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 and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2022, 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 2 and other applicable laws and regulations.

Basis for Opinion

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

Other Matters

The financial statements of the year ended 31 December 2021, were audited by another auditor who expressed an unmodified opinion on those statement on 16 March 2022.

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

Description of key audit matters	Our response to key audit matters
Measurement of provision for investment	
The process for estimating the provision for investment portfolio associated with credit risk is significant and complex. For the individual analysis for large exposure, provision calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions.	We tested the design and operating effectiveness of key controls focusing on the following: • Credit appraisal, investment disbursement procedures, monitoring and provisioning process; • Completeness of appropriate documentation before disbursement of investments as well as recording of investment balance; • Alternate procedures applied by management to assess new investment/renewal of existing investments where latest audited financial statements of the borrower is not available;

Description of key audit matters	Our response to key audit matters
For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates of complex design and implementation. At year end the Group reported total gross investments of BDT 239,862million (2021: BDT 219,200million) and provision for investments of BDT 6,589 million (2021: BDT 5,494million). We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias: • Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012 and BRPD circular no 03, dated 21 April 2019; and • For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.	• Identification of loss events, including early warning and default warning indicators; • Review of quarterly Classification of Loans (CL); Our substantive procedures in relation to the provision for investments portfolio comprised the following: • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. • Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained Due to long-term impact of COVID 19, flood situation in north-eastern areas of Bangladesh and prolonged conflict/war outside the country, many borrowers were adversely impacted during the year. Accordingly, Bangladesh Bank has given certain flexibility from classification requirement for investments vide issuing various circulars such as BRPD 14 dated 22 June 2022, and BRPD 51 dated 18 December 2022 whereby Banks are allowed to keep an investment/customer as unclassified subject to the payment of certain percent of quarterly instalment due by 31 December 2022. For the year ended 31 December 2022, the Bank has maintained required provision as per Bangladesh Bank letter DBI-7/4(5)/2023-377 dated 2 April 2023 and also agreed to ensure regularization of certain investment to avoid future classification.
See note # 8a and 15ato the financial statements	

Risk	Our response to the risk
Investment income recognition	
Recognition and measurement of investment income involve complex IT environment as well as require critical estimates and judgment. Since investment income from investments is one of the key performance indicators of the Bank there is an inherent risk of fraud and error in recognition of investment income. Moreover, as per Bangladesh Bank BRPD circular no. 53 dated 22 December 2022, considering future risk banks were allowed to recognize outstanding/ arrear investment income where deferral facilities were given upon considering potential risk of future recovery and receiving certain percent of quarterly instalment due by 31 December 2022. Accordingly, this has been considered as key audit matter.	We tested the design and operating effectiveness of key controls including automated control over recognition and measurement of income on investment. For selected customers and investment files on sample basis we have also performed substantive test of details including recalculation and cut-of testing to check accuracy of investment income. Finally, we also conducted substantive analytical procedures to assess reasonableness of income recognised during the year with reference to the product wise outstanding investment balances. However, due to the current uncertainty of the overall economic situation, and in particular impacts from major global events such as continuation of COVID 19 related disruptions, Russia-Ukraine conflict, volatility in fuel and commodity price, strengthening of USD, etc., there is inherent risk that the actual recovery of accrued investment income especially from those clients receiving deferral facility could be materially different than the actual situation in future and a portion of investment accrued during the year ended 31 December 2022.
See note # 23a to the financial statements	

Description of key audit matters	Our response to key audit matters
Valuation of bonds, sukuk and other investments	
The Bank has made significant investments in fixed term financial instruments such as Bangladesh Government Islamic Investment Bond and Sukuk, Mudaraba Perpetual Bond and Sukuk Al Istisna as well as Mudaraba Subordinated Bond, classification and measurement of these require judgment and complex estimates. In the absence of a quoted price in an active market, the fair value of these Bonds and Sukuk are determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models and require an elevated level of judgment.	We assessed the processes and controls put in place by the Bank to identify and confirm the existence of these Bonds and Sukuks. We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the Bonds and Sukuks valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments. We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data. Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
See note # 7 to the financial statements	
IT systems and controls	
Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively	We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.
Legal and regulatory matters	
We focused on this area because the Bank and its subsidiary (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities. Pursuant to BRPD Circular Letter No. 28 dated 26 July 2022 and BRPD Circular Letter No. 30 dated 27 July 2022, all schedule banks of Bangladesh are instructed to reduce certain expenses at specific percentage from the allocated amount.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process. We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We are informed that the Bank has taken several initiatives such as rationalizing the usage of office space to reduce electricity cost, restricting entertainment expenses and travelling, reducing and deferring the expenses on computer and accessories which are not urgently required etc.
Carrying value of investments in subsidiary by the Bank	
The Bank has invested in equity shares of its subsidiary namely Shahjalal Islami Bank Securities Limited. As at 31 December 2022 the carrying value of these investments in Shahjalal Islami Bank Securities Limited is BDT 2,515 million (2021: BDT 2,515 million).	We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiary in accordance with IAS 36. In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.

Description of key audit matters	Our response to key audit matters
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 all the above subsidiary stated at cost. Management has conducted impairment assessment and calculated recoverable value of its individual subsidiary in accordance with IAS 36.	We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources. We further observed that pursuant to the BSEC notification the subsidiary of the Bank has made partial provision against diminution in the value of investment and client margin loan as per BSEC notification.

Reporting on other information

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

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

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

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

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

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

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

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

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

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

As part of an audit in accordance with ISAs, we exercise professional judgment 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 the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

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

(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:

   (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;

   (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities {other than matters disclosed in these financial statements};

(iii) financial statements for the year ended 31 December 2022 of subsidiary namely Shahjalal Islami Bank Securities Limited have been audited by M/s. K. M. Hasan & Co., Chartered Accountants and who has expressed unqualified audit opinion. The results of the subsidiary has been properly reflected in the Group's consolidated financial statements;

(iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;

(v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

(vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

(vii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;

(viii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;

(ix) the information and explanations required by us have been received and found satisfactory;

(x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 7,050 person hours; and

(xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.



Dated : 05 April 2023
DVC No: 2304050770AS553378

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

Shahjalal Islami Bank Limited and its Subsidiary

Consolidated Balance Sheet

As at 31 December 2022

Particulars	Note	31.12.2022 Taka	31.12.2021 Taka
Property and Assets			
Cash			
Cash in Hand (including Foreign Currencies)	3	2,399,102,842	1,943,331,636
Balance with Bangladesh Bank & Sonali Bank Ltd. (including Foreign Currencies)	4	14,924,287,024	12,087,735,744
		17,323,389,865	**14,031,067,380**
Balance with Other Banks and Financial Institutions			
Inside Bangladesh		2,216,396,689	2,067,998,849
Outside Bangladesh		1,103,127,014	1,029,495,149
	5	**3,319,523,703**	**3,097,493,998**
Placement with Other Banks & Financial Institutions	6	**21,276,957,716**	**18,514,593,291**
Investments in Shares & Securities			
Government		25,639,910,000	28,047,670,000
Others		9,986,112,719	10,290,056,403
	7	**35,626,022,719**	**38,337,726,403**
Investments			
General Investments etc.		222,960,716,113	201,220,993,015
Bills Purchased and Discounted		16,901,718,515	17,979,284,002
	8	**239,862,434,627**	**219,200,277,017**
Fixed Assets including Premises, Furniture and Fixtures	9	**5,413,945,799**	**5,226,775,920**
Other Assets	10	**19,816,448,541**	**18,061,545,248**
Non-Banking Assets	11	**88,909,355**	**88,909,355**
Total Property and Assets		**342,727,632,326**	**316,558,388,612**
Liabilities and Capital			
Liabilities			
Placement from Other Banks & Financial Institutions	12	**42,299,588,342**	**32,701,012,974**
Deposits and Other Accounts			
Mudaraba Savings Deposits		36,934,732,886	36,326,434,041
Mudaraba Term Deposits		86,817,226,090	74,469,380,080
Other Mudaraba Deposits		49,745,216,186	62,818,504,170
Al-Wadeeah Current & Other Deposit Accounts		48,292,958,243	39,179,649,922
Bills Payable		5,872,217,849	4,016,969,162
	13	**227,662,351,255**	**216,810,937,375**
Mudaraba Bonds	14	**10,200,000,000**	**12,200,000,000**
Other Liabilities	15	**40,144,704,369**	**34,553,169,294**
Deferred Tax Liabilities	16	**235,884,914**	**235,550,642**
Total Liabilities		**320,542,528,880**	**296,500,670,285**
Capital/Shareholders' Equity			
Paid-up Capital	17.2	10,805,517,980	10,290,969,510
Statutory Reserve	18	9,372,461,107	7,927,205,795
Capital Reserve		28,796,597	3,449,994
Retained Earnings	19	1,745,940,328	1,608,652,106
Total Shareholders' Equity		**21,952,716,012**	**19,830,277,405**
Non-controlling Interest	17.7	**232,387,434**	**227,440,923**
Total Liabilities & Shareholders' Equity		**342,727,632,326**	**316,558,388,612**

Shahjalal Islami Bank Limited and its Subsidiary

Consolidated Off-Balance Sheet Items

As at 31 December 2022

Particulars	Note	31.12.2022 Taka	31.12.2021 Taka
Contingent Liabilities			
Acceptances & endorsements		51,712,319,611	52,969,323,781
Letters of guarantee	20	31,316,699,877	31,904,128,585
Irrevocable letters of credit	21	44,418,370,950	64,074,742,941
Bills for collection		26,824,787,053	22,275,433,922
Other contingent liabilities		-	-
Total		**154,272,177,491**	**171,223,629,229**
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		**154,272,177,491**	**171,223,629,229**
Consolidated Net Asset Value per Share [previous year's figure restated]	42(i)	**20.32**	**18.35**

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.

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

Dhaka.
05 April 2023
DVC No: 2304050770AS553378

Shahjalal Islami Bank Limited and its Subsidiary

Consolidated Profit and Loss Account

For the year ended 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
Operating Income			
Investment Income	23	15,965,123,028	13,792,776,608
Less: Profit paid on Deposits	24	8,365,858,043	7,397,902,913
Net Investment Income		**7,599,264,985**	**6,394,873,695**
Income from Investments in Shares & Securities	25	1,888,301,443	1,218,245,276
Commission, Exchange and Brokerage	26	3,634,722,397	2,518,174,907
Other Operating Income	27	1,357,676,035	1,056,361,211
		6,880,699,875	**4,792,781,394**
Total Operating Income		**14,479,964,860**	**11,187,655,089**
Operating Expenses			
Salaries and Allowances	28	3,615,281,013	3,033,864,435
Rent, Taxes, Insurances, Electricity etc.	29	401,946,759	340,726,959
Legal Expenses	30	1,440,072	1,039,886
Postage, Stamps, Telecommunication etc.	31	56,275,795	42,604,155
Stationery, Printings, Advertisements etc.	32	136,341,225	99,662,329
Chief Executive's Salary & Fees	33	22,399,944	22,929,970
Directors' Fees & Expenses	34	6,596,383	6,398,484
Sharia'h Supervisory Committee's Fees & Expenses	35	619,587	743,851
Auditors' Fees	36	626,500	617,242
Depreciation & Repairs of Assets	37	581,205,428	557,103,457
Zakat Expenses	38	205,584,162	179,870,407
Other Expenses	39	908,262,056	787,867,429
Total Operating Expenses		**5,936,578,924**	**5,073,428,603**
Profit before Provision	22	**8,543,385,936**	**6,114,226,487**
Specific Provision for Classified Investments		876,503,877	541,490,000
General Provision for Unclassified Investments		210,885,441	196,038,000
General Provision for Off-balance Sheet Items		-	421,000,000
Provision for diminution in value of Investments in Shares		12,400,000	16,000,000
Provision for Other Assets		112,000,000	10,000,000
Total Provision	40	**1,211,789,318**	**1,184,528,000**
Total Profit before Taxes		**7,331,596,618**	**4,929,698,487**
Provision for Taxation			
Deferred Tax	41	334,272	(21,127,098)
Current Tax	41b	3,745,966,752	2,338,472,612
		3,746,301,024	**2,317,345,515**
Net Profit after Taxes		**3,585,295,593**	**2,612,352,972**

Shahjalal Islami Bank Limited and its Subsidiary

Consolidated Profit and Loss Account

For the year ended 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
Net Profit after Taxes attributable to:			
Equity holders of SJIBL		3,580,349,082	2,591,539,155
Non-controlling Interest		4,946,511	20,813,816
		3,585,295,593	**2,612,352,972**
Retained Earnings from previous year		1,608,652,106	1,206,062,264
Add: Net Profit after Taxes (attributable to equity holders of SJIBL)		3,580,349,082	2,591,539,155
Profit available for Appropriation		**5,189,001,188**	**3,797,601,419**
Appropriation:			
Statutory Reserve	18	1,445,255,312	967,333,131
Start-up Fund	15a.3	35,250,581	44,934,355
Dividend		1,543,645,421	1,176,110,795
Capital Reserve		25,346,603	571,033
Profit against mudaraba perpetual bond		393,562,943	-
Retained Earnings	19	1,745,940,329	1,608,652,106
		5,189,001,188	**3,797,601,419**
Consolidated Earnings per Share [previous year's figure restated]	42	**3.31**	**2.40**

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 profit and loss account referred to in our separate report of even date.

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

Dhaka.
05 April 2023
DVC No: 2304050770AS553378

Shahjalal Islami Bank Limited and its Subsidiary

Consolidated Cash Flow Statement

For the year ended 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
Cash flows from operating activities			
Investment income receipt in cash	43	17,477,056,520	14,774,368,653
Profit paid on deposits and borrowings	44	(7,992,472,282)	(8,273,077,584)
Dividend receipts		179,480,905	68,927,342
Fees & commission receipt in cash		3,464,997,530	2,506,847,975
Recoveries on investment previously written-off		66,934,374	31,809,277
Cash payments to employees		(3,637,680,957)	(3,056,794,405)
Cash payments to suppliers		(136,341,225)	(99,662,329)
Income tax paid		(2,231,001,404)	(1,855,006,719)
Receipts from other operating activities	45	1,352,760,404	1,057,282,006
Payments for other operating activities	46	(1,616,393,539)	(1,377,027,302)
(i) Operating profit before changes in operating assets and liabilities		**6,927,340,328**	**3,777,666,914**
Changes in operating assets and liabilities			
(Increase)/decrease in investment to customers		(20,662,157,610)	(21,001,399,797)
(Increase)/decrease in other assets	47	(600,543,150)	64,438,242
(Increase)/decrease of placement with other banks & financial institutions		(2,762,364,425)	5,132,076,725
Increase/(decrease) in deposits from other banks		(7,046,926,871)	5,154,203,653
Increase/(decrease) of placement from other banks & financial institutions		9,593,984,094	12,832,443,887
Increase/(decrease) in deposits received from customers		17,342,079,211	(5,697,828,226)
Increase/(decrease) in other liabilities on account of customers		1,228,145,025	697,070,407
Increase/(decrease) in other liabilities	48	(104,835,524)	85,859,272
(ii) Cash flows from operating assets and liabilities		**(3,012,619,250)**	**(2,733,135,839)**
Net cash flow from operating activities (A)=(i+ii)		**3,914,721,079**	**1,044,531,076**
Cash flows from investing activities			
Proceeds from sale of securities		4,679,057,930	2,461,433,041
Payments for purchases of securities		(1,967,354,246)	(11,402,745,143)
Proceeds from sale of fixed assets		11,682,989	2,865,702
Payments for purchases of fixed assets		(218,322,332)	(191,167,040)
Net cash flows from/(used in) investing activities (B)		**2,505,064,341**	**(9,129,613,440)**
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)	(2,000,000,000)
Receipts from issue of ordinary shares		-	-
Profit against mudaraba perpetual bond		(46,061,145)	-
Dividend paid to ordinary shareholders		(1,029,096,951)	(706,314,635)
Net cash flow from/(used in) financing activities (C)		**(3,075,158,096)**	**2,293,685,366**
Net (decrease)/increase in cash and cash equivalents (A+B+C)		**3,344,627,324**	**(5,791,396,999)**
Add: Effect of exchange rate changes on cash and cash equivalents		169,724,866	11,326,932
Add: Cash and cash equivalents at the beginning of the year		17,128,561,378	22,908,631,445
Cash and cash equivalents at the end of the year	49	**20,642,913,568**	**17,128,561,378**
Consolidated Net Operating Cash Flow per Share (NOCFPS) [previous year's figure restated]	42(ii)	**3.62**	**0.97**

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

Dhaka.
05 April 2023

Chairman **Director** **Director** **Managing Director & CEO**

Shahjalal Islami Bank Limited and its Subsidiary

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

(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 2022	10,290,969,510	7,927,205,795	3,449,994	1,608,652,106	227,440,923	20,057,718,328
Dividend:						
Stock Dividend (5%)	514,548,470	-	-	(514,548,470)	-	-
Cash Dividend Paid (10%)	-	-	-	(1,029,096,951)	-	(1,029,096,951)
Profit against mudaraba perpetual bond				(393,562,943)	-	(393,562,943)
Net profit during the year	-	-	-	3,580,349,082	4,946,511	3,585,295,593
Statutory Reserve	-	1,445,255,312	-	(1,445,255,312)	-	-
Start-up Fund	-	-	-	(35,250,581)	-	(35,250,581)
Capital Reserve	-	-	25,346,603	(25,346,603)	-	-
Total Shareholders' Equity as at 31 December 2022	**10,805,517,980**	**9,372,461,107**	**28,796,597**	**1,745,940,328**	**232,387,434**	**22,185,103,446**
Add: Mudarabah Perpetual Bond						5,000,000,000
Add: General Provision for Unclassified Investments & Off-balance Sheet Items						4,067,405,831
Add: Mudaraba Subordinated Bond						3,200,000,000
Less: Adjustment for Intangible Assets						23,942,748
Total Eligible Regulatory Capital as at 31 December 2022						**34,428,566,530**

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 for the year 2020:						
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: Mudaraba 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**

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

Dhaka.
05 April 2023

Chairman **Director** **Director** **Managing Director & CEO**

Shahjalal Islami Bank Limited

Balance Sheet

As at 31 December 2022

Particulars	Note	31.12.2022 Taka	31.12.2021 Taka
Property and Assets			
Cash			
Cash in Hand (including Foreign Currencies)	3a	2,399,102,842	1,943,331,636
Balance with Bangladesh Bank & Sonali Bank Ltd. (including Foreign Currencies)	4a	14,924,287,024	12,087,735,744
		17,323,389,865	**14,031,067,380**
Balance with Other Banks and Financial Institutions			
Inside Bangladesh		2,192,462,827	1,993,712,408
Outside Bangladesh		1,103,127,014	1,029,495,149
	5a	**3,295,589,841**	**3,023,207,557**
Placement with Other Banks & Financial Institutions	6a	**21,276,957,716**	**18,514,593,291**
Investments in Shares & Securities			
Government		25,639,910,000	28,047,670,000
Others		7,846,594,135	8,219,932,088
	7a	**33,486,504,135**	**36,267,602,088**
Investments			
General Investment etc.		220,328,259,077	198,607,299,997
Bills Purchased and Discounted		16,901,718,515	17,979,284,002
	8a	**237,229,977,592**	**216,586,583,999**
Fixed Assets including Premises, Furniture and Fixtures	9a	**5,272,662,474**	**5,077,326,059**
Other Assets	10a	**21,844,875,177**	**20,141,811,136**
Non-Banking Assets	11	**88,909,355**	**88,909,355**
Total Property and Assets		**339,818,866,156**	**313,731,100,865**
Liabilities and Capital			
Liabilities			
Placement from Other Banks & Financial Institutions	12a	**42,036,645,204**	**32,436,452,822**
Deposits and Other Accounts			
Mudaraba Savings Deposits		36,934,789,424	36,326,437,165
Mudaraba Term Deposits		86,817,226,090	74,469,380,080
Other Mudaraba Deposits		50,064,730,403	63,296,520,951
Al-Wadeeah Current & Other Deposit Accounts		48,293,094,847	39,179,680,779
Bills Payable		5,872,217,849	4,016,969,162
	13a	**227,982,058,614**	**217,288,988,137**
Mudaraba Bonds	14	**10,200,000,000**	**12,200,000,000**
Other Liabilities	15a	**37,492,869,557**	**31,765,514,727**
Deferred Tax Liabilities	16a	**237,151,866**	**237,151,866**
Total Liabilities		**317,948,725,240**	**293,928,107,552**
Capital/Shareholders' Equity			
Paid-up Capital	17.2	10,805,517,980	10,290,969,510
Statutory Reserve	18	9,372,461,107	7,927,205,795
Retained Earnings	19a	1,692,161,829	1,584,818,008
Total Shareholders' Equity		**21,870,140,916**	**19,802,993,313**
Total Liabilities & Shareholders' Equity		**339,818,866,156**	**313,731,100,865**

Shahjalal Islami Bank Limited

Off-balance Sheet Items

As at 31 December 2022

Particulars	Note	31.12.2022 Taka	31.12.2021 Taka
Contingent Liabilities			
Acceptances & endorsements		51,712,319,611	52,969,323,781
Letters of guarantee	20	31,316,699,877	31,904,128,585
Irrevocable letters of credit	21	44,418,370,950	64,074,742,941
Bills for collection		26,824,787,053	22,275,433,922
Other contingent liabilities		-	-
Total		**154,272,177,491**	**171,223,629,229**
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		**154,272,177,491**	**171,223,629,229**
Net Asset Value per Share [previous year's figure restated]	42(i)	**20.24**	**18.33**

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

Chairman **Director** **Director** **Managing Director & CEO**

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

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

Dhaka.
05 April 2023
DVC No: 2304050770AS553378

Shahjalal Islami Bank Limited

Profit and Loss Account

For the year ended 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
Operating Income			
Investment Income	23a	15,885,443,131	13,805,194,923
Less: Profit paid on Deposits	24a	8,335,129,184	7,381,645,027
Net Investment Income		**7,550,313,947**	**6,423,549,896**
Income from Investments in Shares & Securities	25a	1,732,562,841	1,192,319,713
Commission, Exchange and Brokerage	26a	3,486,719,333	2,239,187,234
Other Operating Income	27a	1,351,229,343	1,045,664,738
		6,570,511,517	**4,477,171,685**
Total Operating Income		**14,120,825,464**	**10,900,721,581**
Operating Expenses			
Salaries and Allowances	28a	3,541,190,780	2,981,217,178
Rent, Taxes, Insurances, Electricity etc.	29a	395,349,782	334,690,238
Legal Expenses	30a	1,362,822	1,011,136
Postage, Stamps, Telecommunication etc.	31a	53,233,194	40,178,463
Stationery, Printings, Advertisements etc.	32a	134,894,501	98,375,319
Chief Executive's Salary & Fees	33	22,399,944	22,929,970
Directors' Fees & Expenses	34	6,596,383	6,398,484
Sharia'h Supervisory Committee's Fees & Expenses	35	619,587	743,851
Auditor's Fees	36a	550,000	550,000
Depreciation & Repairs of Bank's Assets	37a	558,210,217	535,869,372
Zakat Expenses	38	205,584,162	179,870,407
Other Expenses	39a	866,192,092	695,193,509
Total Operating Expenses		**5,786,183,465**	**4,897,027,926**
Profit before Provision	22a	**8,334,641,999**	**6,003,693,656**
Specific Provision for Classified Investments		785,480,000	541,490,000
General Provision for Unclassified Investments		210,885,441	194,538,000
General Provision for Off-balance Sheet Items		-	421,000,000
Provision for diminution in value of Investments in Shares		-	-
Provision for Other Assets		112,000,000	10,000,000
Total Provision	40a	**1,108,365,441**	**1,167,028,000**
Total Profit before Taxes		**7,226,276,558**	**4,836,665,656**
Provision for Taxation			
Deferred Tax	41a	-	(22,097,080)
Current Tax	41c	3,701,218,481	2,273,525,795
		3,701,218,481	**2,251,428,716**
Net Profit after Taxes		**3,525,058,077**	**2,585,236,940**

Shahjalal Islami Bank Limited

Profit and Loss Account

For the year ended 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
Retained Earnings from previous year		1,584,818,008	1,187,959,349
Add: Net Profit after Taxes		3,525,058,077	2,585,236,940
Profit available for Appropriation		**5,109,876,085**	**3,773,196,289**
Appropriation:			
Statutory Reserve	18	1,445,255,312	967,333,131
Start-up Fund	15a.3	35,250,581	44,934,355
Dividend		1,543,645,421	1,176,110,795
Profit against Mudaraba Perpetual Bond		393,562,943	-
Retained Earnings	19a	1,692,161,829	1,584,818,008
		5,109,876,085	**3,773,196,289**
Earnings per Share (EPS) [previous year's figure restated]	42a	**3.26**	**2.39**

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 profit and loss account referred to in our separate report of even date.

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

Dhaka.
05 April 2023
DVC No: 2304050770AS553378

Shahjalal Islami Bank Limited

Cash Flow Statement

For the year ended 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
Cash flows from operating activities			
Investment income receipt in cash	43a	17,054,304,197	14,348,482,625
Profit paid on deposits and borrowings	44a	(7,778,867,646)	(8,081,893,596)
Dividend receipts		179,480,905	295,277,342
Fees & commission receipt in cash		3,316,994,466	2,227,860,302
Recoveries on investment previously written-off		66,934,374	31,809,277
Cash payments to employees		(3,563,590,724)	(3,004,147,148)
Cash payments to suppliers		(134,894,501)	(98,375,319)
Income tax paid		(2,188,624,194)	(1,799,500,546)
Receipts from other operating activities	45a	1,346,180,485	1,045,558,852
Payments for other operating activities	46a	(1,563,784,406)	(1,279,206,916)
(i) Operating profit before changes in operating assets and liabilities		**6,734,132,958**	**3,685,864,873**
Changes in operating assets and liabilities			
(Increase)/decrease in investment to customers		(20,643,393,593)	(21,012,174,597)
(Increase)/decrease in other assets	47a	(591,081,108)	29,494,436
(Increase)/decrease of placement with other banks & financial institutions		(2,762,364,425)	5,132,076,725
Increase/(decrease) in deposits from other banks		(7,046,926,871)	5,154,203,653
Increase/(decrease) of placement from other banks & financial institutions		9,600,192,382	12,705,490,356
Increase/(decrease) in deposits received from customers		17,183,735,808	(5,607,916,661)
Increase/(decrease) in other liabilities on account of customers		1,228,145,025	697,070,407
Increase/(decrease) in other liabilities	48a	179,156,379	(152,048,146)
(ii) Cash flows from operating assets and liabilities		**(2,852,536,403)**	**(3,053,803,828)**
Net cash flow from operating activities (A)=(i+ii)		**3,881,596,555**	**632,061,045**
Cash flows from investing activities			
Proceeds from sale of securities		4,331,449,932	1,486,453,576
Payments for purchases of securities		(1,550,351,980)	(10,144,296,320)
Proceeds from sale of fixed assets		11,682,989	2,418,502
Payments for purchases of fixed assets		(204,239,498)	(148,785,781)
Purchase/sale of subsidiaries		**-**	**-**
Net cash flows from/(used in) investing activities (B)		**2,588,541,444**	**(8,804,210,024)**
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)	(2,000,000,000)
Receipts from issue of ordinary shares		-	-
Profit against mudaraba perpetual bond		(46,061,145)	-
Dividend paid to ordinary shareholders		(1,029,096,951)	(686,064,635)
Net cash flows from/(used in) financing activities (C)		**(3,075,158,096)**	**2,313,935,366**
Net (decrease)/increase in cash and cash equivalents (A+B+C)		**3,394,979,903**	**(5,858,213,613)**
Add: Effect of exchange rate changes on cash and cash equivalents		169,724,866	11,326,932
Add: Cash and cash equivalents at the beginning of the year		17,054,274,937	22,901,161,618
Cash and cash equivalents at the end of the year	49a	**20,618,979,706**	**17,054,274,937**
Net Operating Cash Flow per Share (NOCFPS) [previous year's figure restated]	42(ii)	**3.59**	**0.58**

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

Dhaka.
05 April 2023

Chairman **Director** **Director** **Managing Director & CEO**

Shahjalal Islami Bank Limited

Statement of Changes in Equity

For the year ended 31 December 2022

(Amount in Taka)

Particulars	Paid-up Capital	Statutory Reserve	Retained Earnings	Total Capital/ Shareholders' Equity
Balance as at 01 January 2022	10,290,969,510	7,927,205,795	1,584,818,008	19,802,993,313
Dividend:				
Stock Dividend (5%)	514,548,470	-	(514,548,470)	-
Cash Dividend Paid (10%)	-	-	(1,029,096,951)	(1,029,096,951)
Profit against Mudaraba Perpetual Bond	-	-	(393,562,943)	(393,562,943)
Net profit during the year	-	-	3,525,058,077	3,525,058,077
Statutory Reserve	-	1,445,255,312	(1,445,255,312)	-
Start-up Fund	-	-	(35,250,581)	(35,250,581)
Total Shareholders' Equity as at 31 December 2022	**10,805,517,980**	**9,372,461,107**	**1,692,161,829**	**21,870,140,916**

Total Equity for the purpose of Capital Adequacy	
Equity as per above	21,917,148,562
Add: Mudarabah Perpetual Bond	5,000,000,000
Add: General Provision for Unclassified Investments & Off-Balance Sheet Items	4,017,940,096
Add: Mudaraba Subordinated Bond	3,200,000,000
Less: Adjustment for Intangible Assets	23,598,634
Total Eligible Regulatory Capital as at 31 December 2022	**34,064,482,378**

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 for the year 2020:				
Stock Dividend (5%)	490,046,160	-	(490,046,160)	-
Cash Dividend Paid (7%)	-	-	(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**

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

Dhaka.
05 April 2023

Chairman **Director** **Director** **Managing Director & CEO**

Shahjalal Islami Bank Limited

Liquidity Statement (Assets & Liabilities Maturity Analysis)

As at 31 December 2022

(Amount in Taka)

Particulars	Up to 01 Month	01-03 Months	03-12 Months	01-05 Years	More than 05 years	Total
Assets						
Cash in Hand	2,399,102,842	-	-	-	-	2,399,102,842
Balance with Other Banks and Financial Institutions	6,744,011,676	1,734,533,188	-	-	9,741,332,000	18,219,876,864
Placement with Other Banks & Financial Institutions	11,015,940,000	9,950,000,000	-	311,017,716	-	21,276,957,716
Investments in Shares & Securities	500,000,000	500,000,000	5,366,594,135	27,119,910,000	-	33,486,504,135
Investments	54,562,894,846	49,818,295,294	54,562,894,846	26,095,297,535	52,190,595,070	237,229,977,592
Fixed Assets including Premises, Furniture and Fixtures	1,212,712,369	1,107,259,119	1,212,712,369	579,992,872	1,159,985,744	5,272,662,474
Other Assets	228,048,528	1,600,485,694	2,206,015,063	15,295,325,892	2,515,000,000	21,844,875,177
Non-Banking Assets	-	-	88,909,355	-	-	88,909,355
Total Assets (i)	**76,662,710,261**	**64,710,573,296**	**63,437,125,768**	**69,401,544,016**	**65,606,912,815**	**339,818,866,156**
Liabilities						
Placement from Other Banks & Financial Institutions	9,482,134,326	15,555,467,652	13,290,946,064	3,708,097,163	-	42,036,645,204
Deposits and Other Accounts	56,603,651,017	42,041,233,043	44,500,003,655	37,888,951,616	46,948,219,283	227,982,058,614
Mudaraba Subordinated Bond	-	-	2,000,000,000	3,200,000,000	5,000,000,000	10,200,000,000
Other Liabilities	7,123,645,216	2,999,429,565	1,874,643,478	21,745,864,343	3,749,286,956	37,492,869,557
Deferred Tax Liabilities	-	-	-	-	237,151,866	237,151,866
Total Liabilities (ii)	**73,209,430,558**	**60,596,130,259**	**61,665,593,196**	**66,542,913,122**	**55,934,658,104**	**317,948,725,240**
Net Liquidity Gap (i-ii)	**3,453,279,702**	**4,114,443,037**	**1,771,532,572**	**2,858,630,894**	**9,672,254,711**	**21,870,140,916**

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

Dhaka.
05 April 2023

Chairman **Director** **Director** **Managing Director & CEO**

Notes to the Consolidated and Separate Financial Statements

As at and for the year ended 31 December 2022

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 140 (one hundred forty) branches, 129 (one hundred twenty nine) ATM booths, 111 (one hundred eleven) agent banking outlets and 2,835 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 2022 there were 111 Agent Banking Outlets in 42 districts and 92 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 of the Bank have been prepared under the historical cost convention in accordance with International Financial Reporting Standards (IFRSs).

As Financial Reporting Standards are yet to be issued by FRC, as per the provisions of FRA (Section-69), consolidated and separate financial statements of the Group and the Bank, respectively, have been prepared in accordance with the International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) 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), BRPD circular no. 07 (19 March 2020), BRPD circular no. 16 (21 July 2020), BRPD circular no. 17 dated 28 September 2020, BRPD circular letter no. 52 dated 20 October 2020, BRPD circular letter no. 56 dated 10 December 2020, BRPD circular letter no. 3 dated 31 January 2021, BRPD circular letter no. 5 dated 24 March 2021, BRPD circular no. 13 dated 27 June 2021, BRPD circular no. 19 dated 26 August 2021, BRPD circular letter no. 45 dated 04 October 2021, BRPD circular letter no. 50 dated 14 December 2021, BRPD circular letter no. 51 & 52 dated 29 December 2021, BRPD circular letter no. 53 dated 30 December 2021, BRPD circular no. 14 dated 22 June 2022, BRPD circular no. 51 dated 18 December 2022 and BRPD circular no. 53 dated 22 December 2022, a general provision at 0.25% to 2% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also, provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively except (a) short-term agricultural and micro-credits where 5% for sub-standard and doubtful loans and 100% for bad & loss loans; and (b) cottage micro and small credits where 5% for sub-standard, 20% for doubtful and 100% for bad & loss loans depending on the duration of overdue. Again, as per BRPD circular no. 14 dated 23 September 2012 and BRPD circular no. 13 dated 18 October 2018, a general provision at 0.50% to 1% is required to be provided for all off-balance sheet exposures except LC issued against Fast Track Electricity Project & Bills for Collection according to BRPD circular letter no. 01 dated 03 January 2018 & BRPD circular no. 07 dated 21 June 2018 respectively. Such provision policies are not specifically in line with those prescribed by IFRS 9.

vi) Recognition of Investment Income in Suspense

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

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

vii) Other Comprehensive Income

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

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

viii) Financial Instruments - Presentation and Disclosure

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

ix) Financial Guarantees

IFRS/IAS: As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in 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 2022.

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. Significant Accounting Estimates, Judgments and Assumptions

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

Estimates and underlying assumptions are reviewed on an ongoing basis and recognised its effects on present and future financial positions. The most significant areas where estimates and judgments have been made are on:

- provision for investments;
- provision for income taxes (current & deferred);
- gratuity fund;
- lease liabilities;
- liquidity statement;
- estimation of useful life of fixed assets and its depreciation; and
- going concern assumption.

2.7. Assets and Basis of their Valuation

2.7.1 Cash and Cash Equivalents

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

2.7.2 Investments in Shares and Securities

Islamic Investment Bond

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

Bangladesh Government Investment Sukuk

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

Mudaraba Perpetual Bond

Investment in Mudaraba Perpetual Bond is reported at cost price. Provision for diminution in value of investment in Mudaraba Perpetual Bond was made as per Bangladesh Bank DOS circular no. 04 dated 24 November 2011.

Mudaraba Subordinated Bond

Investment in Mudaraba Subordinated Bond is reported at cost price.

Investment in Quoted Securities

These shares and securities are brought and held primarily for the purpose of selling them in future or held for dividend income. These are reported at cost. As per Bangladesh Bank DOS circular no. 04 dated 24 November 2011, provision for diminution in value of investments was made by netting off unrealised 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 unre-alised 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 unre-alised 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 2013, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 01 dated 20 February 2018, BRPD circular no. 03 dated 21 April 2019, BRPD circular no. 07 dated 19 March 2020, BRPD circular no. 16 dated 21 July 2020, BRPD circular no. 17 dated 28 September 2020,BRPD circular letter no. 52 dated 20 October 2020, BRPD circular letter no. 56 dated 10 December 2020, BRPD circular letter no. 3 dated 31 January 2021, BRPD circular letter no. 5 dated 24 March 2021, BRPD circular no. 13 dated 27 June 2021, BRPD circular no. 19 dated 26 August 2021, BRPD circular letter no. 45 dated 04 October 2021, BRPD circular letter no. 50 dated 14 December 2021, BRPD circular letter no. 51 & 52 dated 29 December 2021, BRPD circular letter no. 53 dated 30 December 2021, BRPD circular no. 14 dated 22 June 2022, BRPD circular no. 51 dated 18 December 2022 and BRPD circular no. 53 dated 22 December 2022.

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 & Profession-al	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 (CMSME)		1%		BRPD circular letter no. 53; Date: 22 December 2022		
Special General Provision for COVID-19		2%		BRPD circular letter no. 53; Date: 22 December 2022		

2.7.4 Impairment of Financial Assets

An asset is impaired when its carrying value exceeds its recoverable amount as per IAS 36: Impairment of Assets. At each balance sheet date, Shahjalal Islami Bank 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 Trade Payables

Trade payables are any expenses incurred from vendors, suppliers or other third parties for goods or services provided in bringing the products to the customer.

2.8.6 Other Liabilities

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

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

2.8.7 Taxation

Current Tax

Provision for current income tax has been made at 37.50% as prescribed in the Finance Act, 2022 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.

Other Operating Income

Other operating income includes revenue from all other operating activities which are not related to the principal activities of the company, such as service charges, processing charge, maintenance charge and disposals income, etc.

Finance Income and Costs

Finance income comprises profit earned on outstanding financial assets and finance costs comprises profit expense arises on outstanding financial liabilities.

Profit Paid on Deposits

As per agreement between the Mudaraba depositors and the Bank in line with Mudaraba Principle, the Mudaraba depositors are entitled to get minimum 65% of the investment income earned through deployment of Mudaraba Fund as per weightage assigned to each type of Mudaraba deposit. In the year 2022, the Bank paid 84.73% of Investment Income earned through deployment of Mudaraba Fund. Mudaraba Depositors do not share any income derived from various banking services where their fund is not involved and any income derived from investing Bank's equity and other cost free fund. Al-Wadeeah depositors do not share any income of the Bank. Profit is paid to Mudaraba Deposit accounts at provisional rate throughout the year. Final rates of profit of any accounting year are declared after finalization of Shari'ah Inspection report and certifying the Investment Income of the Bank by the statutory auditor.

Other Operating Expenses

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

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 2022, 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 Banking Regulatory and Policy Department of Bangladesh Bank vide the circular letter no. 04 dated 12 April 2022, the Bank is not required to make provision regarding the unreconciled debit balance of Nostro accounts as on the reporting date in these financials as there are no unreconciled outstanding entries for 06 (six) months or more.

2.16. Foreign Currency Transactions

Functional and Presentation Currency

Functional currency: The currency of the primary economic environment in which the entity operates.

Presentation currency: The currency in which the financial statements are presented.

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

Foreign Currency Translation

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

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 2022.

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 7 (seven) directors from the Board to formulate risk management policies, procedures and oversee the risk management activities of the Bank.

The prime objective of the Risk Management Committee is that the Bank takes well calculative Business Risk Policy for safeguarding the Bank's capital, its financial resources and profitability from various risks. In this context, the Bank implemented all the guidelines of Bangladesh Bank as under:

a) Investment (Credit) Risk Management

The management of specific investment risk is developed according to associated risk with individual business units. The investment risk management function ensures that appropriate policies are established and ensures compliance with the related sanction, monitoring procedures and controls at the business unit level. Investment exposures are aggregated from individual business units and are monitored on a regular basis.

Investment risks may be summarized as under:

- Difficulty in choosing core business.
- Failure in business of the customer.
- Encompassing a blend of Banking and non-Banking service.
- Investment either too liquid or of questionable quality.
- Competition from other commercial Banks.
- Security Control Risk.
- Market volatility both local and global.

Portfolio monitoring is carried out by asset quality, background of the customer, soundness and viability of his/her business and cash flow, etc., sector of the economy, cost of long-term financing to match with the return on long-term investment.

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

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

b) Foreign Exchange Risk Management

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

c) Asset Liability Risk Management

The Asset Liability Management Committee (ALCO) that is formed with the senior executives headed by Managing Director conducted 12 (twelve) meetings during the year 2022. 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 and proliferation financing in line with the Money Laundering Prevention Act, 2012 (amended 2015), Anti-Terrorism Act, 2009 (amended 2012 & 2013) and guidelines issued by the Bangladesh Financial Intelligence Unit (BFIU) from time to time. Shahjalal Islami Bank 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 Additional Managing Director as Chief Anti-Money Laundering Compliance Officer (CAMLCO) and the committee regularly monitors and ensures the compliance of issues relating to money laundering and terrorist financing and proliferation financing through the trained personnel of Head Office and Branches. The Bank has already subscribed 'Seasearcher' service from Lloyd's List Intelligence for vessel tracking and container tracking in order to appetite trade based money laundering risk.

e) Internal Control & Compliance Risk Management

Internal control is a process that ensures operational efficiency, reliability of financial reporting and compliance with applicable laws, regulations, policies for attainment of organizational objectives. The primary objective of Internal Control and Compliance of Shahjalal Islami Bank Limited (SJIBL) is enabling the Bank to perform better, establish governance across the bank and add value by proper use of infrastructure and blending of available resources.

The Internal Control & Compliance Division (IC&CD) of SJIBL has been set up with the objective to provide independent advice & counselling and value added service to the management & authority of the bank for sustainable business growth by constant improvement of operational efficiency in all segment of performance. In order to carry out the mission, IC&CD of SJIBL is consisted of 03 (three) independent units namely Internal Audit & Inspection Unit, Compliance Unit and Monitoring Unit.

As a guideline in performing the responsibilities, SJIBL has drawn up its own 'Internal Control & Compliance Manual' in conformity to the "Guidelines on Internal Control & Compliance in Banks" provided by Bangladesh Bank. SJIBL has also introduced a separate "Compliance Policy" as per directives of Bangladesh Bank. Both the manual and policy are being reviewed & updated from time to time for betterment & best practices in the industry.

f) Information and Communication Technology Security Risk Management

According to BRPD circular no. 14 dated 23 October 2005 regarding "Guideline on ICT Security for Banks and Non-Bank Financial Institutions", BRPD circular no. 21 dated 20 May 2010 and BRPD circular no. 09 dated 17 September 2015, the Bank has followed IT Security Policy which deals operational risk, physical security control, potential for wide area disaster, data center disaster, recovery plan and backup/restore plan. The customers of SJIBL are enjoying 24 hours Banking facilities through using Internet Banking and Mobile Application with different services like other bank fund transfer, utility bill payment, transfer to Mobile Financial Services (MFSs), etc. In addition, SWIFT, REUTERS, SJIBL Visa Debit Card, SMS Notification Services, Instabalance Call Service etc. facilities are also available. The Bank joined Q-Cash consortium under which ATM and POS services are being offered to its customers to meet the demand of time. Moreover, the Bank is running on technology-based total Banking solution module, i.e., core banking software. The Bank has introduced Agent Banking Services around all over the country targeting unbanked rural people to bring under formal banking services. The Bank formed a separate department named ICT Security Department to deal dedicatedly with ICT and Cyber Threats. In addition to this, up-to-date security solutions have been implemented to ensure confidentiality, integrity and availability of critical business data.

ii. Internal Audit & Inspection

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

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 audit & inspection reports as well as external auditor's reports of the previous year have so far been rectified/regularized properly.

iii. Fraud and Forgeries

The Bank is operating its business by dealing with the public money. As a custodian of such money, the Bank have to set up strong internal control structure, introduce corporate governance, practice ethical standards in the Bank for safeguard & interest of the Stakeholders. Public confidence has been shaken when different types of malpractice, fraud and forgeries occurred in the Bank. Shahjalal Islami Bank 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	12	Income Taxes	Complied
7	16	Property, Plant & Equipment	Complied
8	19	Employee Benefits	Complied
9	20	Accounting for Government Grants and Discloser of Government Assistance	Not Applicable
10	21	The Effects of Changes in Foreign Exchanges Rates	Complied
11	23	Borrowing Costs	Not Applicable
12	24	Related Party Disclosures	Complied
13	26	Accounting and Reporting by Retirement Benefit Plans	Not Applicable
14	27	Consolidated and Separate Financial Statements	Complied

Sl. No.	IAS No.	IAS Title	Compliance Status
15	28	Investment in Associates	Not Applicable
16	33	Earnings per Share	Complied
17	34	Interim Financial Reporting	Complied
18	36	Impairment of Assets	Complied
19	37	Provisions, Contingent Liabilities and Contingent Assets	Complied *
20	38	Intangible Assets	Complied
21	40	Investment Property	Not Applicable
22	41	Agriculture	Not Applicable

Sl. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time Adoption of International Financial Reporting Standards	Not Applicable
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Complied
4	5	Non-current Assets Held for Sale and Discontinued Operations	Complied
5	6	Exploration for and Evaluation of Mineral	Not Applicable
6	7	Financial Instruments: Disclosures	Complied *
7	8	Operating Segments	Complied
8	9	Financial Instruments	Complied *
9	10	Consolidated Financial Statements	Complied
10	11	Joint Arrangements	Not Applicable
11	12	Disclosure of Interests in Other Entities	Not Applicable
12	13	Fair Value Measurement	Complied
13	14	Regulatory Deferral Accounts	Not Applicable
14	15	Revenue from Contracts with Customers	Complied
15	16	Leases	Complied
16	17	Insurance Contracts	Not Applicable

***Subject to departure disclosed in note no. 2.1.**

Standard issued but not yet effective

The following new standards and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted, but the Bank has not early adopted. However, none of these new and amended standards are expected to have a significant impact on the Bank's financial statements.

– IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.

– Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).

– Definition of Accounting Estimates (Amendments to IAS 8).

– Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

– Lease liability in a Sale and Leaseback (Amendments to IFRS 16).

– Classification of Liabilities as Current or Non-current (Amendments to IAS 1).

2.31. Director's Responsibilities on Financial Statement

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards (IASs), The Banking Companies Act, 1991, The Companies Act, 1994, Financial reporting Act, 2015 and other related laws and regulations pertaining to the financial statement.

The Board of Directors accept their responsibility for the preparation and fair presentation of these financial statements.

2.32. Reporting Period

The Financial Statements cover one calendar year from 01 January to 31 December 2022.

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. Operating Environment

The Bank's operating environment during the year ended 2022 were impacted by a number of major global events such as continuation of COVID 19 related disruptions, ongoing Russia-Ukraine conflict, increase in fuel and commodity prices, strengthening of US Dollars, etc. Most of these events also had significant impact on the local economic environment affecting the Bank's operations. From time to time, the Government of Bangladesh and the local Central Bank (Bangladesh Bank) has issued various directives to manage impacts from these events which the Bank has followed. Management on regular basis review and monitor the global and country specific macro-economic situation and consider these issues into the decision making process.

2.36. Date of Authorization

The financial statements were authorized by the Board of Directors on 05 April 2023.

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	31.12.2022 Taka	31.12.2021 Taka
3.	**Consolidated Cash in Hand (including Foreign Currencies)**			
	Shahjalal Islami Bank Ltd.	(Note-3a)	2,399,102,842	1,943,331,636
	Shahjalal Islami Bank Securities Ltd.		-	-
			2,399,102,842	**1,943,331,636**
3a	**Cash in Hand of the Bank (including Foreign Currencies)**			
	In Local Currencies		2,382,419,040	1,933,919,419
	In Foreign Currencies	(Note-3a.1)	16,683,802	9,412,217
			2,399,102,842	**1,943,331,636**
3a.1	**In Foreign Currencies**			

Foreign Currency	Amount in FC	Exchange Rate (Mid Rate)		
USD	156,710.11	103.2970	16,187,684	8,573,032
GBP	-	124.1630	-	400,681
Euro	4,524.99	109.6394	496,118	438,504
			16,683,802	**9,412,217**

4.	**Consolidated Balance with Bangladesh Bank and its agent bank(s)**			
	Shahjalal Islami Bank Ltd.	(Note-4a)	14,924,287,024	12,087,735,744
	Shahjalal Islami Bank Securities Ltd.		-	-
			14,924,287,024	**12,087,735,744**
4a	**Balance with Bangladesh Bank and its agent bank(s) (including Foreign Currencies)**			
	Balance with Bangladesh Bank			
	In Local Currencies		12,073,949,882	10,015,206,320
	In Foreign Currencies		2,634,723,609	1,859,608,174
			14,708,673,491	**11,874,814,494**
	Balance with Sonali Bank Ltd. as agent of Bangladesh Bank			
	In Local Currencies		215,613,533	212,921,250
	In Foreign Currencies		-	-
			215,613,533	**212,921,250**
			14,924,287,024	**12,087,735,744**

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

Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with Section 33 of the Banking Companies Act, 1991 (as amended up to date) and subsequent Circular No. 02 dated 10 December 2013 and MPD Circular No. 03 dated 09 April 2020.

4a.2 Cash Reserve Ratio (CRR): 4.00% of Average Demand and Time Liabilities

Required Reserve	9,741,332,000	8,684,501,000
Actual Reserve held with Bangladesh Bank (in Local Currencies)*	12,158,133,622	9,952,254,666
CRR Surplus	**2,416,801,622**	**1,267,753,666**
Maintained (%)	4.99%	4.58%

*Actual Reserve held with Bangladesh Bank (in Local Currencies) reported as per the statement of Bangladesh Bank.

Minimum requiremetn of Daily Cash Reserve Ratio (CRR) has been maintained throughout the year.

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

Required Reserve		13,452,567,000	11,941,222,000
Actual Reserve held	(Note-4a.4)	31,171,427,996	31,971,676,551
SLR Surplus		**17,718,860,996**	**20,030,454,551**
Maintained (%)		12.74%	14.73%

		Note	31.12.2022 Taka	31.12.2021 Taka
4a.4	**Components of Statutory Liquidity Ratio**			
	Cash in Hand	(Note-3a)	2,399,102,842	1,943,331,636
	Balance with Sonali Bank Ltd. as agent of Bangladesh Bank	(Note-4a)	215,613,533	212,921,250
	Excess CRR	(Note-4a.2)	2,416,801,622	1,267,753,666
	Bangladesh Government Islamic Investment Bond	(Note-7a)	1,000,000,000	13,250,000,000
	Bangladesh Government Investment Sukuk (BGIS)	(Note-7a)	24,639,910,000	14,797,670,000
	Refinance Fund (with Bangladesh Bank)	(Note-6a.1)	500,000,000	500,000,000
			31,171,427,996	**31,971,676,551**
5.	**Consolidated Balance with Other Banks and Financial Institutions**			
	Inside Bangladesh			
	Shahjalal Islami Bank Ltd.	(Note-5a.1)	2,192,462,827	1,993,712,408
	Shahjalal Islami Bank Securities Ltd.		343,641,221	552,337,203
			2,536,104,048	2,546,049,611
	Less: Inter Company Transaction		319,707,359	478,050,762
			2,216,396,689	**2,067,998,849**
	Outside Bangladesh			
	Shahjalal Islami Bank Ltd.	(Note-5a.2)	1,103,127,014	1,029,495,149
	Shahjalal Islami Bank Securities Ltd.		-	-
			1,103,127,014	**1,029,495,149**
			3,319,523,703	**3,097,493,998**
5a	**Balance with Other Banks and Financial Institutions of the Bank**			
	Inside Bangladesh	(Note-5a.1)	2,192,462,827	1,993,712,408
	Outside Bangladesh	(Note-5a.2)	1,103,127,014	1,029,495,149
			3,295,589,841	**3,023,207,557**
5a.1	**Inside Bangladesh**			
	Current Account			
	Sonali Bank Ltd. (other than as agent of Bangladesh Bank)		232,891,294	45,149,933
	National Bank Limited (Narayangonj Branch)		2,834	3,524
	Standard Chartered Bank (Uttara Branch)		20,346,415	16,663,153
	Agrani Bank Limited (Islami Banking Wing)		11,963,186	11,651,576
	Janata Bank Limited (Dinajpur Branch)		-	612
	Offshore Banking Unit		60,249,402	45,646,242
			325,453,131	119,115,040
	Less: Offshore Banking Unit		60,249,402	45,646,242
			265,203,729	**73,468,799**
	Mudaraba Special Notice Deposit			
	Export Import Bank of Bangladesh Limited		23,423,460	78,543,733
	Trust Bank Limited (Dilkusha Corporate Branch)		14,921,577	23,369,632
	Prime Bank Limited (Islami Banking Branch)		1,001,041,150	733,870
	Social Islami Bank Limited		12,838,172	5,577,298
	Agrani Bank Limited (Islami Banking Wing)		249,774,582	578,894,705
	AB Bank Limited (Islami Banking Branch)		25,594	25,745
	Jamuna Bank Limited (Naya Bazar Islami Banking Branch)		544,871	478,367
	Bank Alfalah (Islami Banking Branch)		2,759,330	2,760,961
	Al-Arafah Islami Bank Limited		14,901,571	887,919,086
	Southeast Bank Limited (Islami Banking Branch)		18,126,028	7,561,690
	The City Bank Limited (Islamic Banking Branch)		5,759,614	1,224,050
	Islami Bank Bangladesh Limited		6,127,902	83,017,951
	Mercantile Bank Limited (Islami Wing Main Branch)		96,845	98,725
	Premier Bank Limited (Mohakhali Branch-Islami Banking Wing)		57,619	250,000,000

	Note	31.12.2022 Taka	31.12.2021 Taka
Dhaka Bank Limited (Islami Banking Branch)		509,143,194	-
Midland Bank Limited (Gulshan Branch)		8,515,175	-
United Commercial Bank Limited (Islami Banking Branch)		50,251,507	-
Mutual Trust Bank Limited (Gulshan Branch)		8,908,800	-
		1,927,216,989	**1,920,205,814**
Mudaraba Savings Deposit			
Social Islami Bank Limited		13,052	8,771
Al-Arafah Islami Bank Limited		14,903	14,871
Islami Bank Bangladesh Limited		14,154	14,154
		42,109	**37,795**
		2,192,462,827	**1,993,712,408**

5a.2 Outside Bangladesh (Nostro Accounts) [as at 31 December 2022]

Current Account	Currency	F.C. Amount	Rate	Amount in Taka
Standard Chartered Bank, NY	USD	417,823.14	103.2970	43,159,877
Mashreq Bank psc, NY	USD	258,990.42	103.2970	26,752,933
Standard Chartered Bank, Mumbai	USD	222,198.53	103.2970	22,952,442
Habib American Bank, USA	USD	595,701.28	103.2970	61,534,155
ICICI Bank, Hong Kong	USD	30,864.31	103.2970	3,188,191
WACHOVIA BANK, NY, USA	USD	2,915,672.46	103.2970	301,180,218
Commerzbank AG Frankfrut	USD	214,960.23	103.2970	22,204,747
Bank Aljazira	USD	770.80	103.2970	79,621
JPMorgan Chase Bank N.A., NY, USA	USD	49,629.90	103.2970	5,126,620
Citibank N.A., NY, USA	USD	48,038.63	103.2970	4,962,246
AB Bank Ltd. Mumbai	ACUD	45,804.14	103.2970	4,731,430
Standard Chartered Bank, Mumbai	ACUD	1,800,343.02	103.2970	185,970,033
Standard Chartered Bank, Colombo	ACUD	33,640.75	103.2970	3,474,989
ICICI Bank, Mumbai	ACUD	319,155.01	103.2970	32,967,755
Habib Metropoliton Bank Ltd.	ACUD	55,410.28	103.2970	5,723,716
United Bank of India, Kolkata	ACUD	6,309.20	103.2970	651,721
Sonali Bank Ltd. ACU, Kolkata	ACUD	104,684.31	103.2970	10,813,575
Bank of Bhutan Ltd. Main Branch	ACUD	22,144.86	103.2970	2,287,498
AXIS Bank Ltd. India	ACUD	39,090.21	103.2970	4,037,901
MCB Bank Limited	ACUD	48,895.46	103.2970	5,050,754
HDFC Bank Ltd., Mumbai	ACUD	41,620.00	103.2970	4,299,221
Nabil Bank Limited, Khathmandu, Nepal	ACUD	4,578.19	103.2970	472,913
Standard Chartered Bank, Frankfurt	EURO	1,015,780.50	109.6394	111,369,565
COMMERZBANK AG	EURO	418,178.23	109.6394	45,848,810
Wells Fargo Bank, N. A. London, UK	EURO	1,153,631.55	109.6394	126,483,471
JPMorgan Chase AG, Frankfurt	EURO	497,812.98	109.6394	54,579,916
Standard Chartered Bank,Tokyo	YEN	351,766.00	0.7683	270,262
Habib Bank AG Zurich	CHF	2,688.88	111.2509	299,140
ICICI Bank, Canada	CAD	24,019.23	75.9369	1,823,946
Bank Aljazira, KSA	SAR	39,468.23	27.5019	1,085,451
Riyad Bank, KSA	SAR	41,966.28	27.5019	1,154,152
Standard Chartered Bank, London	GBP	17,770.12	124.1630	2,206,391
JPMorgan Chase Bank N.A., London	GBP	2,793.79	124.1630	346,885
MASHREQBANK PSC. UAE	AED	135,082.24	28.1279	3,799,580
Emirates Islamic Bank PJSC, Dubai	AED	37,000.00	28.1279	1,040,732
Standard Chartered Bank, China	CNY	80,797.74	14.8043	1,196,154
				1,103,127,014

Currency-wise Distribution:

Foreign Currency	Amount in Taka	Composition
USD	491,141,050	44.52%
ACUD	260,481,507	23.61%
EURO	338,281,762	30.67%
YEN	270,262	0.02%
CHF	299,140	0.03%
CAD	1,823,946	0.17%
SAR	2,239,604	0.20%
GBP	2,553,277	0.23%
AED	4,840,312	0.44%
CNY	1,196,154	0.11%
	1,103,127,014	**100%**

Please see **Annexure-C** for detailed comparative statement of 2022 & 2021 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 2022 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 2022

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	9	1,359,364	279	8,787,742	18	1,203,402	391	22,184,753
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		-		-		-		-
	9	**1,359,364**	**279**	**8,787,742**	**18**	**1,203,402**	**391**	**22,184,753**

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**

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

On Demand	265,207,518.68	73,472,200
Not more than 03 months	3,030,382,322	2,949,735,357
More than 03 months but less than 01 year	-	-
More than 01 year but less than 05 years	-	-
More than 05 years	-	-
	3,295,589,841	**3,023,207,557**

		Note	31.12.2022 Taka	31.12.2021 Taka
6.	**Consolidated Placement with Other Banks & Financial Institutions**			
	Shahjalal Islami Bank Ltd.	(Note-6a)	21,276,957,716	18,514,593,291
	Shahjalal Islami Bank Securities Ltd.		-	-
			21,276,957,716	18,514,593,291
	Less: Inter Company Transaction		-	-
			21,276,957,716	**18,514,593,291**
6a	**Placement with Other Banks & Financial Institutions of the Bank**			
	Placement with Other Banks	(Note-6a.1)	19,221,957,716	11,094,593,291
	Placement with Financial Institutions	(Note-6a.2)	2,055,000,000	7,420,000,000
			21,276,957,716	**18,514,593,291**
6a.1	**Placement with other Banks**			
	Mudaraba Term Deposits-Other Banks			
	ICB Islamic Bank Limited		311,017,716	311,193,291
	Export Import Bank of Bangladesh Limited		3,750,000,000	3,200,000,000
	Bangladesh Bank (Refinance Fund)		500,000,000	500,000,000
	Al-Arafah Islami Bank Limited		5,965,940,000	1,272,750,000
	Social Islami Bank Limited		2,695,000,000	1,000,000,000
	Agrani Bank Limited (Islami Banking Wing)		1,800,000,000	1,100,000,000
	Jamuna Bank Ltd (Islami Banking Branch)		1,500,000,000	-
	Midland Bank Ltd		300,000,000	-
	Pubali Bank Ltd (Islami Banking Wing)		1,400,000,000	-
	ONE Bank Ltd (Islami Banking Branch)		500,000,000	-
	Standard Bank Limited		500,000,000	424,250,000
	Dhaka Bank Limited (Islami Banking Wing)		-	2,098,500,000
	South East Bank Limited		-	339,400,000
	Mercantile Bank Limited		-	848,500,000
			19,221,957,716	**11,094,593,291**
6a.2	**Placement with Financial Institutions**			
	Mudaraba Term Deposits-Financial Institutions			
	Lanka Bangla Finance Limited		500,000,000	1,050,000,000
	Industrial and Infrastructure Development Finance Company Limited		135,000,000	650,000,000
	Union Capital Limited		250,000,000	250,000,000
	Phoenix Finance & Investments Limited		370,000,000	370,000,000
	Premier Leasing International Limited		300,000,000	300,000,000
	IDLC Finance Limited		500,000,000	500,000,000
	IPDC Finance Limited		-	1,500,000,000
	Delta Brac Housing Finance Corporation Limited		-	2,500,000,000
	National Housing & Finance Limited		-	300,000,000
			2,055,000,000	7,420,000,000
			21,276,957,716	**18,514,593,291**
6a.3	**Maturity-wise groupings of Placement with Other Banks and Financial Institutions**			
	On Demand		-	-
	Not more than 03 months		20,965,940,000	17,653,400,000
	More than 03 months but not more than 01 year		-	-
	More than 01 year but not more than 05 years		311,017,716	861,193,291
	More than 05 years		-	-
			21,276,957,716	**18,514,593,291**

		Note	31.12.2022 Taka	31.12.2021 Taka
7.	**Consolidated Investments in Shares & Securities**			
	Government			
	Shahjalal Islami Bank Ltd.	(Note-7a.i)	25,639,910,000	28,047,670,000
	Shahjalal Islami Bank Securities Ltd.		-	-
			25,639,910,000	**28,047,670,000**
	Others			
	Shahjalal Islami Bank Ltd.	(Note-7a.ii)	7,846,594,135	8,219,932,088
	Shahjalal Islami Bank Securities Ltd.		2,139,518,584	2,070,124,315
			9,986,112,719	10,290,056,403
			35,626,022,719	**38,337,726,403**
7a	**Investments in Shares & Securities of the Bank**			
	i) Government			
	Bangladesh Government Islamic Investment Bond (BGIIB)	(Note-7a.2)	1,000,000,000	13,250,000,000
	Bangladesh Government Investment Sukuk (BGIS)	(Note-7a.3)	24,639,910,000	14,797,670,000
			25,639,910,000	28,047,670,000
	ii) Others			
	Mudaraba Perpetual Bond	(Note-7a.4)	1,527,284,492	1,527,483,542
	Mudaraba Subordinated Bond	(Note-7a.5)	2,980,000,000	3,400,000,000
	Beximco Green Sukuk Al Istisna'a		903,029,100	1,000,000,000
	Investments in Shares & Securities	(Note-7a.6)	2,436,280,544	2,292,448,546
			7,846,594,135	8,219,932,088
			33,486,504,135	**36,267,602,088**
7a.1	**Maturity-wise groupings of Investments in Shares & Securities**			
	On Demand		-	-
	Not more than 03 months		1,000,000,000	9,250,000,000
	More than 03 months but less than 01 year		5,366,594,135	9,239,932,088
	More than 01 year but less than 05 years		27,119,910,000	17,377,670,000
	More than 05 years		-	400,000,000
			33,486,504,135	**36,267,602,088**

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 (iv) in April 2022 Tk. 984.22 crore (Taka nine hundred eighty four crore and twety two lac only) fixed rental rate @4.75% per annum.

7a.4	**Mudaraba Perpetual Bond**		
Islami Bank Bangladesh Ltd.		1,077,284,492	1,077,483,542
Al-Arafah Islami Bank Ltd.		450,000,000	450,000,000
		1,527,284,492	**1,527,483,542**

		Note	31.12.2022 Taka	31.12.2021 Taka
7a.5	**Mudaraba Subordinated Bond**			
	SIBL Mudarabah Subordinated Bond		100,000,000	200,000,000
	IBBL Mudaraba Subordinated Bond		400,000,000	600,000,000
	IBBL 3rd Mudaraba Subordinated Bond		1,480,000,000	1,600,000,000
	AIBL 3rd Mudaraba Subordinated Bond		1,000,000,000	1,000,000,000
			2,980,000,000	**3,400,000,000**
7a.6	**Investments in Shares & Securities (at cost)**			
	Quoted			
	The ACME Laboratories Limited		29,077,594	22,850,371
	Active Fine Chemicals Ltd.		60,709,192	50,768,200
	Aftab Automobiles Limited		72,694,437	72,694,438
	AIBL 1st Islamic Mutual Fund		72,762,501	72,760,670
	Dhaka Electric Supply Company Ltd.		125,754,826	125,911,056
	Export Import Bank of Bangladesh Limited		158,148,898	132,329,640
	Generation Next Fashions Limited		25,741,813	25,741,814
	Meghna Petroleum Limited		133,872,759	101,861,109
	RAK Ceramics (Bangladesh) Limited		49,814,878	52,821,755
	Square Textile Ltd.		82,481,825	42,041,896
	The Dacca Dyeing & Mfg. Co. Limited		102,948,339	110,968,750
	Titas Gas Transmission and Distribution Co. Ltd.		240,881,514	193,241,054
	Prime Islami Life Insurance Ltd.		55,501,667	13,936,568
	Singer Bangladesh Limited		88,910,881	72,735,184
	Olympic Industries Ltd.		37,182,109	5,627,022
	Square Pharmaceuticals Ltd.		157,304,920	128,941,716
	The IBN SINA Pharmaceutical Industry Ltd.		31,346,168	38,087,484
	MJL Bangladesh Limited		86,720,740	86,720,740
	Silva Pharmaceuticals Limited		48,788,156	31,768,758
	Robi Axiata Limited		142,756,117	142,756,117
	Linde Bangladesh Ltd.		75,143,517	19,981,907
	Power Grid Company of Bangladesh Ltd.		123,322,659	30,831,580
	Lub-rref (Bangladesh) Limited		69,212,179	42,281,896
	Mir Akhter Hossain Limited		76,305,125	55,081,388
	ACI Limited		44,635,402	59,835,403
	ACI Formulations Limited		51,172,892	-
	Agni Systems Ltd.		23,470,246	-
	Grameenphone Ltd.		9,177,813	-
	Apex Tannery Limited		13,619,478	-
	BSRM Steels Limited		6,666,609	-
	Crown Cement PLC.		33,424,707	-
	Energypac Power Generation Limited		29,171,775	-
	Global Islami Bank Limited		13,173,670	-
	Islami Commercial Insurance Company Limited		87,980	-
	IFAD Autos Limited		24,142,177	-
	Union Bank Limited		25,711,347	-
	Apex Footwear Limited		-	18,699,764
	Bangladesh Steel Re-Rolling Mills Limited		-	25,845,335
	Eastern Housing Limited		-	205,738,580

	Note	31.12.2022 Taka	31.12.2021 Taka
Fareast Islami Life Insurance Co. Ltd.		-	65,297,782
M.I. Cement Factory Ltd.		-	31,871,607
Metro Spinning Mills Limited		-	54,315,162
Unique Hotel and Resorts Ltd.		-	20,091,892
Bashundhara Paper Mills Limited		-	26,119,683
Krishibid Feed Limited		-	865,260
Al-Arafah Islami Bank Ltd.		-	29,602,959
Islami Bank Bangladesh Limited		-	44,936,869
i) Total		**2,421,836,907**	**2,255,961,410**
Un-Quoted			
Lanka Bangla Securities Ltd.		5,000,000	5,000,000
Investment A/C - SWIFT Membership Share		9,443,636	9,443,636
Union Bank Limited		-	21,403,000
BD Thai Food & Beverage Limited		-	640,500
ii) Total		14,443,636	36,487,136
Grand Total		**2,436,280,543**	**2,292,448,546**

Please see **Annexure-A** for details regarding unrealised gain/(loss) and provision.

8. Consolidated Investments

Shahjalal Islami Bank Ltd.	(Note-8a)	220,328,259,077	198,607,299,997
Shahjalal Islami Bank Securities Ltd.		4,892,987,792	4,855,652,531
		225,221,246,870	203,462,952,528
Less: Inter Company Transaction		2,260,530,757	2,241,959,513
		222,960,716,113	**201,220,993,015**
Bills Purchased and Discounted			
Shahjalal Islami Bank Ltd.	(Note-8a)	16,901,718,515	17,979,284,002
Shahjalal Islami Bank Securities Ltd.		-	-
		16,901,718,515	17,979,284,002
		239,862,434,627	**219,200,277,017**

8a Investments of the Bank

Country-wise Classification of Investments:

Inside Bangladesh			
Gross Murabaha, Bai-Muajjal etc.		227,474,272,633	206,187,088,993
Less: Profit receivable on Murabaha, Bai-Muajjal etc. (Mark-up profit or unearned income)		7,146,013,556	7,579,788,996
Net Murabaha, Bai-Muajjal etc.		**220,328,259,077**	**198,607,299,997**
Net Bills Purchased and Discounted	(Note-8a.2)	16,901,718,515	17,979,284,002
Outside Bangladesh		-	-
		237,229,977,592	**216,586,583,999**

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	297	78%	297	100%
Total Files	**381**		**297**	

* BRPD Circular Letter # 04: Regarding the collection of audited financial statements and statutory audit report for sanctioned/renewed investments.

** BRPD Circular Letter # 35: Regarding the verification of audited financial statements through Document Verification System (DVS) developed by ICAB.

		Note	31.12.2022 Taka	31.12.2021 Taka
8a.1	**Maturity-wise Classification of Investments**			
	With a residual maturity of:			
	Re-payable on Demand		54,562,894,846	44,341,512,186
	Not more than 03 months		49,818,295,294	61,797,340,036
	Over 03 months but not more than 01 year		54,562,894,846	89,905,880,569
	Over 01 year but not more than 05 years		26,095,297,535	17,142,115,468
	Over 05 years		52,190,595,070	3,399,735,740
			237,229,977,592	**216,586,583,999**
8a.2	**Bills Purchased and Discounted**			
	Payable inside Bangladesh		4,555,763,536	4,279,558,652
	Payable outside Bangladesh		12,657,424,310	14,001,667,445
	Gross Bills Purchased and Discounted		17,213,187,847	18,281,226,097
	Less: Profit receivable on Bills Purchased and Discounted		311,469,332	301,942,095
	Net Bills Purchased and Discounted		**16,901,718,515**	**17,979,284,002**
8a.3	**Maturity-wise Classification of Bills Purchased and Discounted**			
	Re-payable:			
	Within 01 month		3,459,781,780	3,680,359,435
	Over 01 month but less than 03 months		4,822,060,292	5,129,489,726
	Over 03 months but less than 06 months		3,508,796,764	3,732,499,359
	06 months or more		5,111,079,679	5,436,935,482
			16,901,718,515	**17,979,284,002**
8a.4	**Investments on the basis of significant concentration**			
	Investments to allied concern of Directors	(Note-53.5)	2,712,444,495	2,684,321,800
	Investments to Executives/Officers		2,224,379,061	2,013,480,269
	Investments to Customer Groups		83,125,746,944	84,154,894,572
	Industrial Investments		149,167,149,386	127,733,630,426
	Others		257,706	256,931
			237,229,977,592	**216,586,583,999**

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	:	107,761.41 million	98,065.51 million
Number of such types of customers	:	23	20
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. 3,406.45 million which is computed @ 10% and above of total capital of the bank, i.e. Tk. 3,4064.48 million (Note-17.5.c) as at 31 December 2022.

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

8a.5 Sector-wise Classification of Investments

Sector	As at 31 December 2022		As at 31 December 2021	
	Amount	Composition	Amount	Composition
Agriculture & Fishing	3,750,070,867	1.58%	3,745,300,000	1.73%
Cotton & Textile	19,698,236,300	8.30%	15,986,252,326	7.38%
Garments	53,779,166,142	22.67%	48,795,252,329	22.53%
Cement	1,973,238,650	0.83%	1,377,204,327	0.64%
Pharmaceuticals & Chemicals	7,198,057,346	3.03%	5,765,427,211	2.66%
Real Estate	8,303,793,964	3.50%	7,861,742,082	3.63%
Transport	3,064,912,499	1.29%	3,612,697,161	1.67%
Information Technology	700,689,623	0.30%	785,682,273	0.36%

Sector	As at 31 December 2022		As at 31 December 2021	
	Amount	Composition	Amount	Composition
Non Banking Financial Institutions	1,439,455,629	0.61%	1,049,270,234	0.48%
Steel & Engineering	8,403,069,265	3.54%	7,861,742,082	3.63%
Food Processing & Beverage	17,157,443,728	7.23%	13,394,922,486	6.18%
Power & Energy	7,780,171,632	3.28%	5,718,061,127	2.64%
Paper & Paper Products	1,743,874,720	0.74%	2,128,663,687	0.98%
Plastic & Plastic Product	7,206,031,728	3.04%	6,299,677,023	2.91%
Electronics	9,527,940,996	4.02%	6,650,416,932	3.07%
Services Industries	7,935,089,101	3.34%	7,314,961,280	3.38%
Trading	32,884,014,916	13.86%	30,870,690,066	14.25%
Construction incl. Work Order Financing	19,053,683,321	8.03%	21,190,235,269	9.78%
Share business	2,369,005,756	1.00%	2,388,413,151	1.10%
Staff Investment	2,224,379,061	0.94%	2,013,480,269	0.93%
Others	21,037,652,348	8.87%	21,776,492,686	10.05%
Total	**237,229,977,592**	**100.00%**	**216,586,583,999**	**100.00%**

Incompliance with Bangladesh Bank SMESPD circular No.-05 dated 14 August 2022; CMSME Cluster Financing position are as follow:

Cluster's Category	Outstanding as on 31.12.2022
Agro/Food processing and Agri Machinery Manufacturing Clusters	176,858,000
Ready Made Garments (RMG), Knitwear, Designe & Personal Wear Clusters	987,035,000
ICT Clusters	-
Leather & Leather goods Clusters	8,500,000
Light Engineering Clusters	152,251,000
Jute & Jute products Cluster	6,500,000
Total	**1,331,144,000**

8a.6 Geographical Location-wise Investments

Area	As at 31 December 2022		As at 31 December 2021	
	Amount in Taka	Composition	Amount in Taka	Composition
i) Inside Bangladesh				
a. In Urban Areas				
Dhaka	180,721,421,428	78.00%	160,485,479,863	77.92%
Chattogram	33,181,120,652	14.32%	29,601,629,063	14.37%
Sylhet	1,860,252,031	0.80%	2,168,082,454	1.05%
Rajshahi	4,972,513,864	2.15%	4,939,003,409	2.40%
Rangpur	2,313,755,717	1.00%	1,443,032,912	0.70%
Khulna	6,483,350,950	2.80%	5,357,801,659	2.60%
Barishal	858,564,534	0.37%	555,135,633	0.27%
Mymensingh	1,316,819,936	0.57%	1,418,508,441	0.69%
Sub-total	**231,707,799,111**	**100%**	**205,968,673,434**	**100%**

Area	As at 31 December 2022		As at 31 December 2021	
	Amount in Taka	Composition	Amount in Taka	Composition
b. In Rural Areas				
Dhaka	4,041,266,489	73.18%	7,011,138,447	66.03%
Chattogram	794,078,281	14.38%	1,444,088,800	13.60%
Sylhet	178,493,944	3.23%	241,928,581	2.28%
Rajshahi	100,589,164	1.82%	559,804,389	5.27%
Khulna	94,992,096	1.72%	786,973,605	7.41%
Barishal	96,574,816	1.75%	376,641,467	3.55%
Mymensingh	216,183,692	3.91%	197,335,275	1.86%
Sub-total	**5,522,178,481**	**100%**	**10,617,910,565**	**100%**
ii) Outside Bangladesh	**-**	**-**	**-**	**-**
Total	**237,229,977,592**	**100%**	**216,586,583,999**	**100%**

		31.12.2022 Taka	31.12.2021 Taka

8a.7 Mode-wise Investments

Mode of Investment	Amount in Taka	Amount in Taka
Bai-Murabaha	12,959,610,066	9,336,514,649
Bai-Muajjal	101,324,554,561	100,091,286,727
Hire Purchase Under Shirkatul Melk	61,879,107,507	51,205,439,045
Ijara	1,539,262,884	1,779,525,158
Bai-Salam	6,675,877,286	5,190,002,694
Mudaraba Import Bills	12,596,679,940	13,582,710,813
EDF/Murabaha Foreign Currency Investment	34,623,526,812	28,182,486,663
Quard	843,569,533	2,481,970,929
IDBP	3,966,116,176	4,003,734,897
FDBP	338,922,398	392,838,293
Islamic Credit Card Investment	482,750,428	340,074,133
Total	**237,229,977,592**	**216,586,583,999**

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

Status	As at 31 December 2022		As at 31 December 2021	
	Amount in Taka	Composition	Amount in Taka	Composition
Unclassified:				
Standard (including Staff Investment)	222,746,444,156	93.89%	203,649,935,063	94.03%
Special Mention Account (SMA)	3,150,706,866	1.33%	3,367,804,586	1.55%
Sub-total	**225,897,151,022**		**207,017,739,650**	
Classified				
Substandard	1,661,805,535	0.70%	96,297,819	0.04%
Doubtful	85,784,354	0.04%	36,771,435	0.02%
Bad or Loss	9,585,236,681	4.04%	9,435,775,095	4.36%
Sub-total	**11,332,826,570**		**9,568,844,349**	
Grand Total	**237,229,977,592**	**100.00%**	**216,586,583,999**	**100.00%**

8a.9 Particulars of Provision for Investments

Status	Basis for Provision	Rate	31.12.2022 Taka	31.12.2021 Taka
Standard:				
Unclassified (excluding Staff Investments)	153,402,800,873	1% (ex. RSDL BB NOC)	1,534,028,008.73	1,313,217,504
Staff Investments	2,224,379,061	0%	-	-
Consumer Financing (other than HF & LP)	943,536,471	2%	18,870,729	20,191,714
Small & Medium Enterprise	60,476,151,205	0.25%	151,190,378	160,330,101
Housing Finance (HF)	3,032,913,368	1%	30,329,134	26,726,781
Loan for Professionals (LP)	2,743,856	2%	54,877	43,237
Share Business	2,260,530,756	2%	45,210,615	44,838,490
Short Term Agri Credit	20,244,333	1%	202,443	1,032
Islamic Credit Card	396,564,191	2%	7,931,284	5,249,709
SMA	3,150,706,866		13,876,999	18,985,432
Special General Provision for "COVID-19"			459,101,622	504,014,799
Special Reschedule & One Time Exit			308,837,303	324,518,201
			2,569,633,394	**2,418,117,000**

Status	Basis for Provision	Rate	31.12.2022 Taka	31.12.2021 Taka
Sub-standard	875,215,851	20% & 5% (Agri, Cottage & Micro Credit)	170,554,544	2,262,714
Doubtful	24,228,374	50%; 20% (Cottage & Micro Credit) & 5% (Agri)	10,950,452	2,037,034
Bad or Loss	2,608,594,351	100%	2,608,594,351	2,316,867,808
Reschedule (BB NOC)			760,037,104	753,949,444
3rd and above time Reschedule			251,774,055	-
			3,801,910,507	**3,075,117,000**
Required Provision for Investments			**6,371,543,901**	**5,493,234,000**
Total Provision Maintained {note-15a.1(a) & (b)}			6,589,273,726	5,493,957,256
Surplus/(Shortfall) Provision			**217,729,826**	**723,256**

The Bank has maintained provision on unclassified investments amounting to Tk. 2,661,740,096 (note-15a.1.b) and for classified investments amounting to Tk. 3,927,533,630 (note-15a.1.a), totaling Tk. 6,589,273,726. These exist surplus of Tk. 217,729,826 against the required provision.

	31.12.2022 Taka	31.12.2021 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	39,723,122,024	397,231,220	395,700,184
Letters of Guarantee	31,316,699,877	313,166,999	319,041,286
Irrevocable Letters of Credit	44,418,370,950	444,183,710	640,747,429
Bills for collection	33,967,076	339,671	418,650
Required provision for Off-balance Sheet Items	**115,492,159,927**	**1,154,921,599**	**1,355,907,549**
Provision maintained {note-15a.1(c)}		1,356,200,000	1,356,200,000
Surplus Provision		**201,278,401**	**292,451**

8a.11 **Particulars of Investments**

(i)	Investments considered good in respect of which the banking company is fully secured	193,773,370,642	177,822,811,122
(ii)	Investments considered good for which the banking company holds no other security than the debtor's personal security	37,861,904,424	34,567,218,806
(iii)	Investments considered good and secured by personal security of one or more parties in addition to the personal security of the debtors	5,594,702,527	4,196,554,070
(iv)	Investments considered bad or doubtful not provided for	-	-
		237,229,977,592	**216,586,583,999**
v)	Investments due by directors or officers of the banking company or any of them either severally or jointly with any other person	2,224,379,061	2,013,480,269
(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).	**2,712,444,495**	**2,684,321,800**
(vii)	Maximum total amount of investments, including temporary investments made at any time during the period to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons.	**2,224,379,061**	**2,013,480,269**
(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	**2,712,444,495**	**2,684,321,800**

		Note	31.12.2022 Taka	31.12.2021 Taka
(ix)	Investments due from other Banks		-	-
(x)	Classified Investment on which profit has not been charged		**11,332,826,570**	**9,568,844,349**
a.	Movement of Classified Investments:			
	Opening Balance		9,568,844,349	8,973,476,102
	Increase/(decrease) during the year		1,763,982,220	595,368,247
			11,332,826,570	**9,568,844,349**
	i) (Decrease)/increase of specific provision		**852,414,374**	**(364,942,562)**
	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		**66,934,374**	**31,809,277**
b.	Amount of provision kept against classified Investment as Bad or Loss on the reporting day of Balance Sheet		**3,927,533,630**	**3,075,119,256**
c.	Amount of profit charged in suspense account		**5,750,464,749**	**4,640,949,483**
(xi)	Cumulative amount of written-off Investments			
	Opening Balance		5,793,611,471	4,656,906,702
	Amount written-off during the year		-	1,136,704,769
			5,793,611,471	**5,793,611,471**
9.	**Consolidated Fixed Assets including Premises, Furniture and Fixtures**			
	Cost			
	Shahjalal Islami Bank Ltd.	(Note-9a)	7,869,223,133	7,206,268,611
	Shahjalal Islami Bank Securities Ltd.		246,969,082	232,886,248
			8,116,192,215	**7,439,154,859**
	Accumulated Depreciation			
	Shahjalal Islami Bank Ltd.	(Note-9a)	2,596,560,659	2,128,942,552
	Shahjalal Islami Bank Securities Ltd.		105,685,757	83,436,387
			2,702,246,416	2,212,378,939
	Written Down Value		**5,413,945,799**	**5,226,775,920**
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		1,208,748,919	1,132,828,486
	Office Equipment		781,386,436	756,215,635
	Computer & Network Equipment		708,831,394	658,021,418
	Vehicles		129,909,231	136,169,606
	Right of Use Assets as per IFRS-16*		2,095,664,041	1,589,518,428
	Books		1,042,667	1,042,667
			7,696,293,315	**7,044,506,868**
	Less:			
	Accumulated depreciation		2,447,229,475	1,985,240,815
	Written Down Value		**5,249,063,840**	**5,059,266,053**
	Intangible Assets:			
	Cost			
	Software-Core Banking		62,615,431	62,615,431
	Software-Others		110,314,387	99,146,312
			172,929,818	**161,761,743**

		Note	31.12.2022 Taka	31.12.2021 Taka
	Less:			
	Amortization		149,331,184	143,701,736
	Written Down Value		**23,598,634**	**18,060,006**
	Total Written Down Value		**5,272,662,474**	**5,077,326,059**

*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)	21,844,875,177	20,141,811,136
Shahjalal Islami Bank Securities Ltd.		486,573,364	434,734,112
		22,331,448,541	20,576,545,248
Less: Inter Company Transaction		2,515,000,000	2,515,000,000
		19,816,448,541	**18,061,545,248**

10.1 Consolidated Advance Tax

Shahjalal Islami Bank Ltd.	(Note-10a.4)	17,325,070,828	16,597,308,766
Shahjalal Islami Bank Securities Ltd.		451,921,114	409,543,904
		17,776,991,942	**17,006,852,670**

10a Other Assets of the Bank

Income Generating:			
Shahjalal Islami Bank Securities Ltd.	(Note-10a.3)	2,515,000,000	2,515,000,000
Sub-total		**2,515,000,000**	**2,515,000,000**
Non-Income Generating:			
Stock of Stationery, Stamps and printing materials etc. (valued at cost)		32,352,408	24,202,678
Advance Rent and Security Deposit		42,794,922	36,005,658
Suspense Account	(Note-10a.1)	476,794,286	139,151,408
Profit Receivable	(Note-10a.2)	1,083,252,168	699,031,297
Other Prepayments		133,509,156	100,954,213
Advance Insurance Premium		58,852	26,680
Advance for New Branches		3,600,000	-
Advance Tax Paid	(Note-10a.4)	17,325,070,828	16,597,308,766
Other Receivables		3,034,667	3,181,647
SJIBL General Account-Net	(Note-10a.5)	229,407,891	26,948,790
Balance with OBU		10,031,884,419	9,958,934,700
		29,361,759,597	27,585,745,836
Less: Offshore Banking Unit		10,031,884,419	9,958,934,700
Sub-total		**19,329,875,177**	**17,626,811,136**
Grand Total		**21,844,875,177**	**20,141,811,136**

10a.1 Suspense Account

Sundry Debtors	28,756,970	31,817,912
Excise Duty on MTDR	28,521,261	24,772,141
Advance against TA/DA	9,600	1,000
Advance against Petty Cash	530,000	479,000
Cash Remittance	92,010,000	17,825,000
Law Charges	63,089,279	58,772,710
Stamp	282,450	534,220
Others	263,594,727	4,949,425
	476,794,286	**139,151,408**

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	11,424	3,026	11,630	-	2,677
2	Advance against TA/DA	10	-	-	-	-
3	Advance against Petty Cash	530	-	-	-	-
4	Cash Remittance	92,010				
5	Legal Expenses	5,514	3,159	2,212	2,003	50,201
6	Others	280,805	3,651	1,263	2,120	4,559
	Grand Total	**390,293**	**9,836**	**15,105**	**4,123**	**57,437**

		31.12.2022 Taka	31.12.2021 Taka
10a.2	**Profit Receivable**		
	Placement to Other Banks-MTDR	178,935,535	53,148,313
	Placement to Financial Institutions-MTDR	16,638,333	40,980,972
	Profit on Investment against MSD	375,878	376,118
	On Investments	887,302,422	604,525,894
		1,083,252,168	**699,031,297**

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.

10a.4	**Advance Tax Paid**		
	Balance at the beginning of the year	16,597,308,766	14,797,808,219
	Ajdustment for final Settlement	(1,460,862,131)	-
	Paid during the year	2,188,624,194	1,799,500,546
		17,325,070,828	**16,597,308,766**

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	719	271,217,728	241	41,809,838
Over 3 Months but within 6 months	-	-	-	-
Over 6 Months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
	719	**271,217,728**	**241**	**41,809,838**
Net unreconciled amount				**229,407,891**

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	31.12.2022 Taka	31.12.2021 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: Pahartali. Carrying value of which was BDT 356.81 Lac (Market Value). Entitlement Date: 05 November 2017"	31,468,345	31,468,345
iv.	Md. Mehedul Islam	"i) 04 (four) decimals land situated at Dinajpur, Kotwali, Mouza: Majipara ii) 13 (thirteen) decimals land situated at Dinajpur, Fulbari, Mouza: Rashidpur. Carrying value of which was BDT 48.50 Lac (Market Value). Entitlement Date: 04 April 2017"	3,380,238	3,380,238
v.	Sohel Enterprise	"i) 08 (eight) decimals land situated at Rangpur, Kotwali, Mouza: Taluk Dharmadash ii) 4 (four) decimals land situated at Rangpur, Kotwali, Mouza: Alamnagar iii) 3 (three) decimals land situated at Rangpur, Kotwali, Mouza: Taluk Dharmadash. Carrying value of which was BDT 34.50 Lac (Market Value). Entitlement Date: 29 November 2017"	2,981,804	2,981,804
		Total	**88,909,355**	**88,909,355**

		Note	31.12.2022 Taka	31.12.2021 Taka
12.	**Consolidated Placement from other Banks & Financial Institutions**			
	Shahjalal Islami Bank Ltd.	(Note-12a)	42,036,645,204	32,436,452,822
	Shahjalal Islami Bank Securities Ltd.		2,523,473,895	2,506,519,665
			44,560,119,099	34,942,972,487
	Less: Inter Company Transaction		2,260,530,757	2,241,959,513
			42,299,588,342	**32,701,012,974**
12a	**Placement from other Banks & Financial Institutions of the Bank**			
	Export Development Fund - Bangladesh Bank		31,463,988,138	24,564,754,416
	Financial Stimulus Fund - Bangladesh Bank		4,703,822,926	2,360,288,256
	Foreign Currency Deposit (FSSP BB USD) - Bangladesh Bank		5,512,056	20,210,150
	Mudaraba Term Deposit from other Banks	(Note-12a.1)	4,955,673,575	5,491,200,000

		Note	31.12.2022 Taka	31.12.2021 Taka
	Islamic Refinance Fund - Bangladesh Bank		3,726,633	-
	Bangladesh Bank Refinance (Bai Salam)		761,665,000	-
	Bangladesh Bank Refinance (TDF)		79,456,875	-
	Bangladesh Bank Refinance (BMMFLIPSB)		2,400,000	-
	IsDB's SPRP For Covid-19		25,500,000	-
	SME Foundation Refinance Scheme		11,900,000	-
	Bangladesh Bank Refinance		23,000,000	-
	Borrowing from Offshore Banking Unit (OBU)		165,395	165,395
			42,036,810,599	32,436,618,217
	Less: Offshore Banking Unit		165,395	165,395
			42,036,645,204	**32,436,452,822**
12a.1	**Mudaraba Term Deposit from other Banks**			
	Inside Bangladesh			
	Al-Arafah Islami Bank Limited		2,065,940,000	1,287,000,000
	United Commercial Bank Limited		-	343,200,000
	Southeast Bank Limited		-	343,200,000
	Dhaka Bank Limited		-	858,000,000
	Mercantile Bank Limited		-	858,000,000
	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
	Sub-total		**2,065,940,000**	**5,062,200,000**
	Outside Bangladesh			
	Bank Muscat SAOG		309,891,000	429,000,000
	National Bank of Ras Al-Khaimah (P.S.C.)		2,166,654,575	-
	United Bank Limited		413,188,000	-
	Sub-total		**2,889,733,575**	**429,000,000**
	Grand Total		**4,955,673,575**	**5,491,200,000**
13.	**Consolidated Deposits and Other Accounts**			
	Al-Wadeeah Current Deposits & Other Accounts			
	Shahjalal Islami Bank Ltd.	(Note-13a)	48,293,094,847	39,179,680,779
	Shahjalal Islami Bank Securities Ltd.		-	-
			48,293,094,847	39,179,680,779
	Less: Inter Company Transaction		136,604	30,857
			48,292,958,243	**39,179,649,922**
	Bills Payable			
	Shahjalal Islami Bank Ltd.	(Note-13a)	5,872,217,849	4,016,969,162
	Shahjalal Islami Bank Securities Ltd.		-	-
			5,872,217,849	**4,016,969,162**
	Mudaraba Savings Deposits			
	Shahjalal Islami Bank Ltd.	(Note-13a)	36,934,789,424	36,326,437,165
	Shahjalal Islami Bank Securities Ltd.		-	-
			36,934,789,424	36,326,437,165
	Less: Inter Company Transaction		56,538	3,124
			36,934,732,886	**36,326,434,041**

		Note	31.12.2022 Taka	31.12.2021 Taka
	Mudaraba Term Deposits			
	Shahjalal Islami Bank Ltd.	(Note-13a)	86,817,226,090	74,469,380,080
	Shahjalal Islami Bank Securities Ltd.		-	-
			86,817,226,090	**74,469,380,080**
	Other Mudaraba Deposits			
	Shahjalal Islami Bank Ltd.	(Note-13a)	50,064,730,403	63,296,520,951
	Shahjalal Islami Bank Securities Ltd.		-	-
			50,064,730,403	63,296,520,951
	Less: Inter Company Transaction		319,514,217	478,016,781
			49,745,216,186	**62,818,504,170**
	Total		**227,662,351,255**	**216,810,937,375**
13a	**Deposits and Other Accounts of the Bank**			
	Al-Wadeeah Current Deposits & Other Accounts			
	Al-Wadeeah Current Deposits		14,523,129,877	13,898,996,579
	Deposits from Other Banks		-	13,791,692
	Foreign Currency Deposits		4,542,969,527	5,048,826,567
	Non-Resident Taka Account		207,042,612	25,147,302
	Profit Payable		1,151,802,996	595,541,458
	Sundry Deposits		27,905,067,144	19,628,353,924
	Unclaimed Dividend	(Note-13a.5)	23,166,697	14,504,103
			48,353,178,854	39,225,161,626
	Less: Offshore Banking Unit		60,084,006	45,480,846
			48,293,094,847	**39,179,680,779**
	Bills Payable			
	Payable inside Bangladesh			
	Payment Order Issued		5,856,338,343	4,012,866,134
	Demand Draft Payable		4,012,037	4,012,437
	Electronic Fund Transfer		11,867,469	90,591
			5,872,217,849	4,016,969,162
	Payable outside Bangladesh		-	-
			5,872,217,849	**4,016,969,162**
	Mudaraba Savings Deposits			
	General Deposits		36,884,053,499	36,290,215,626
	Foreign Currency Deposits		50,735,925	36,221,540
	Deposits from Other Banks	(Note-13a.3)	-	-
			36,934,789,424	**36,326,437,165**
	Mudaraba Term Deposits			
	General Deposits		86,508,912,673	74,239,418,443
	Foreign Currency Deposits		308,313,418	229,961,637
			86,817,226,090	**74,469,380,080**
	Other Mudaraba Deposits			
	Mudaraba Special Notice Deposits		11,453,808,080	11,833,696,784
	Mudaraba Scheme Deposits	(Note-13a.1)	38,531,969,154	44,336,944,127
	Deposits from Other Banks (SND)	(Note-13a.3)	78,953,170	7,125,880,040
			50,064,730,403	63,296,520,951
			227,982,058,614	**217,288,988,137**

		Note	31.12.2022 Taka	31.12.2021 Taka
13a.1	**Mudaraba Scheme Deposits**			
	Millionaire Scheme		8,487,128,412	8,319,099,539
	Multiple Benefit Scheme		5,122,748,872	6,769,500,454
	Monthly Income Scheme		5,111,521,547	8,688,426,290
	Monthly Deposit Scheme		19,354,068,850	20,137,349,884
	Hajj Deposit Scheme		366,286,672	342,923,087
	Cash Waqf		13,013,445	9,164,301
	Housing Deposit Scheme		229,588	340,482
	Lakhpoti Deposit Scheme		98,101	199,592
	Mohor Deposit Scheme		132	132
	Education Deposit Scheme		51,526,378	43,248,903
	Marriage Deposit Scheme		25,347,158	26,691,464
			38,531,969,154	**44,336,944,127**
13a.2	**Deposits and Other Accounts**			
	General Deposits		227,903,105,444	210,163,108,097
	Deposits from Other Banks	(Note- 13a.3)	78,953,170	7,125,880,040
			227,982,058,614	**217,288,988,137**
13a.3	**Deposits from Other Banks**			
	Mudaraba Special Notice Deposits			
	Export Import Bank of Bangladesh Limited		18,759,295	180,193,503
	AB Bank Limited		12,585	12,551
	Jamuna Bank Limited		645,633	636,798
	Al-Arafah Islami Bank Limited		13,443,091	1,908,054,640
	Social Islami Bank Limited		20,684,011	519,634,886
	National Credit and Commerce Bank Limited		659,691	649,682
	ICB Islamic Bank Limited		5,723	6,936
	Islami Bank Bangladesh Limited		16,371,282	4,505,547,761
	Sonali Bank Limited		197,687	199,159
	Mercantile Bank Limited		99,087	99,084
	Bangladesh Krishi Bank BD Ltd.		8,066,023	10,845,040
	United Commercial Bank PLC		1,062	-
	Bank Asia Agent Bank		8,002	-
			78,953,170	**7,125,880,040**
13a.4	**Maturity-wise classification of Deposits is as under**			
	With a residual maturity of			
	Repayable on demand		11,399,102,931	10,864,449,407
	Within 01 month		45,204,548,086	37,203,813,878
	Over 01 month but not more than 06 months		68,394,617,584	65,186,696,441
	Over 06 months but not more than 01 year		18,146,619,114	77,098,875,984
	Over 01 year but not more than 05 years		37,888,951,616	23,073,926,038
	Over 05 years		46,948,219,283	3,861,226,389
			227,982,058,614	**217,288,988,137**

		Note	31.12.2022 Taka	31.12.2021 Taka
13a.5	**Unclaimed Dividend Account**			
	Dividend remained unclaimed which were declared for the year:			
	2014		-	876
	2015		-	1,095
	2016		-	933
	2018		-	67,536
	2019		5,382,681	5,753,167
	2020		8,837,886	8,680,495
	2021		8,946,130	-
			23,166,697	**14,504,103**

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).

Unclaimed/Undistributed Stock Dividend:

The shareholders whose Beneficiary Owner's (BO) ID were found closed at the time of crediting stock dividend i.e. bonus shares for the previous years are kept in SJIBL Dividend Suspense bearing BO ID-1204090016665712. At the closing of the accounting year 2022, total 54,208 number of shares remains undistributed/unclaimed including corporate benefit for the year 2007-2021 of which 44,254 number of shares transferred to Capital Market Stabilization Fund (CMSD) bearing BO ID 1201530074571230 on 21.06.2022 and the remaining 9,954 number of shares are kept in SJIBL Dividend Suspense bearing BO ID-1204090016665712.

		Note		
14.	**Mudaraba Bonds**			
	Mudaraba Subordinated Bond	(Note- 14.1)	5,200,000,000	7,200,000,000
	Mudaraba Perpetual Bond	(Note- 14.2)	5,000,000,000	5,000,000,000
			10,200,000,000	**12,200,000,000**
14.1	**Mudaraba Subordinated Bond**			
	Mudaraba Subordinated Bond		**5,200,000,000**	**7,200,000,000**

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.

Name of the Investor	1st Mudaraba Subordinated Bond		2nd Mudaraba Subordinated Bond	
	Bond Issued (Taka)	Outstanding (as at 31 December 2022)	Bond Issued (Taka)	Outstanding (as at 31 December 2022)
EXIM Bank Limited	1,750,000,000	700,000,000	1,000,000,000	600,000,000
Pubali Bank Limited	700,000,000	280,000,000	-	-
Rupali Bank Limited	700,000,000	280,000,000	750,000,000	450,000,000
Uttara Bank Limited	500,000,000	200,000,000	-	-
Southeast Bank Limited	350,000,000	140,000,000	500,000,000	300,000,000
Agrani Bank Limited	-	-	2,500,000,000	1,500,000,000
Sonali Bank Limited	-	-	750,000,000	450,000,000
Dhaka Bank Limited	-	-	500,000,000	300,000,000
Total	**4,000,000,000**	**1,600,000,000**	**6,000,000,000**	**3,600,000,000**

		Note	31.12.2022 Taka	31.12.2021 Taka
14.2	**Mudaraba Perpetual Bond**			
	Mudaraba Perpetual Bond		**5,000,000,000**	**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 2022
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-General/Investors	500,000,000
Total	**5,000,000,000**

15.	**Consolidated Other Liabilities**			
	Shahjalal Islami Bank Ltd.	(Note-15a)	37,492,869,557	31,765,514,727
	Shahjalal Islami Bank Securities Ltd.		2,651,834,812	2,787,654,567
			40,144,704,369	34,553,169,294
	Less: Inter Company Transaction		-	-
			40,144,704,369	**34,553,169,294**
15.1	**Consolidated Provision for Current Tax**			
	Shahjalal Islami Bank Ltd.	(Note-15a.2)	19,607,591,030	17,290,140,619
	Shahjalal Islami Bank Securities Ltd.		477,325,183	432,576,912
			20,084,916,213	**17,722,717,531**

		Note	31.12.2022 Taka	31.12.2021 Taka
15.2	**Consolidated Current Tax Expenses**			
	Shahjalal Islami Bank Ltd.	(Note-15a.2)	3,208,335,035	2,027,880,538
	Shahjalal Islami Bank Securities Ltd.		44,748,271	64,946,817
			3,253,083,306	**2,092,827,355**
15.3	**Provision against Entries of Nostro Accounts**			
	No provision is required as per BRPD Circular Letter No. 04; dated 12 April 2022 for unreconciled debit entries of Nostro Accounts as there is no outstanding entry for 06 months and over.			
15a	**Other Liabilities of the Bank**			
	Profit Payable		485,746,002	134,591,473
	Provision for Investment	{Note-15a.1 (a) & (b)}	6,589,273,726	5,493,957,256
	Provision for Off-balance Sheet items	{Note-15a.1 (c)}	1,356,200,000	1,356,200,000
	Provision for Other Assets	{Note-15a.1(d)}	203,965,000	91,965,000
	Provisions for Investments in Securities	{Note-15a.1(e)}	658,560,000	658,560,000
	Provision for Taxation	(Note-15a.2)	19,607,591,030	17,290,140,619
	Profit Suspense Account	{Note-15(a).1 (f)}	4,948,313,858	3,732,643,784
	Compensation Realisable & Suspense Account		802,150,891	908,305,698
	Compensation Realised Account		554,641,235	436,011,476
	Other Payables		347,801,192	218,275,240
	Outstanding Expenses		263,492,306	108,996,505
	Unearned Income on Quard		19,226,676	30,939,867
	Lease Liabilities as per IFRS 16 Leases*	(Note-2.7.6)	1,575,722,705	1,259,993,453
	Provision for Start-up Fund	(Note-15a.3)	80,184,936	44,934,355
			37,492,869,557	**31,765,514,727**
	*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		3,075,119,256	3,440,061,818
	Written-off Recovery		66,934,374	31,809,277
	Net charge to Profit and Loss Account		785,480,000	541,490,000
	Fully provided investment written-off during the year		-	(938,241,839)
	Provision held at the end of the year		**3,927,533,630**	**3,075,119,256**
	(b) General Provision on Unclassified Investments			
	Provision held at the beginning of the year		2,418,838,000	2,224,300,000
	Effect of exchange rate changes agnst. provision held by offshore banking unit		32,016,655	-
	Addition during the year		210,885,441	194,538,000
	Balance at the end of the year		**2,661,740,096**	**2,418,838,000**
	Total Provision for Investments (a+b)		**6,589,273,726**	**5,493,957,256**
	(c) General Provision on Off-balance Sheet Items			
	Provision held at the beginning of the year		1,356,200,000	935,200,000
	Addition during the year		-	421,000,000
	Balance at the end of the year		**1,356,200,000**	**1,356,200,000**
	Total Provision for Investments & Off-balance Sheet Items (a+b+c)		**7,945,473,726**	**6,850,157,256**

		Note	31.12.2022 Taka	31.12.2021 Taka
	(d) Provision for Other Assets			
	Provision held at the beginning of the year		91,965,000	81,965,000
	Addition during the year		112,000,000	10,000,000
	Balance at the end of the year		**203,965,000**	**91,965,000**
	(e) Provision for Investments in Shares & Securities			
	Provision held at the beginning of the year		658,560,000	658,560,000
	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		3,732,643,784	3,218,459,970
	Amount transferred to suspense account during the year		2,389,717,982	1,896,047,739
	Amount recovered from suspense account during the year		(1,094,678,127)	(1,249,766,084)
	Amount waived/ written-off during the year		(79,369,781)	(132,097,841)
	Balance at the end of the year		**4,948,313,858**	**3,732,643,784**
15a.2	**Provision for Taxation**			
	Provision for Current Tax			
	Balance at the beginning of the year		17,290,140,619	14,949,163,422
	Add: Provision for current year		3,208,335,035	2,027,880,538
	Add: Provision for prior years		492,883,446	245,645,257
	Add: Provision made on other during the year		77,094,061	67,451,402
	Less: Adjustment for final settlement for previous years		(1,460,862,131)	-
	Balance at the end of the year		**19,607,591,030**	**17,290,140,619**

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		3,148,765,095	1,937,381,386
	Income tax @ 20% on Dividend Income		35,896,181	59,055,468
	Income tax @ 10% on Capital Gain on Sale of Shares		23,673,759	31,443,684
	Adjustment for previous year		492,883,446	245,645,257
	Estimated Total Provision Required		**3,701,218,481**	**2,273,525,795**
	Computation of Taxable Business Profit			
	Profit before Taxes		7,226,276,558	4,836,665,656
	Add: Inadmissible expenditures & Separate consideration		2,225,706,339	2,548,646,094
			9,451,982,897	7,385,311,750
	Less: Allowable Expenditure & Separate consideration		1,055,275,977	2,218,961,388
	Estimated Taxable Business Profit for the year		**8,396,706,921**	**5,166,350,362**

15a.2(b) Reconciliation of effective tax rate of the Bank

Particulars	Effective Rate		
Profit before income taxes as per profit and loss account		7,226,276,558	4,836,665,656
Income taxes as per applicable tax rate	37.5%	2,709,853,709	1,813,749,621
Factors affecting the tax charge for current year:			
Inadmissible expenses	11.55%	834,639,877	955,742,285
Admissible expenses in the current year	-3.32%	(239,646,556)	(603,467,703)
Tax savings from reduced tax rates for dividend	-0.43%	(31,409,158)	(51,673,535)
Tax loss/(savings) from reduced tax rates for capital gain	-0.90%	(65,102,837)	(86,470,130)
Adjustment for previous year	6.82%	492,883,446	245,645,257
Total Income Tax Expenses	**51.22%**	**3,701,218,481**	**2,273,525,795**

		Note	31.12.2022 Taka	31.12.2021 Taka
15a.3	**Provision for Start-up Fund**			
	For the year 2020		19,081,986	19,081,986
	For the year 2021		25,852,369	25,852,369
	For the year 2022		35,250,581	-
	Balance at the end of the year		**80,184,936**	**44,934,355**
	Bangladesh Bank vide its SMESPD Circular No. 04 dated 29 March 2021 as well as SMESPD Circular Letter No. 05 dated 26 April 2021 instructed all scheduled banks to build-up a Start-up Fund under Other Liabilities @1% out of net profit starting from the year 2020 in order to make disbursement to make new entrepreneurs and self-employment.			
16.	**Consolidated Deferred Tax Liabilities**			
	Shahjalal Islami Bank Ltd.	(Note-16a)	237,151,866	237,151,866
	Shahjalal Islami Bank Securities Ltd.		(1,266,951)	(1,601,224)
			235,884,914	**235,550,642**
16a	**Deferred Tax Liabilities of the Bank**			
	Balance at the beginning of the year		237,151,866	259,248,945
	Add: Provision made during the year		-	(22,097,080)
			237,151,866	**237,151,866**
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**			
	1,080,551,798 ordinary shares of Tk. 10 each		**10,805,517,980**	**10,290,969,510**
	20,500,000 ordinary sponsor shares of Tk. 10 each issued for cash		205,000,000	205,000,000
	12.5% Stock Dividend for the year 2002		25,625,000	25,625,000
	2,362,000 ordinary new shares issued		236,200,000	236,200,000
	4,690,000 ordinary new shares issued		469,000,000	469,000,000
	93,582,500 shares issued under Initial Public Offer (IPO)		935,825,000	935,825,000
	20% Stock Dividend for the year 2007		374,330,000	374,330,000
	22% Stock Dividend for the year 2008		494,115,600	494,115,600
	25% Stock Dividend for the year 2009		685,023,900	685,023,900
	30% Stock Dividend for the year 2010		1,027,535,850	1,027,535,850
	25% Stock Dividend for the year 2011		1,113,163,830	1,113,163,830
	20% Stock Dividend for the year 2012		1,113,163,840	1,113,163,840
	10% Stock Dividend for the year 2013		667,898,310	667,898,310
	5% Stock Dividend for the year 2016		367,344,060	367,344,060
	10% Stock Dividend for the year 2017		771,422,540	771,422,540
	10% Stock Dividend for the year 2018		848,564,790	848,564,790
	5% Stock Dividend for the year 2019		466,710,630	466,710,630
	5% Stock Dividend for the year 2020		490,046,160	490,046,160
	5% Stock Dividend for the year 2021		514,548,470	-
			10,805,517,980	**10,290,969,510**

Category	Holding		
Sponsor & Director Group	In year 2022: 48.22%; 2021: 48.22%	5,210,533,770	4,962,413,260
Institutes Group	In year 2022: 14.76%; 2021: 14.24%	1,594,505,140	1,465,882,450
General Shareholders Group	In year 2022: 36.87%; 2021: 37.39%	3,983,838,770	3,846,765,890
Foreign Group	In year 2022: 0.15%; 2021: 0.15%	16,640,300	15,907,910
		10,805,517,980	**10,290,969,510**

	Note	31.12.2022 Taka	31.12.2021 Taka

Classification of Shareholders by number of holding:

As at 31 December 2022

Range of Share Holding	No. of Shareholders	No. of Shares	Percentage of Holding Shares
Up to 500	11,063	1,662,979	0.15%
501-5,000	10,944	22,544,654	2.09%
5,001-10,000	1,032	7,170,415	0.66%
10,001-20,000	508	7,063,153	0.65%
20,001-30,000	177	4,309,460	0.40%
30,001-40,000	81	2,766,539	0.26%
40,001-50,000	50	2,267,163	0.21%
50,001-100,000	109	7,459,133	0.69%
100,001-1,000,000	120	36,183,104	3.35%
Over 1,000,000	88	989,125,198	91.54%
Total	**24,172**	**1,080,551,798**	**100.00%**

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%**

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		10,805,517,980	10,290,969,510
ii. Statutory Reserve	(Note-18)	9,372,461,107	7,927,205,795
iii. Retained Earnings	(Note-19)	1,745,940,328	1,608,652,106
iv. Capital Reserve		28,796,597	3,449,994
v. Non-controlling Interest		232,387,434	227,440,923
		22,185,103,446	**20,057,718,328**
Less: Carraying amount of intangible assets		23,942,748	-
		22,161,160,699	**20,057,718,328**
Additional Tier-I Capital (AT-I)		5,000,000,000	4,756,736,193
		27,161,160,699	**24,814,454,521**
b) Gone Concern Capital (Tier-II):			
i. General Provision		4,067,405,831	3,824,503,735
ii. Mudaraba Subordinated Bond		3,200,000,000	5,200,000,000
iii. Mudarabah Perpetual Bond (Excess over limit of AT-I)		-	243,263,807
		7,267,405,831	**9,267,767,542**

		Note	31.12.2022 Taka	31.12.2021 Taka
	c) Total Eligible Regulatory Capital (a+b)		**34,428,566,530**	**34,082,222,063**
	d) Consolidated Total Risk Weighted Assets		**243,919,410,119**	**231,484,974,887**
	e) Minimum Required Capital (10% of Risk-Weighted Assets)		**24,391,941,012**	**23,148,497,489**
	f) Minimum Required Capital (12.50% of Risk-Weighted Assets) including conservation buffer		**30,489,926,265**	**28,935,621,861**
	g) Total Capital Surplus (c-e)		**10,036,625,518**	**10,933,724,574**
	h) Total Capital Surplus considering conservation buffer (c-f)		**3,938,640,265**	**5,146,600,202**

Consolidated Capital to Risk-Weighted Assets Ratio

Particulars	2022		2021	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	11.14%	6.00%	10.72%
Common Equity Tier-I Capital: (CET-I)	4.50%	9.09%	4.50%	10.72%
Tier-I Plus Conservation Buffer	8.50%	11.14%	8.50%	10.72%
CET-I Plus Conservation Buffer	7.00%	9.09%	7.00%	8.66%
Gone Concern Capital: (Tier-II)	-	2.98%	-	4.00%
CRAR	10.00%	14.11%	10.00%	14.72%
CRAR including Conservation Buffer	**12.50%**	**14.11%**	**12.50%**	**14.72%**

17.4	**Consolidated Risk-Weighted Assets (RWA) for**			
	1. Investment (Credit) Risk			
	On-balance Sheet		172,272,135,835	159,511,584,117
	Off-balance Sheet		35,014,509,696	40,790,412,076
	2. Market Risk		12,795,816,487	10,234,092,293
	3. Operational Risk		23,836,948,102	20,948,886,400
	Consolidated Total Risk Weighted Assets (1+2+3)		**243,919,410,119**	**231,484,974,887**
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		10,805,517,980	10,290,969,510
	ii. Statutory Reserve	(Note-18)	9,372,461,107	7,927,205,795
	iii. Retained Earnings	{Note-19(a)}	1,692,161,829	1,584,818,008
			21,870,140,916	**19,802,993,313**
	Less: Carraying amount of intangible assets		23,598,634	-
			21,846,542,282	**19,802,993,313**
	Additional Tier-I Capital (AT-I)		5,000,000,000	4,728,748,992
			26,846,542,282	**24,531,742,305**
	b) Gone Concern Capital (Tier-II):			
	i. General Provision	{Note-15.1(b+c)}	4,017,940,096	3,775,038,000
	ii. Mudaraba Subordinated Bond		3,200,000,000	5,200,000,000
	iii. Mudarabah Perpetual Bond (Excess over limit of AT-I)		-	271,251,008
			7,217,940,096	**9,246,289,008**
	c) Total Eligible Regulatory Capital (a+b)		**34,064,482,378**	**33,778,031,313**
	d) Total Risk-Weighted Assets		**236,937,492,009**	**224,653,544,549**
	e) Minimum Required Capital (10% of Risk-Weighted Assets)		**23,693,749,201**	**22,465,354,455**
	f) Minimum Required Capital (12.50% of Risk-Weighted Assets) including conservation buffer		**29,617,186,501**	**28,081,693,069**
	g) Total Capital Surplus (c-e)		**10,370,733,177**	**11,312,676,858**
	h) Total Capital Surplus considering conservation buffer (c-f)		**4,447,295,877**	**5,696,338,244**

Capital Adequacy Ratio

Particulars	2022		2021	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	11.33%	6.00%	10.92%
Common Equity Tier-I Capital: (CET-I)	4.50%	9.22%	4.50%	8.81%
Tier-I Plus Conservation Buffer	8.50%	11.33%	8.50%	10.92%
CET-I Plus Conservation Buffer	7.00%	9.22%	7.00%	8.81%
Gone Concern Capital: (Tier-II)	-	3.05%	-	4.12%
CRAR	10.00%	14.38%	10.00%	15.04%
CRAR including Conservation Buffer	**12.50%**	**14.38%**	**12.50%**	**15.04%**

		Note	31.12.2022 Taka	31.12.2021 Taka
17.6	**Risk-Weighted Assets (RWA) for**			
	1. Investment (Credit) Risk			
	On-balance Sheet		168,800,842,194	156,054,970,488
	Off-balance Sheet		35,014,509,696	40,790,412,076
	2. Market Risk		10,258,911,402	8,270,009,861
	3. Operational Risk		22,863,228,718	19,538,152,125
	Total Risk-Weighted Assets (1+2+3)		**236,937,492,009**	**224,653,544,549**
17.7	**Non-Controlling Interest**			
	Opening Balance		227,440,923	226,877,106
	Dividend paid to non-controlling shareholders		-	(20,250,000)
	Share of current year's profit		4,946,511	20,813,816
			232,387,434	**227,440,923**
18.	**Statutory Reserve**			
	Opening Balance		7,927,205,795	6,959,872,664
	Add: Addition during the year		1,445,255,312	967,333,131
			9,372,461,107	**7,927,205,795**
19.	**Consolidated Retained Earnings**			
	Shahjalal Islami Bank Ltd.	(Note-19a)	1,692,161,829	1,584,818,008
	Shahjalal Islami Bank Securities Ltd.		61,165,933	26,275,021
			1,753,327,762	1,611,093,028
	Less: Non-Controlling Interest		7,387,434	2,440,923
			1,745,940,328	**1,608,652,106**
19.1	**Consolidated current year's Retained Earnings**			
	Shahjalal Islami Bank Ltd.	(Note-19a)	3,525,058,077	2,585,236,940
	Shahjalal Islami Bank Securities Ltd.		60,237,516	253,466,032
			3,585,295,593	2,838,702,972
	Less: Non-Controlling Interest		4,946,511	20,813,816
			3,580,349,082	**2,817,889,155**
19a	**Retained Earnings of the Bank**			
	Opening Balance		1,584,818,008	1,187,959,349
	Less: Payment of Dividend		1,543,645,421	1,176,110,795
	Less: Profit against Mudaraba Perpetual Bond		393,562,943	-
	Add: Transfer from Profit and Loss Account		3,525,058,077	2,585,236,940
	Less: Trnsfer to Statutory Reserve		1,445,255,312	967,333,131
	Less: Start-up Fund		35,250,581	44,934,355
			1,692,161,829	**1,584,818,008**

		Note	31.12.2022 Taka	31.12.2021 Taka
20.	**Letters of Guarantee**			
	Letters of Guarantee (Local)		31,019,574,861	31,275,856,419
	Letters of Guarantee (Foreign)		296,672,870	627,820,020
	Back to Back Usance		452,146	452,146
			31,316,699,877	**31,904,128,585**
	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		410,238,235	223,498,750
	Banks and Other Financial Institutions		-	-
	Others		30,903,461,642	31,677,629,834
			31,316,699,877	**31,904,128,585**
21.	**Irrevocable Letters of Credit**			
	Letters of credit		**44,418,370,950**	**64,074,742,941**
22.	**Consolidated Profit and Loss Account**			
	Income:			
	Profit on Investments	(Note-23)	15,965,123,028	13,792,776,608
	Income from Investments in securities	(Note-25)	1,472,082,949	608,531,097
	Dividend Income	(Note-25)	179,480,905	295,277,342
	Commission, Exchange and Brokerage	(Note-26)	3,634,722,397	2,518,174,907
	Gains less losses arising from Investments in Securities		236,737,590	314,436,837
	Other Operating Income	(Note-27)	1,357,676,035	1,056,361,211
			22,845,822,903	**18,585,558,003**
	Expenses:			
	Profit paid on Deposits	(Note-24)	8,365,858,043	7,397,902,913
	Administrative Expenses		4,485,535,589	3,752,785,314
	Other operating Expenses		908,262,056	787,867,429
	Depreciation on Banking Assets		542,781,279	532,775,860
			14,302,436,968	**12,471,331,516**
	Profit before Provision		**8,543,385,936**	**6,114,226,486**
22a	**Profit and Loss Account of the Bank**			
	Income:			
	Profit on Investments	(Note-23a)	15,885,443,131	13,805,194,923
	Income from Investments in Securities	(Note-25a)	1,316,344,347	582,605,534
	Dividend Income	(Note-25a)	179,480,905	295,277,342
	Commission, Exchange and Brokerage	(Note-26a)	3,486,719,333	2,239,187,234
	Gains less losses arising from Investments in Securities	(Note-25a)	236,737,590	314,436,837
	Other Operating Income	(Note-27a)	1,351,229,343	1,045,664,738
			22,455,954,648	**18,282,366,608**

		Note	31.12.2022 Taka	31.12.2021 Taka
	Expenses:			
	Profit paid on Deposits	(Note-24a)	8,335,129,184	7,381,645,027
	Administrative Expenses		4,400,205,304	3,690,292,642
	Other Operating Expenses		866,192,092	695,193,509
	Depreciation on Banking Assets		519,786,068	511,541,775
			14,121,312,649	**12,278,672,953**
	Profit/(Loss) before Provision		**8,334,641,999**	**6,003,693,656**
23.	**Consolidated Profit on Investments**			
	Shahjalal Islami Bank Ltd.	(Note-23a)	15,885,443,131	13,805,194,923
	Shahjalal Islami Bank Securities Ltd.		267,013,721	173,610,465
			16,152,456,852	13,978,805,388
	Less: Inter Company Transaction		187,333,824	186,028,780
			15,965,123,028	**13,792,776,608**
23a	**Profit on Investments of the Bank**			
	Profit on Investments*	(Note-23a.1)	14,420,589,485	12,640,778,286
	Profit on Placement with Other Banks & Financial Institutions		1,464,853,647	1,164,416,637
			15,885,443,131	**13,805,194,923**
	*Profit on investments increased 14.08% in 2022 over 2021 due to increase in volume of investments 9.53% in same period.			
23a.1	**Profit on Investments**			
	Profit on Murabaha		708,142,047	525,958,665
	Profit on Bi-Muazzal		6,862,035,503	6,926,932,305
	Profit on Hire-Purchase		2,955,082,283	2,890,839,993
	Profit on Ijara		172,341,397	173,967,520
	Profit on Bi-Salam		403,545,096	428,061,307
	Profit on Inland Document Bill Purchased		450,304,505	294,931,743
	Profit on Foreign Document Bill Purchased		37,711,991	30,117,337
	Profit on Investment against Scheme Deposit		19,250	59,050
	Profit on Investment against Mudaraba Savings Deposit		8,423	16,716
	Profit on Investment against EDF		422,459,479	217,659,069
	Profit on Mudaraba		1,003,419,404	664,135,476
	Profit Received From Resheduled Investment - Rent Mode		330,635,026	283,924,344
	Profit on Murabaha Import Bill (UPAS)		1,004,514,778	162,504,294
	Profit Received From HPSM		774,242	1,499,544
	Income from Islamic Credit Card		68,068,136	38,979,212
	Profit on Investment against Other Securities		1,527,706	1,191,712
			14,420,589,485	**12,640,778,286**
23a.2	**Investment Income derived from the fund deployed**			
	Inside Bangladesh			
	i) Mudaraba Deposits		9,282,533,451	8,136,868,983
	ii) Other Deposits/Fund		5,138,056,033	4,503,909,303
			14,420,589,485	**12,640,778,286**
	Outside Bangladesh		-	-
			14,420,589,485	**12,640,778,286**

23a.3 Geographical Location-wise Profit on Investments

Area	2022		2021	
	Amount in Taka	Composition	Amount in Taka	Composition
i. Inside Bangladesh (note-22a.3.1)				
a) In Rural Areas	413,372,601	2.87%	714,439,115	5.65%
b) In Urban Areas	14,007,216,884	97.13%	11,926,339,171	94.35%
Sub-total	14,420,589,485	100.00%	12,640,778,286	100.00%
ii. Outside Bangladesh	-	-	-	-
Total	**14,420,589,485**	**100.00%**	**12,640,778,286**	**100.00%**

23a.3.1 Inside Bangladesh

Area	2022		2021	
	Amount in Taka	Composition	Amount in Taka	Composition
i. Inside Bangladesh				
a) In Rural Areas				
Dhaka	317,633,554	2.20%	498,885,862	3.95%
Chattogram	50,359,891	0.35%	62,839,327	0.50%
Sylhet	12,362,675	0.09%	17,208,593	0.14%
Rajshahi	5,908,105	0.04%	44,545,459	0.35%
Khulna	5,205,920	0.04%	54,823,186	0.43%
Barishal	5,005,890	0.03%	21,933,353	0.17%
Mymensingh	16,896,567	0.12%	14,203,335	0.11%
Sub-total	**413,372,601**	**2.87%**	**714,439,115**	**5.65%**
b) In Urban Areas				
Dhaka	10,681,087,022	74.07%	9,011,097,214	71.29%
Chattogram	2,158,901,008	14.97%	1,839,028,823	14.55%
Sylhet	112,359,054	0.78%	86,756,015	0.69%
Rajshahi	392,402,142	2.72%	361,343,187	2.86%
Rangpur	93,683,276	0.65%	90,201,243	0.71%
Khulna	415,696,635	2.88%	412,257,237	3.26%
Barishal	48,320,653	0.34%	32,556,546	0.26%
Mymensingh	104,767,094	0.73%	93,098,908	0.74%
Sub-total	**14,007,216,884**	**97.13%**	**11,926,339,171**	**94.35%**
ii) Outside Bangladesh	**-**	**-**	**-**	**-**
Total	**14,420,589,485**	**100%**	**12,640,778,286**	**100%**

	Note	31.12.2022 Taka	31.12.2021 Taka
24. Consolidated Profit paid on Deposits			
Shahjalal Islami Bank Ltd.	(Note-24a)	8,335,129,184	7,381,645,027
Shahjalal Islami Bank Securities Ltd.		218,195,910	203,313,347
		8,553,325,094	7,584,958,374
Less: Inter Company Transaction		187,467,051	187,055,461
		8,365,858,043	**7,397,902,913**
24a Profit paid on Deposits of the Bank			
Profit on Deposits*		7,548,151,915	6,792,079,305
Profit paid on Borrowings		786,977,269	589,565,722
		8,335,129,184	**7,381,645,027**

*Bangladesh Bank vide BRPD Circular no. 17 date 08 August 2021, instructed to offer profit rate on 3 months and above term deposit for specific segment in line with the country's inflation rate. Besides, volume of deposits increased 4.92% in 2022 over 2021. Thus, the profit paid on deposits increased.

		Note	31.12.2022 Taka	31.12.2021 Taka
24a.1	**Profit paid on Borrowings**			
	Profit paid on Borrowings		714,492,472	523,875,046
	Profit Expenses of Lease Liabilities (as per IFRS 16 Leases)		72,484,797	65,690,677
			786,977,269	**589,565,722**
25.	**Consolidated Income from Investments in Shares & Securities**			
	Shahjalal Islami Bank Ltd.	(Note-25a)	1,732,562,841	1,192,319,713
	Shahjalal Islami Bank Securities Ltd.		155,738,602	252,275,563
			1,888,301,443	1,444,595,276
	Less: Dividend from Subsidiary		-	226,350,000
			1,888,301,443	**1,218,245,276**
25a	**Income from Investments in Shares & Securities of the Bank**			
	Income from Investments in Govt. Sukuk/Islamic Bond		1,032,363,144	306,248,483
	Income from Investments in Shares & Securities	(Note-25a.1)	236,737,590	314,436,837
	Dividend Income		179,480,905	295,277,342
	Income from Investments in Corporate Sukuk/Islamic Bond		283,981,203	276,357,051
			1,732,562,841	**1,192,319,713**
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)	3,486,719,333	2,239,187,234
	Shahjalal Islami Bank Securities Ltd.		148,003,064	278,987,673
			3,634,722,397	**2,518,174,907**
26a	**Commission, Exchange and Brokerage of the Bank**			
	Other commission		1,490,516,657	1,309,629,988
	Exchange earnings	(Note-26a.1)	1,996,202,675	929,557,246
			3,486,719,333	**2,239,187,234**
26a.1	**Exchange Earnings**			
	Gross exchange gain		12,042,622,231	1,851,413,050
	Less: Exchange loss		10,046,419,556	921,855,804
	Net Exchange Gain		**1,996,202,675**	**929,557,246**
27.	**Consolidated Other Operating Income**			
	Shahjalal Islami Bank Ltd.	(Note-27a)	1,351,229,343	1,045,664,738
	Shahjalal Islami Bank Securities Ltd.		6,579,919	11,723,154
			1,357,809,262	1,057,387,892
	Less: Inter Company Transaction		133,227	1,026,681
			1,357,676,035	**1,056,361,211**
27a	**Other Operating Income of the Bank**			
	Postage, Telex, SWIFT & REUTERS		139,048,317	150,519,834
	Incidental Charge		915	930
	Supervision & Monitoring Charge		4,102,206	12,839,796
	Other Charges	(Note-27a.1)	1,208,077,905	882,304,178
			1,351,229,343	**1,045,664,738**

		Note	31.12.2022 Taka	31.12.2021 Taka
27a.1	**Other Charges**			
	Rent receipts		6,490,720	6,273,844
	Charges on A/C closing		1,089,933	625,200
	Charges on clearing returned		990,532	1,870,110
	Cheque processing charge		4,059,917	3,839,622
	Service charges on Ijara		80,000	139,700
	Service charges on scheme investment		3,980,610	4,388,245
	Service charges on Quard		81,866,256	79,165,438
	Passport endorsement charge		28,400	30,500
	PO/DD cancellation charge		68,376	145,055
	Branch banking services		30,319,526	28,952,489
	Account maintenance fee		86,060,870	63,566,179
	Recoveries from cheque issue		6,299,017	5,344,154
	Income from sale of forms		8,981,761	8,910,175
	Service charge on SJIBL VISA Card		159,921,819	126,777,172
	Other Income From Islamic Credit Card		51,043,696	14,339,177
	Management Fees		751,690	2,987,821
	Notice pay earnings		7,305,249	4,860,496
	Rebate on Trade Finance		113,391,258	93,706,413
	Discrepency Fee		444,830,250	272,682,794
	Profit on sale of Bank's Assets		5,048,857	105,886
	Provident Fund Forfeiture Balance Refund		2,293,916	809,055
	Miscellaneous income		193,175,251	162,784,656
			1,208,077,905	**882,304,178**
28.	**Consolidated Salaries & Allowances**			
	Shahjalal Islami Bank Ltd.	(Note- 28a)	3,541,190,780	2,981,217,178
	Shahjalal Islami Bank Securities Ltd.		74,090,233	52,647,257
			3,615,281,013	**3,033,864,435**
28a	**Salaries & Allowances of the Bank**			
	Basic Salary		1,420,473,004	1,279,485,607
	Allowances		1,216,287,537	1,161,185,099
	Bonus		729,367,050	387,830,382
	Bank's Contribution to Provident fund		131,828,896	126,579,003
	Leave Encashment		43,234,293	26,137,087
			3,541,190,780	**2,981,217,178**
29.	**Consolidated Rent, Taxes, Insurance, Electricity etc.**			
	Shahjalal Islami Bank Ltd.	(Note- 29a)	395,349,782	334,690,238
	Shahjalal Islami Bank Securities Ltd.		6,596,977	6,036,721
			401,946,759	**340,726,959**
29a	**Rent, Taxes, Insurance, Electricity etc. of the Bank**			
	Rent, Rates & Taxes		98,650,730	71,072,584
	Insurance		207,173,243	184,369,001
	Electricity & Lighting		89,525,809	79,248,653
			395,349,782	**334,690,238**

		Note	31.12.2022 Taka	31.12.2021 Taka
29a.1	**Rent, Rates & Taxes**			
	Rent, Rates & Taxes		339,705,804	292,195,828
	Transfer to depreciation and profit expenses under IFRS 16*		241,055,074	221,123,244
			98,650,730	**71,072,584**
	*Due to the adoption of IFRS 16 Leases, rental expense of Tk. 241,055,074 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)	1,362,822	1,011,136
	Shahjalal Islami Bank Securities Ltd.		77,250	28,750
			1,440,072	**1,039,886**
30a	**Legal Expenses of the Bank**			
	Legal Fees & Charge		339,940	182,486
	Other Legal Expenses		1,022,882	828,650
			1,362,822	**1,011,136**
31.	**Consolidated Postage, Stamps, Telecommunication etc.**			
	Shahjalal Islami Bank Ltd.	(Note- 31a)	53,233,194	40,178,463
	Shahjalal Islami Bank Securities Ltd.		3,042,601	2,425,692
			56,275,795	**42,604,155**
31a	**Postage, Stamps, Telecommunication etc. of the Bank**			
	Postage		1,477,068	1,341,822
	Leased line		31,647,194	23,208,482
	Telegram, Fax & Telex		5,931,705	4,890,349
	Telephone charges		2,703,086	2,821,732
	Mobile phone charges		11,474,141	7,916,079
			53,233,194	**40,178,463**
32.	**Consolidated Stationery, Printing, Advertisements etc.**			
	Shahjalal Islami Bank Ltd.	(Note- 32a)	134,894,501	98,375,319
	Shahjalal Islami Bank Securities Ltd.		1,446,724	1,287,010
			136,341,225	**99,662,329**
32a	**Stationery, Printing, Advertisements etc. of the Bank**			
	Table Stationery		8,795,089	8,058,990
	Printing Stationery		12,666,445	10,448,359
	Security Stationery		6,176,398	5,846,484
	Computer Stationery		66,116,652	38,835,935
	Publicity and Advertisement		41,139,918	35,185,552
			134,894,501	**98,375,319**
33.	**Chief Executive's Salary & Fees of the Bank**			
	Basic Salary		13,129,487	13,394,700
	Allowances		4,556,967	4,800,000
	Bonus		3,635,380	3,395,800
	Bank's Contribution to Provident Fund		1,078,110	1,339,470
			22,399,944	**22,929,970**
34.	**Directors' Fees & Expenses of the Bank**			
	Directors' Fees		5,345,600	4,834,400
	Meeting Expenses		1,250,783	1,564,084
			6,596,383	**6,398,484**

		Note	31.12.2022 Taka	31.12.2021 Taka
35.	**Shariah Supervisory Committee's Fees & Expenses of the Bank**			
	Shariah Council Meeting Expenses		**619,587**	**743,851**
36.	**Consolidated Auditors' Fees**			
	Shahjalal Islami Bank Ltd.	(Note-36a)	550,000	550,000
	Shahjalal Islami Bank Securities Ltd.		76,500	67,242
			626,500	**617,242**
36a	**Auditor's Fees of the Bank**			
	Auditor's Fees		**550,000**	**550,000**
37.	**Consolidated Depreciation & Repairs of Assets**			
	Shahjalal Islami Bank Ltd.	(Note-37a)	558,210,217	535,869,372
	Shahjalal Islami Bank Securities Ltd.		22,995,211	21,234,085
			581,205,428	**557,103,457**
37a	**Depreciation & Repairs of Bank's Assets**			
	a) Depreciation of Bank's Assets (Annexure-B)			
	Land & Building		19,660,190	19,660,190
	Furniture & Fixtures		86,516,080	80,051,311
	Office Equipment		96,856,740	92,166,981
	Computer & Network Equipment		84,608,955	90,660,734
	Vehicles		15,131,791	11,836,748
	Right of Use (ROU) Assets*		211,365,471	199,944,676
	Books		17,394	97,911
	b) Amortization of Bank's Assets (Annexure-B)			
	Software-Core Banking		-	5,150,818
	Software-Others		5,629,448	11,972,407
			519,786,068	**511,541,775**
	c) Repairs on Bank's Assets			
	Office Premises		4,483,679	2,622,888
	Office Equipment		20,078,653	9,852,816
	Office Furniture & Fixtures		1,438,233	1,340,324
	Vehicles		2,588,643	2,176,031
	Procurement of Parts, Spares & Others		9,834,940	8,335,538
			38,424,148	24,327,597
			558,210,217	**535,869,372**

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

38.	**Zakat Expenses of the Bank**			
	Zakat Expenses		205,584,162	179,870,407
			205,584,162	**179,870,407**
39.	**Consolidated Other Expenses**			
	Shahjalal Islami Bank Ltd.	(Note-39a)	866,192,092	695,193,509
	Shahjalal Islami Bank Securities Ltd.		42,069,963	92,673,920
			908,262,056	**787,867,429**

		Note	31.12.2022 Taka	31.12.2021 Taka
39a	**Other Expenses of the Bank**			
	Petrol, Oil and Lubricants		8,024,457	5,639,068
	Entertainment		60,096,297	23,414,815
	Subscription		6,638,710	57,719,923
	Traveling and Conveyance		26,017,405	15,292,782
	Training Expenses		7,460,010	2,126,090
	Car expenses		196,771,514	176,925,022
	Gratuity expenses		250,000,000	128,400,000
	Papers & Periodicals		163,000	129,878
	Utility		6,860,190	6,358,152
	Uniform & Liveries		4,047,511	2,352,369
	Bank Charges		2,386,376	2,581,156
	Business development & promotion		45,241,360	24,962,377
	Upkeep and cleaning of office premises		42,646,925	40,817,481
	Security Service- outsourcing		94,935,383	83,453,813
	Credit Rating fee		618,125	268,750
	SJIBL Card expenses		53,319,234	36,134,381
	Islamic Credit Card Expenses		15,319,565	7,116,480
	AGM & meeting expenses		7,491,245	1,652,652
	Capital Enhancement Fees		4,768,046	37,796,448
	Contribution to Social Security Superannuation Fund		2,000,000	2,000,000
	Laundry and Washing		404,285	244,897
	Crockeries, Kettle and others		661,854	370,213
	Photograph and Photocopy		830,133	469,358
	Loss on Disposal of Fixed Assets		4,127,765	3,756,767
	CSR Expense		500,000	19,100,000
	Agent Banking Expanse		6,747,461	3,898,398
	Miscellaneous Expenses		16,728,292	12,212,238
	Branch Opening Expenses		1,386,950	-
			866,192,092	**695,193,509**

Pursuant to BRPD Circular Letter No. 28 dated 26 July 2022 and BRPD Circular Letter No. 30 dated 27 July 2022, Management of the Bank has taken austerity measures in all respect to ensure cost savings on account of fuel, electricity, entertainment, travelling, computer & accessories, electric equipment, furniture and other stationaries. All branches and divisions are instructed citing necessary steps to follow meticulously in order to reduce expenses. On the other hand, all vehicle purchase was suspended as well as expenditures on different heads are being monitored closely in order to ensure cost savings during the period under review. Although such initiatives resulted in reduction in usage/ consumption however, due to the increase in unit cost and expansion in customer reach as well as other factors the actual reduction in monetary term could be different.

40.	**Consolidated Provision against Investments, Off-balance Sheet Items & Others**			
	Shahjalal Islami Bank Ltd.	(Note-40a)	1,108,365,441	1,167,028,000
	Shahjalal Islami Bank Securities Ltd.		103,423,877	17,500,000
			1,211,789,318	**1,184,528,000**
40a	**Provision against Investments, Off-balance Sheet Items & Others of the Bank**			
	Provision on Unclassified Investments		210,885,441	194,538,000
	Provision on Classified Investments		785,480,000	541,490,000
	Provision on Off-balance Sheet Items		-	421,000,000
	Provision on Other Assets		112,000,000	10,000,000
			1,108,365,441	**1,167,028,000**
41.	**Consolidated Deferred Tax (Income)/Expenses**			
	Shahjalal Islami Bank Ltd.	(Note-41a)	-	(22,097,080)
	Shahjalal Islami Bank Securities Ltd.		334,272	969,982
			334,272	**(21,127,098)**

		Note	31.12.2022 Taka	31.12.2021 Taka
41a	**Deferred Tax (Income)/Expenses of the Bank**			
	Closing deferred tax liability		237,151,866	237,151,866
	Opening deferred tax liability		237,151,866	259,248,945
	Deferred tax expenses/(Income)		**-**	**(22,097,080)**

According to IAS 12: "Income taxes" deferred tax benefit of Tk 4,74,82,471 has been created for the year 2022 due to temporary timing difference. However, this amount has not been recognized as deferred tax benefit in the profit and loss account and corresponding deferred tax asset/liability as per direction of Bangladesh Bank vide letter no. DBI -7/4(5)/2023-377 dated 2 April 2023.

41b	**Consolidated Tax Expenses**			
	Current tax		3,745,966,752	2,338,472,612
	Deferred tax		334,272	(21,127,098)
			3,746,301,024	**2,317,345,515**
41c	**Tax Expenses of the Bank**			
	Current tax	(Note-15a.2)	3,701,218,481	2,273,525,795
	Deferred tax	(Note-41a)	-	(22,097,080)
			3,701,218,481	**2,251,428,716**
42.	**Consolidated Earnings per Share (EPS)**	**(Note-2.19)**		
	Net Profit after Taxes		3,580,349,082	2,591,539,155
	No. of Ordinary Shares outstanding		1,080,551,798	1,080,551,798
			3.31	**2.40**
42a	**Earnings per Share (EPS) of the Bank**	**(Note-2.19)**		
	Net Profit after Tax		3,525,058,077	2,585,236,940
	Number of Ordinary Shares outstanding		1,080,551,798	1,080,551,798
			3.26	**2.39**

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)	21,952,716,012	19,830,277,405
	Net Asset Value (Bank's)	21,870,140,916	19,802,993,313
	No. of Outstanding Shares	1,080,551,798	1,080,551,798
	Net Asset Value (NAV) per Share (Consolidated) [previous year's figure restated]	**20.32**	**18.35**
	Net Asset Value (NAV) per Share (Bank's) [previous year's figure restated]	**20.24**	**18.33**

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)	3,914,721,079	1,044,531,076
	Net cash flow from operating activities (Bank's)	3,881,596,555	632,061,045
	No. of Outstanding Shares	1,080,551,798	1,080,551,798
	Net Operating Cash Flow per Share (NOCFPS) (Consolidated) [previous year's figure restated]	**3.62**	**0.97**
	Net Operating Cash Flow per Share (NOCFPS) (Bank's) [previous year's figure restated]	**3.59**	**0.58**

Net Operating Cash Flow per Share (NOCFPS) has increased significantly compared to that of last year mainly due to the increase in deposits from customers on the other hand increase of investment income as well as other operating income during the year.

		Note	31.12.2022 Taka	31.12.2021 Taka
43.	**Consolidated Investment Income Receipt in Cash**			
	Shahjalal Islami Bank Ltd.	(Note-43a)	17,054,304,197	14,348,482,625
	Shahjalal Islami Bank Securities Ltd.		422,752,323	425,886,028
			17,477,056,520	**14,774,368,653**
43a	**Investment Income Receipt of the Bank**			
	Investment income receipt (excluding Dividend Income)	(Note 23a & 25a)	17,438,525,068	14,702,237,294
	Add: Opening profit receivable	(Note-10a.2)	699,031,297	345,276,627
	Less: Closing profit receivable	(Note-10a.2)	1,083,252,168	699,031,297
			17,054,304,197	**14,348,482,625**
44.	**Consolidated Profit Paid on Deposits**			
	Shahjalal Islami Bank Ltd.	(Note-44a)	7,778,867,646	8,081,893,596
	Shahjalal Islami Bank Securities Ltd.		213,604,636	191,183,988
			7,992,472,282	**8,273,077,584**
44a	**Profit Paid on Deposits of the Bank**			
	Profit Paid on Deposits	(Note-24a)	8,335,129,184	7,381,645,027
	Add: Opening profit payable on deposit	(Note-13a)	595,541,458	1,295,790,027
	Less: Closing profit payable on deposit	(Note-13a)	1,151,802,996	595,541,458
			7,778,867,646	**8,081,893,596**
45.	**Consolidated Cash Receipts from Other Operating activities**			
	Shahjalal Islami Bank Ltd.	(Note-45a)	1,346,180,485	1,045,558,852
	Shahjalal Islami Bank Securities Ltd.		6,579,919	11,723,154
			1,352,760,404	**1,057,282,006**
45a	**Cash Receipts from other Operating activities of the Bank**			
	Postage & Telex Charge Recovery		139,048,317	150,519,834
	Incidental Charge		915	930
	Supervision & Monitoring Charge		4,102,206	12,839,796
	Other charges (except income from sale of fixed assets)		1,203,029,048	882,198,293
			1,346,180,485	**1,045,558,852**
46.	**Consolidated Cash Payments for Other Operating activities**			
	Shahjalal Islami Bank Ltd.	(Note-46a)	1,563,784,406	1,279,206,916
	Shahjalal Islami Bank Securities Ltd.		52,609,132	97,820,386
			1,616,393,539	**1,377,027,302**
46a	**Cash Payments for Other Operating activities of the Bank**			
	Rent, Taxes, Insurance, Lighting etc.	(Note-29a)	395,349,782	334,690,238
	Legal Expenses	(Note-30a)	1,362,822	1,011,136
	Postage, Stamp, Telegram & Telephone	(Note-31a)	53,233,194	40,178,463
	Directors' Fee & Expenses	(Note-34)	6,596,383	6,398,484
	Shariah Supervisory Committee's Fees & Expenses	(Note-35)	619,587	743,851
	Auditor's Fee	(Note-36a)	550,000	550,000
	Repairs & Maintenance of Bank's Assets	(Note-37a.c)	38,424,148	24,327,597
	Zakat Expenses	(Note-38)	205,584,162	179,870,407
	Other Expenses		862,064,327	691,436,741
			1,563,784,406	**1,279,206,916**

		Note	31.12.2022 Taka	31.12.2021 Taka
47.	**Cash Increase/Decrease in Consolidated Other Assets**			
	Shahjalal Islami Bank Ltd.	(Note-47a)	3,436,552,181	2,845,471,073
	Shahjalal Islami Bank Securities Ltd.		34,652,250	25,190,208
			3,471,204,431	2,870,661,281
	Less: Cash Increase/(Decrease) through Inter Company Transaction		2,515,000,000	2,515,000,000
			956,204,431	**355,661,281**
	Cash (Increase)/Decrease in Other Assets		**(600,543,150)**	**64,438,242**
47a	**Cash Increase/Decrease in Other Assets of the Bank**			
	Stock of Stationery and Stamps		32,352,408	24,202,678
	Advance deposits and rent		42,794,922	36,005,658
	Suspense Account		476,794,286	139,151,408
	Other Prepayments		133,509,156	100,954,213
	Shahjalal Islami Bank Securities Ltd.	(Note 10a.3)	2,515,000,000	2,515,000,000
	Advance Insurance premium		58,852	26,680
	Other Receivables		3,034,667	3,181,647
	SJIBL General Account-Net		229,407,891	26,948,790
	Advance for New Branches		3,600,000	-
			3,436,552,181	**2,845,471,073**
	Cash (Increase)/Decrease in Other Assets		**(591,081,108)**	**29,494,436**
48.	**Cash Increase/Decrease in Consolidated Other Liabilities**			
	Shahjalal Islami Bank Ltd.	(Note- 48a)	1,552,675,008	1,373,518,630
	Shahjalal Islami Bank Securities Ltd.		1,571,028,856	1,855,020,759
			3,123,703,864	3,228,539,388
	Less: Cash Increase/(Decrease) through Inter Company transaction		-	-
			3,123,703,864	**3,228,539,388**
	Cash Increase/(Decrease) in Other Liabilities		**(104,835,524)**	**85,859,272**
48a	**Cash Increase/Decrease in Other Liabilities of the Bank**			
	Other Payables		486,045,396	352,866,713
	Taxation on other income & prior years		326,223,283	326,223,283
	Outstanding Expenses		263,492,306	108,996,505
	Unearned Income on Quard		19,226,676	30,939,867
	Leased Liabilities as per IFRS 16		457,687,347	554,492,262
			1,552,675,008	**1,373,518,630**
	Cash Increase/(Decrease) in Other Liabilities		**179,156,379**	**(152,048,146)**
49.	**Consolidated Cash and Cash Equivalents**			
	Shahjalal Islami Bank Ltd.	(Note-49a)	20,618,979,706	17,054,274,937
	Shahjalal Islami Bank Securities Ltd.		343,641,221	552,337,203
			20,962,620,927	17,606,612,140
	Less: Cash Increase/(Decrease) through Inter Company Transaction		319,707,359	478,050,762
			20,642,913,568	**17,128,561,378**
49a	**Cash and Cash Equivalents of the Bank**			
	Cash in Hand		2,399,102,842	1,943,331,636
	Balance with Bangladesh Bank & Sonali Bank Ltd. (as agent of Bangladesh Bank)		14,924,287,024	12,087,735,744
	Balance with Other Banks & Financial Institutions		3,295,589,841	3,023,207,557
			20,618,979,706	**17,054,274,937**

	Note	31.12.2022 Taka	31.12.2021 Taka
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		3,525,058,077	2,585,236,940
Provision for taxation		3,701,218,481	2,251,428,716
Provision for invstments, shares & contingent liabilities		1,108,365,441	1,167,028,000
(Increase)/decrease profit receivable		(384,220,871)	(353,754,670)
Increase/(decrease) profit payable on deposits		556,261,539	(700,248,569)
Depreciation & amortization of fixed assets		519,786,068	511,541,775
Recoveries on investment previously written-off		66,934,374	31,809,277
Income tax paid		(2,188,624,194)	(1,799,500,546)
Loss/profit on the sale of Bank's assets		(921,092)	3,650,882
Effect of exchange rate changes on cash and cash equivalents		(169,724,866)	(11,326,932)
Operating profit before changes in operating assets and liabilities		**6,734,132,958**	**3,685,864,873**

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 2,835.

52. Audit Committee of the Bank

a) Particulars of Audit Committee

Pursuant to the BRPD Circular No. 11 dated 27 October 2013, the Board of Directors of the Bank formed a 05 (five) members' [including 03 (three) Independent Directors] Audit Committee called "Board Audit Committee". The Board of Directors in its Meeting No. 343 held on 27 July 2022 reconstituted the Committee by the following members:

Name	Status with the Bank	Status with the Committee	Educational Qualification
Ekramul Hoque	Independent Director	Chairman	Masters
Abdul Halim	Director	Member	BA
Md. Moshiur Rahman Chamak (Rep. of Fresh Export Import Ltd.)	Director	Member	MBA
K.A.M Majedur Rahman	Independent Director	Member	Masters
Nasir Uddin Ahmed, FCA, FCS	Independent Director	Member	Masters

All the members of the Board Audit Committee have good exposure in the Banking business. They are all playing active role in the Board Audit Committee.

b) Meeting of Audit Committee

During 01 January to 31 December 2022, the Audit Committee of the Board conducted 9 (nine) 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 xxix) Sonali IT xxx) Sonali Bazar Dot Com xxxi) United Traders xxxii) United Fisheries xxxiii) Sonali Abason Ltd. xxxiv) Sonali Rubber Garden xxxv) Fly Galaxy Travel and Tours xxxvi) NRB Recruiting Agency xxxvii) Wordbridge School xxxviii) Fareast International University xxxix) Shahjalal Islami Bank Securities Ltd.
Mohiuddin Ahmed	Vice Chairman	i) Rupsha Trading Corporation ii) Mohiuddin Auto House iii) Pacific Automobile iv) Shahjalal Islami Bank Securities Ltd.
Abdul Karim (Nazim) (Rep. of Shamsuddin Khan & Harun Miah Ltd.)	Vice Chairman	i) Shamsuddin Khan & Harun Miah Ltd. (UK) ii) Maharani Camden (UK) iii) Karim Enterprise Ltd. (UK) iv) Shahjalal Islami Bank Securities Ltd.
Dr. Anwer Hossain Khan	Director	i) Anwer Khan Modern Hospital Ltd. ii) Modern Diagnostic Center Ltd. iii) Anwer Khan Modern Nursing College iv) Hazi Shakhawat Anwara Eye Hospital Ltd. v) Anwer Khan Modern Medical College vi) Modern Holdings Ltd. vii) Anwer Khan Modern Dredging Corporation viii) Anwer Khan Modern Printers & Publications ix) Modern Fisheries x) Modern Bio-Technology xi) Bangladesh Journal xii) Shahjalal Islami Bank Securities Ltd.

Name of Director	Status with the Bank	Name of the Firms/Companies in which they have Interest
		xiii Anwer Khan Modern University xiv) Prime University
Md. Sanaullah Shahid (Rep. of Electra International Ltd.)	Director	i) Electra International Ltd. ii) Electra Consumer Electronics Industries Ltd. iii) Electra Furniture iv) Electra International v) Electra Mobile Ltd. vi) Electra Holding Ltd. vii) Electra Mobile viii) Federal Securities & Invst. Ltd. ix) Jalsiri Dairy Firm and Fishery x) Kashmir Chemical Co. xi) Sazawa Brothers xii) Shahjalal Islami Bank Securities Ltd.
Md. Abdul Barek	Director	i) Arju Electronics ii) Jony Electronics iii) Rony Electronics iv) Shahjalal Islami Bank Securities Ltd.
Abdul Halim	Director	i) Abdul Halim & Brothers ii) Excellent Ceramic Industries Ltd. iii) Excellent Tiles Industries Ltd. iv) Excellent Motors Ltd. v) Islamic Insurance Bangladesh Ltd. vi) Shahjalal Islami Bank Securities Ltd.
Akkas Uddin Mollah	Director	i) Russel Garments ii) Russel Apperals iii) Ekram Sweaters Ltd. iv) PNR Industries Ltd. v) Tania Cotton Mills Ltd. vi) Russel Washing Plant vii) Russel Spinning Mills Ltd. viii) Nurul Islam Spinning Mills Ltd. ix) Alalpur Agro & Fisheries Ltd. x) Goodman Pharmaceuticals Ltd. xi) Tofaz Dresses Ltd. xii) Akkas Uddin Mollah Ltd. xiii) Shahjalal Islami Bank Securities Ltd.
Khandaker Sakib Ahmed	Director	i) Own The World Company Ltd. ii) AQUA Consultant & Associates Ltd. iii) Intech Limited (Listed Public Limited Company) iv) Millennium Information Solution Ltd v) Al-Azhar International Grammar School vi) AIBL Capital Market Services Ltd. vii) Shahjalal Islami Bank Securities Ltd.
Engr. Md. Towhidur Rahman	Director	i) Fresh Foods Ltd. ii) Fresh Export Import Ltd. iii) Sea Fresh Ltd. iv) Libas Textiles Ltd. v) Fresh Knitwear Ltd. vi) Moshiur Infrastructure Ltd. vii) Natural Faves Ltd. viii) Shahjalal Islami Bank Securities Ltd. ix) South Asian Scolars School and College x) Prime University
A. K. Azad	Director	i) Ha-Meem Denim Mills Ltd. ii) Ha-Meem Apparels Ltd. iii) Ha-Meem Spinning Mills Ltd. iv) Ha-Meem Design Ltd. v) That's It Fashions Ltd. vi) That's It Sweater Ltd. vii) That's It Sportswear Ltd. viii) That's It Garments Ltd.

Name of Director	Status with the Bank	Name of the Firms/Companies in which they have Interest
		ix) That's It Knit Ltd. x) Sajid Washing & Dyeing Ltd. xi) Nishat Jute Mills Ltd. xii) Refat Garments Ltd. xiii) Modern Washing & Dyeing Industries Ltd. xiv) Refat Packaging & Printing Industries Ltd. xv) Sakib Poly Industries Ltd. xvi) Apparels Galary Ltd. xvii) Artistic Design Ltd. xviii) Creative Collections Ltd. xix) Creative Wash Ltd. xx) Express Washing & Dyeing Ltd. xxi) Times Media Ltd. [Channel 24 & The Daily Samakal] xxii) That's It Packaging Ltd. xxiii) Nishat Packaging & Printing Industries Ltd. xxiv) Crecent Spinning Mills Ltd. xxv) Ha-Meem Pharmaceuticals Ltd. xxvi) Shahjalal Islami Bank Securities Ltd.
Fakir Akhtaruzzaman	Director	i) Fakir Knitwears Ltd. ii) Central Hospital Ltd. iii) Zaman Agro Fisheries Ltd. iv) Fakir Echo Knitwears Ltd. v) FKL Spinning Ltd.
Mohammed Nasir Uddin Khan (Rep. of Anwer Khan Modern Hospital Ltd.)	Director	MNK Enterprise
Md. Moshiur Rahman Chamak (Rep. of Fresh Export Import Ltd.)	Director	i) Fresh Export Import Ltd. ii) Libas Textiles Ltd. iii) Fresh Knitwear Ltd. iv) Natural Febs Ltd. v) Moshiur Infrastructure Ltd.
Mrs. Tahera Faruque	Director	i) F & T Property Management Company (UK) ii) Star of India Restaurant (UK)
Mrs. Jabun Nahar (Rep. of Daffodils Trading International)	Director	i) Daffodils Trading International ii) Anwer Khan Modern University
Fakir Mashrikuzzaman (Rep. of Fakir Knitwears Ltd.)	Director	i) Fakir Knitwears Ltd. ii) Zaman Agro Fisheries Ltd. iii) Fakir Echo Knitwears Ltd. iv) FKL Spinning Ltd.
Ekramul Hoque	Independent Director	-
K.A.M Majedur Rahman	Independent Director	i) Financial Excellence Ltd. ii) Faujians Enterprises Limited iii) Impetus Management Limited
Nasir Uddin Ahmed	Independent Director	i) MABS & J Partners, Chartered Accountants ii) ZN Consultants (Strategic Management & HR Consulting Firm)

53.2 **Significant Contracts where Bank is a party and wherein Directors have interest:** Nil

53.3 **Shares issued to Directors & Executives without consideration or exercise at discount:** Nil

53.4 **Lending Policies to Related Parties**

Lending to related parties is effected as per requirements of Section 27(1) of the Banking Companies Act, 1991 (as amended up to date).

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

Sl. #	Name of the Party	Related By	Nature of Investment	Amount in Tk. (Non-Funded)	Amount in Tk. (Funded)	Status
i)	M/s. Arzoo Electronics	Mrs. Taslima Begum (Spouse of Md. Abdul Barek)	L/C /MPI-TR/ BMCTR	8,328,324	-	Regular
ii)	Electra International Ltd.	Sanaullah Shahid	BMCTR-Rev	-	113,152,138	Regular
iii)	Own the World Company Limited	Khandaker Sakib Ahmed	BMCTR/BG	3,000,000	1,202,274	Regular
iv)	M/s. Rupsha Trading Corporation	Md. Mohiuddin Ahmed	L/C /MPI-TR/ Bai-Muajjal	-	41,405,924	Regular
v)	Abdul Hakim	Abdul Halim	HPSM-Real Estate	-	12,022,599	Regular
vi)	Shoyeb Ahmed	Abdul Halim	HPSM-Real Estate	-	12,067,394	Regular
vii)	Modern Diagnostic Center Limited	Anwer Hossain Khan	HPSM-Real Estate	-	168,525,379	Regular
viii)	Daffodilss Trading International	Mrs. Jabun Nahar	Bai-Muajjal/ HPSM	-	103,538,030	Regular
ix)	Shahjalal Islami Bank Securities Ltd.	Subsidiary	Bai-Muajjal/BG	**400,000,000**	**2,260,530,757**	Regular
				411,328,324	**2,712,444,495**	

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**

The Board of Directors of the Bank at its 357th meeting held on 05 April 2023 has recommended 3% stock & 12% cash dividend for the year 2022. 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.

Dhaka.
05 April 2023

Chairman **Director** **Director** **Managing Director & CEO**

Shahjalal Islami Bank Limited

Investments in Shares & Securities (Listed with Stock Exchanges)

As at 31 December 2022

Annexure-A

(Amount in Taka)

Sl. No.	Name of Company	No. of Shares/ Securities	Market Price per Share	Market Value as at 31 December 2022	Cost Price as at 31 December 2022	Unrealised Gain/(loss)
	Quoted					
1	The ACME Laboratories Limited	300,000	85.00	25,500,000	29,077,594	(3,577,594)
2	Active Fine Chemicals Ltd.	2,200,000	19.30	42,460,000	60,709,192	(18,249,192)
3	Aftab Automobiles Limited	1,223,775	24.50	29,982,488	72,694,437	(42,711,950)
4	AIBL 1st Islamic Mutual Fund	8,099,050	7.40	59,932,970	72,762,501	(12,829,531)
5	Dhaka Electric Supply Company Ltd.	2,500,000	36.60	91,500,000	125,754,826	(34,254,826)
6	Export Import Bank of Bangladesh Limited	11,500,000	10.40	119,600,000	158,148,898	(38,548,898)
7	Generation Next Fashions Limited	1,989,845	6.00	11,939,070	25,741,813	(13,802,743)
8	Meghna Petroleum Limited	655,242	198.60	130,131,061	133,872,759	(3,741,697)
9	RAK Ceramics (Bangladesh) Limited	1,000,000	42.90	42,900,000	49,814,878	(6,914,878)
10	Square Textile Ltd.	1,186,491	67.50	80,088,143	82,481,825	(2,393,683)
11	The Dacca Dyeing & Mfg. Co. Limited	2,800,000	17.40	48,720,000	102,948,339	(54,228,339)
12	Titas Gas Transmission and Distribution Co. Ltd	4,600,000	40.90	188,140,000	240,881,514	(52,741,514)
13	Prime Islami Life Insurance Ltd.	800,000	53.40	42,720,000	55,501,667	(12,781,667)
14	Singer Bangladesh Limited	500,000	151.90	75,950,000	88,910,881	(12,960,881)
15	Olympic Industries Ltd.	250,000	124.00	31,000,000	37,182,109	(6,182,109)
16	Square Pharmaceuticals Ltd.	700,000	209.80	146,860,000	157,304,920	(10,444,920)
17	The IBN SINA Pharmaceutical Industry Ltd.	100,000	286.60	28,660,000	31,346,168	(2,686,168)
18	MJL Bangladesh Limited	1,000,000	86.70	86,700,000	86,720,740	(20,740)
19	Silva Pharmaceuticals Limited	2,300,000	21.60	49,680,000	48,788,156	891,844
20	Robi Axiata Limited	3,000,000	30.00	90,000,000	142,756,117	(52,756,117)
21	Linde Bangladesh Ltd.	50,000	1,397.70	69,885,000	75,143,517	(5,258,517)
22	Power Grid Company of Bangladesh Ltd.	2,000,000	52.40	104,800,000	123,322,659	(18,522,659)
23	Lub-rref (Bangladesh) Limited	1,500,000	36.10	54,150,000	69,212,179	(15,062,179)
24	Mir Akhter Hossain Limited	986,676	50.80	50,123,141	76,305,125	(26,181,984)
25	ACI Limited	157,500	260.20	40,981,500	44,635,402	(3,653,902)
26	ACI Formulations Limited	300,000	155.00	46,500,000	51,172,892	(4,672,892)
27	Agni Systems Ltd.	1,000,000	23.00	23,000,000	23,470,246	(470,246)
28	Grameenphone Ltd.	30,000	286.60	8,598,000	9,177,813	(579,813)
29	Apex Tannery Limited	100,000	123.90	12,390,000	13,619,478	(1,229,478)
30	BSRM Steels Limited	100,000	63.90	6,390,000	6,666,609	(276,609)
31	Crown Cement PLC.	425,000	74.40	31,620,000	33,424,707	(1,804,707)
32	Energypac Power Generation Limited	750,000	34.50	25,875,000	29,171,775	(3,296,775)
33	Global Islami Bank Limited	1,317,367	9.00	11,856,303	13,173,670	(1,317,367)
34	Islami Commercial Insurance Company Limited	8,798	28.10	247,224	87,980	159,244
35	IFAD Autos Limited	525,000	44.10	23,152,500	24,142,177	(989,677)
36	Union Bank Limited	2,000,000	9.30	18,600,000	25,711,346	(7,111,346)
	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	-
Total				**1,965,076,035**	**2,436,280,544**	**(471,204,509)**

Shahjalal Islami Bank Limited

Schedule of Fixed Assets including Premises Furniture and Fixtures

As at 31 December 2022

Annexure-B

(Amount in Taka)

Particulars	Cost				Depreciation & Amortization					Written Down Value as at 31.12.2022
	Balance as at 01.01.2022	Addition during the year	Adjustment during the year	Balance as at 31.12.2022	Rate	Balance as at 01.01.2022	Adjustment during the year	Charged during the year	Balance as at 31.12.2022	
Tangible Assets										
Land	1,876,724,350	-	-	1,876,724,350	-	-	-	-	-	1,876,724,350
Building	893,986,278	-	-	893,986,278	2.50%	146,291,316	-	19,660,190	165,951,506	728,034,772
Furniture & Fixtures	1,132,828,486	91,551,445	15,631,013	1,208,748,919	10% & 20%	498,391,068	10,726,583	86,516,080	574,180,566	634,568,353
Office Equipment	756,215,635	35,014,240	9,843,439	781,386,436	20%	462,797,145	9,280,282	96,856,740	550,373,603	231,012,833
Computer & Network Equipment	658,021,418	59,156,112	8,346,136	708,831,394	20%	436,756,401	8,326,962	84,608,955	513,038,393	195,793,000
Vehicles	136,169,606	7,349,625	13,610,000	129,909,231	20%	97,646,709	13,504,868	15,131,791	99,273,633	30,635,599
Right of Use Assets (ROU)	1,589,518,428	521,644,882	15,499,269	2,095,664,041	-	342,355,031	10,329,266	211,365,471	543,391,236	1,552,272,806
Books	1,042,667	-	-	1,042,667	20%	1,003,146	-	17,394	1,020,539	22,128
Sub-total	**7,044,506,868**	**714,716,304**	**62,929,857**	**7,696,293,315**		**1,985,240,815**	**52,167,961**	**514,156,621**	**2,447,229,475**	**5,249,063,840**
Intangible Assets										
Software-Core Banking	62,615,431	-	-	62,615,431	20%	62,601,317	-	-	62,601,317	14,114
Software-Others	99,146,312	11,168,076	-	110,314,387	20%	81,100,419	-	5,629,448	86,729,867	23,584,520
Sub-total	**161,761,743**	**11,168,076**	**-**	**172,929,818**		**143,701,736**	**-**	**5,629,448**	**149,331,184**	**23,598,634**
Grand Total	**7,206,268,611**	**725,884,380**	**62,929,857**	**7,869,223,133**		**2,128,942,552**	**52,167,961**	**519,786,068**	**2,596,560,659**	**5,272,662,474**

Shahjalal Islami Bank Limited

Schedule of Fixed Assets including Premises Furniture and Fixtures

As at 31 December 2021

Annexure-B

(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
Head Office Building under construction	-	-	-	-		-	-	-	-	-
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**

Shahjalal Islami Bank Limited **Annexure-C**

Statement of Foreign Currency

As at 31 December 2022

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

Sl. No.	Name of the Bank	Currency Name	2022			2021		
			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	417,823.14	103.2970	43,159,877	4,222,890.33	85.8000	362,323,990
2	Mashreq Bank psc, NY	USD	258,990.42	103.2970	26,752,933	1,383,308.45	85.8000	118,687,865
3	Standard Chartered Bank, Mumbai	USD	222,198.53	103.2970	22,952,442	222,198.53	85.8000	19,064,634
4	Habib American Bank, USA	USD	595,701.28	103.2970	61,534,155	732,230.33	85.8000	62,825,362
5	ICICI Bank, Hong Kong	USD	30,864.31	103.2970	3,188,191	290,441.65	85.8000	24,919,894
6	WACHOVIA BANK, NY, USA	USD	2,915,672.46	103.2970	301,180,218	668,366.00	85.8000	57,345,803
7	Commerzbank AG Frankfrut	USD	214,960.23	103.2970	22,204,747	79,082.15	85.8000	6,785,248
8	Bank Aljazira	USD	770.80	103.2970	79,621	64,700.58	85.8000	5,551,310
9	JPMorgan Chase Bank N.A., NY, USA	USD	49,629.90	103.2970	5,126,620	1,083,379.99	85.8000	92,954,003
10	Citibank N.A., NY, USA	USD	48,038.63	103.2970	4,962,246	173,390.88	85.8000	14,876,938
11	AB Bank Ltd. Mumbai	ACUD	45,804.14	103.2970	4,731,430	314,047.62	85.8000	26,945,286
12	Standard Chartered Bank, Mumbai	ACUD	1,800,343.02	103.2970	185,970,033	63,156.19	85.8000	5,418,801
13	Nepal Bangladesh Bank, Nepal	ACUD	33,640.75	103.2970	3,474,989	51,424.69	85.8000	4,412,238
14	Standard Chartered Bank, Colombo	ACUD	319,155.01	103.2970	32,967,755	14,195.67	85.8000	1,217,988
15	ICICI Bank, Mumbai	ACUD	55,410.28	103.2970	5,723,716	940,221.69	85.8000	80,671,021
16	Habib Metropoliton Bank Ltd.	ACUD	6,309.20	103.2970	651,721	61,007.79	85.8000	5,234,468
17	United Bank of India, Kolkata	ACUD	104,684.31	103.2970	10,813,575	225,403.19	85.8000	19,339,594
18	Sonali Bank Ltd. ACU, Kolkata	ACUD	22,144.86	103.2970	2,287,498	67,955.25	85.8000	5,830,560
19	Bank of Bhutan Ltd. Main Branch	ACUD	39,090.21	103.2970	4,037,901	12,602.16	85.8000	1,081,265
20	AXIS Bank Ltd. India	ACUD	48,895.46	103.2970	5,050,754	272,112.23	85.8000	23,347,229
21	MCB Bank Limited	ACUD	41,620.00	103.2970	4,299,221	193,508.12	85.8000	16,602,997
22	HDFC Bank Ltd., Mumbai	ACUD	4,578.19	103.2970	472,913	207,696.40	85.8000	17,820,351
23	Standard Chartered Bank, Frankfurt	EURO	1,015,780.50	109.6394	111,369,565	17,789.23	97.3658	1,732,063
24	COMMERZBANK AG	EURO	418,178.23	109.6394	45,848,810	1,057.35	97.3658	102,950
25	Wells Fargo Bank, N. A. London, UK	EURO	1,153,631.55	109.6394	126,483,471	1,785.56	97.3658	173,852
26	JPMorgan Chase AG, Frankfurt	EURO	497,812.98	109.6394	54,579,916	68,840.91	97.3658	6,702,750
27	Standard Chartered Bank,Tokyo	YEN	351,766.00	0.7683	270,262	1,335,122.99	0.7467	996,936
28	Habib Bank AG Zurich	CHF	2,688.88	111.2509	299,140	8,222.91	93.8137	771,422
29	ICICI Bank, Canada	CAD	24,019.23	75.9369	1,823,946	4,976.48	67.0837	333,841
30	Bank Aljazira, KSA	SAR	39,468.23	27.5019	1,085,451	1,237,672.35	22.8660	28,300,616
31	Riyad Bank, KSA	SAR	41,966.28	27.5019	1,154,152	58,798.45	22.8660	1,344,485
32	Standard Chartered Bank, London	GBP	17,770.12	124.1630	2,206,391	3,420.31	115.7871	396,028
33	JPMorgan Chase Bank N.A., London	GBP	2,793.79	124.1630	346,885	4,989.68	115.7871	577,741
34	MASHREQBANK PSC. UAE	AED	135,082.24	28.1279	3,799,580	27,420.95	23.3622	640,614
35	Emirates Islamic Bank PJSC, Dubai	AED	37,000.00	28.1279	1,040,732	565,000.00	23.3622	13,199,643
36	Standard Chartered Bank, China	CNY	80,797.74	14.8043	1,196,154	71,648.42	13.4736	965,362
Total					**1,103,127,014**			**1,029,495,149**

Details of Information on Investments Exceeding 10% of

Annexure-D

Bank's Total Regulatory Capital (Funded & Non-Funded)

As at 31 December 2022

(Taka in Lac)

Sl. No.	Name of Client	Outstanding			% of Investments to Total Capital		
		Funded	Non-funded	Total	Funded	Non-Funded	Total
1	LOGOS APPARELS LTD.	14,951	8,039	22,990			
	RAHMAT SWEATER (BD) LTD.	2,114	1,565	3,679			
	BELKUCHI SPINNING MILLS LTD.	8,701	-	8,701			
	M/S. SHAHI PRODUCTS	7,264	-	7,264			
	MOHAMMAD ALI SPINNING MILLS LTD.	-	9,698	9,698			
	Group-total	**33,029**	**19,302**	**52,331**	**9.70%**	**5.67%**	**15.36%**
2	MOONLIGHT GARMENTS LTD.	507	2,803	3,310			
	M/S.EHSAN GARMENTS LTD.	450	1,614	2,064			
	NOURISH POULTRY AND HATCHERY LTD.	8,534	23,548	32,082			
	NOURISH AGRO LTD.	3,171	16,823	19,994			
	NOURISH FEEDS LTD.	3,270	5,197	8,468			
	NOURISH FOODS LTD.	-	122	122			
	TELNET COMMUNICATION LTD.	-	7	7			
	EHSAN PACKAGING & PRINTING LTD.	-	40	40			
	AGROW FRUITS & VEGETABLES LTD.	1,404	-	1,404			
	Agrow Auto Rice Mill Limited	-	85	85			
	Group-total	**17,336**	**50,239**	**67,575**	**5.09%**	**14.75%**	**19.84%**
3	ANWAR SILK MILLS LTD.	1,196	1,624	2,820			
	A-ONE POLYMER LTD.	166	1,460	1,625			
	ANWAR CEMENT LTD	-	3,918	3,918			
	ANWAR ISPAT LTD.	4,313	4,998	9,311			
	ANWAR JUTE SPINNING MILLS LTD.	-	34	34			
	A.G. AUTOMOBILES LTD.	1,045	71	1,116			
	A.G. MOTORS LTD.	469	63	531			
	HOSSAIN DYEING & PRINTING MILLS LTD.	4,272	2,321	6,592			
	MEHMUD INDUSTRIES (PVT.) LTD.	6,432	3,953	10,385			
	ANWAR CEMENT SHEET LTD.	19,520	10,737	30,257			
	TOLEDO MOTORS LIMITED	299	49	348			
	EUTOCARS LIMITED	-	4	4			
	Group-total	**37,712**	**29,231**	**66,942**	**11.07%**	**8.58%**	**19.65%**
4	NASSA BASICS LTD.	14,803	14,825	29,628			
	NASSA SPINNING LTD.	5,291	-	5,291			
	NASSA BASIC WASH LTD.	-	-	-			
	NASSA HI TECH WASH LTD	603	993	1,596			
	NASSA TAIPEI TEXTILE MILLS LTD.	8,085	2,920	11,005			
	Group-total	**28,782**	**18,737**	**47,520**	**8.45%**	**5.50%**	**13.95%**
5	CHITTAGONG DENIM MILLS LTD	6,255	7,167	13,422			
	SMART JEANS LTD	3,177	2,644	5,821			
	SMART JACKET LTD.	661	1,685	2,347			

(Taka in Lac)

Sl. No.	Name of Client	Outstanding			% of Investments to Total Capital		
		Funded	Non-funded	Total	Funded	Non-Funded	Total
	SHEHAN TEXTILE LTD.	-	-	-			
	SMART BIO-INCEPTION LTD	-	91	91			
	APPAREL PROMOTERS LIMITED	1,655	1,839	3,494			
	AL-RAZI CHEMICAL COMPLEX LTD.	8,804	6,966	15,770			
	BM CONTAINER (BD)LTD.	2,473	1,421	3,894			
	BM ENERGY (BD) LTD.	1,615	18,599	20,214			
	SHOISHOB FASHION LTD.	176	-	176			
	Group-total	**24,816**	**40,414**	**65,230**	**7.29%**	**11.86%**	**19.15%**
6	KARIM SPINNING MILLS LTD.	4,487	1,404	5,891			
	PURBANI ROTOR SPINNING LTD.	5,921	269	6,189			
	SHOHAGPUR TEXTILE MILLS LTD.	8,891	565	9,456			
	PURBANI YARN DYING LTD	1,443	237	1,679			
	PURBANI FABRICS LTD	7,282	856	8,138			
	KARIM TEXTILES LTD.	2,638	1,512	4,149			
	Group-total	**30,661**	**4,842**	**35,503**	**9.00%**	**1.42%**	**10.42%**
7	ASWAD COMPOSITE MILLS LTD.	262	100	362			
	PALMAL LOGISTICS	235	-	235			
	ASWAD COMPOSITE MILLS LIMITED	8,147	25,506	33,653			
	MAGNUM TRADERS	-	2	2			
	HAMZA LOGISTICS LIMITED	786	-	786			
	HAMZA EXPORT LOGISTICS	986	-	986			
	Nafa Apparels Ltd	577	-	577			
	Group-total	**10,993**	**25,607**	**36,601**	**3.23%**	**7.52%**	**10.74%**
8	MYMENSINGH AGRO LTD	1,640	5,495	7,135			
	BANGA BUILDING MATERIALS LTD.	18,457	5,807	24,263			
	CHORKA TEXTILE LIMITED	1,093	2,017	3,110			
	Pran Dairy Ltd.	-	-	-			
	Group-total	**21,190**	**13,319**	**34,508**	**6.22%**	**3.91%**	**10.13%**
9	ALIM KNIT (BD) LTD.	10,560	12,155	22,715			
	MONDOL INTIMATES LTD.	3,629	3,191	6,820			
	MONDOL KNIT TEX LTD.	2,691	2,218	4,909			
	MOMDOL SPINNING MILLS LTD.	12,276	-	12,276			
	APPOLLO KNITWEAR BD LTD	893	1,118	2,010			
	APPOLLO FASHIONS LTD	700	978	1,679			
	APPOLLO PACKAGING (BD) LTD.	-	-	-			
	TROPICAL KNITEX LTD.	-	8	8			
	COTTON CLUB (BD) LTD.	2,626	109	2,735			
	COTTON CLOTHING (BD) LTD.	-	3,121	3,121			
	COTTON CLOUT (BD) LTD.	202	-	202			
	Group-total	**33,577**	**22,897**	**56,474**	**9.86%**	**6.72%**	**16.58%**
10	INCEPTA PHARMACUTICALS LTD.	7,710	11,562	19,272			
	INCEPTA VACCINE LTD.	396	1,653	2,049			
	INCEPTA HYGIENE AND HOSPICARE LTD.	277	671	948			
	INCEPTA CHEMICALS LTD.	1,379	377	1,756			
	INCEPTA HERBAL AND NUTRICARE LTD.	84	1,080	1,164			

(Taka in Lac)

Sl. No.	Name of Client	Outstanding			% of Investments to Total Capital		
		Funded	Non-funded	Total	Funded	Non-Funded	Total
	MAHEEN DIZAYN ETIKET (BD) UNIT-2 LIMITED	4,231	1,241	5,472			
	IMPRESS FASHION LIMITED	8,718	6,356	15,075			
	IMPRESS ACCESSORIES LIMITED	5,409	515	5,923			
	IPORT LOGISTICS LTD	215	375	590			
	IMPRESS AVIATION LIMITED	1,161	147	1,308			
	IMPRESS AVIATION LIMITED	-	-	-			
	NEXT SPACES LTD	-	2,679	2,679			
	INFRATRADE LIMITED	-	48	48			
	Group-total	**29,581**	**26,704**	**56,285**	**8.68%**	**7.84%**	**16.52%**
11	BENGAL PLASTICS LTD.	3,728	6,763	10,491			
	BENGAL POLYMER WARES LTD.	5,410	3,027	8,437			
	BENGAL POLYMER WARES LTD. (UNIT-2)	8,098	1,918	10,016			
	BENGAL CONCEPT AND HOLDINGS LTD	541	-	541			
	EUPHORIA APPARELS LTD	11,168	3,555	14,723			
	Group-total	**28,946**	**15,263**	**44,208**	**8.50%**	**4.48%**	**12.98%**
12	ABDUL MONEM LTD.	10,676	18,733	29,410			
	TEKKEN-AML-ABENIKKO-JV	-	7,838	7,838			
	Group-total	**10,676**	**26,571**	**37,248**	**3.13%**	**7.80%**	**10.93%**
13	MIR CEMENT LTD	10,942	18,032	28,975			
	MIR CONCRETE PRODUCTS LTD	1,733	6,863	8,597			
	Group-total	**12,676**	**24,896**	**37,571**	**3.72%**	**7.31%**	**11.03%**
14	DHALY CONSTRUCTION LTD.	40,736	5,732	46,467			
	RBS CONSTRUCTION LTD.	2,120	-	2,120			
	Group-total	**42,856**	**5,732**	**48,587**	**12.58%**	**1.68%**	**14.26%**
15	ENERGYPAC ENGINEERING LTD.	1,892	20,354	22,246			
	ENERGYPAC FASHIONS LIMITED	18,237	10,567	28,804			
	Group-total	**20,128**	**30,921**	**51,050**	**5.91%**	**9.08%**	**14.99%**
16	GOLDEN ISPAT LTD	11,456	23,500	34,956			
	Group-total	**11,456**	**23,500**	**34,956**	**3.36%**	**6.90%**	**10.26%**
17	HAMS GARMENTS LTD.	22,686	26,177	48,863			
	HAMS FASHION LTD.	496	608	1,103			
	DHAKA GARMENTS & WASHING LIMITED	-	183	183			
	MONOWARA INDUSTRIES LTD.	-	597	597			
	VICTORIA INTIMATE LTD.	-	143	143			
	Group-total	**23,182**	**27,708**	**50,890**	**6.81%**	**8.13%**	**14.94%**
18	TRADE INTERNATIONAL INDUSTRIES LIMITED	23,283	7,988	31,271			
	TRADE INTERNATIONAL MARKETING LTD	9,690	1,213	10,903			
	MD NURUL AMIN, MD NURUN NEWAZ, MD NURUSSAFA,MD. NURUL AFSER	54	-	54			
	BLUEBERRY CORPORATION	-	-	-			
	ORCHID CORPORATION	286	107	393			
	Group-total	**33,312**	**9,308**	**42,621**	**9.78%**	**2.73%**	**12.51%**
19	MAF SHOES LTD.	23,034	15,688	38,722			
	MAF FOOT WARE	-	-	-			
	Group-total	**23,034**	**15,688**	**38,722**	**6.76%**	**4.61%**	**11.37%**

(Taka in Lac)

Sl. No.	Name of Client	Outstanding			% of Investments to Total Capital		
		Funded	Non-funded	Total	Funded	Non-Funded	Total
20	ROSE SWEATERS LTD.	1,921	1,439	3,360			
	MADINAPLE FASHIONS CRAFT LTD	3,669	2,561	6,229			
	TEXEUROP (BD) LTD	136	13,060	13,196			
	SCARLET KNITWEARS LTD.	8,897	4,892	13,790			
	PANTEX DRESS LTD	1,213	4,958	6,171			
	T SHIRT PRINTERS LTD	-	-	-			
	Group-total	**15,836**	**26,911**	**42,747**	**4.65%**	**7.90%**	**12.55%**
21	M. HOSSAIN SPINNING MILLS (PVT.) LTD.	8,682	1,724	10,406			
	M. HOSSAIN COTTON SPINNING MILLS (PVT.) LTD.	24,216	7,557	31,773			
	HOSSAIN TRADING CO.	-	36	36			
	EASTERN TRADING CO.	-	93	93			
	DHAKA TRADING CO.	-	-	-			
	S.A. TRADING CO.	-	-	-			
	FAYSAL TRADING CO.	-	154	154			
	UNITED PLASTIC WOOD IND. (PVT.) LTD.	1,436	296	1,732			
	UNITED LEATHER PVT. IND. LTD.	1,907	281	2,188			
	SELINA TRADING CO.	-	-	-			
	Group-total	**36,241**	**10,140**	**46,382**	**10.64%**	**2.98%**	**13.64%**
22	LIZ FASHION INDUSTRY LIMITED	6,817	3,905	10,721			
	LIDA TEXTILE & DYEING LIMITED	11,031	5,255	16,286			
	PANDA SHOES INDUSTRY LIMITED	4,571	380	4,951			
	GOOD & FAST PACKAGING CO. LTD.	4,904	475	5,379			
	LIZDA HOLDING LTD.	3,628	-	3,628			
	Group-total	**30,951**	**10,015**	**40,966**	**9.09%**	**2.94%**	**12.03%**
23	HABITUS FASHION LIMITED	23,352	8,132	31,484			
	KA DESIGN LIMITED	2,263	2,007	4,270			
	FORTIS GARMENTS LIMITED	499	276	775			
	FORTIS AGRO LIMITED	1,786	-	1,786			
	SARAH RESORT LIMITED	2,824	-	2,824			
	QUATTRO FASHION LIMITED	327	1,231	1,558			
	Group-total	**31,051**	**11,647**	**42,698**	**9.12%**	**3.42%**	**12.53%**
Total		**588,023**	**489,591**	**1,077,614**			

Total Capital of the Bank as at 31 December 2022 is **Taka 340,644.82 lac**.

Annexure-E

Highlights of Performance of the Bank

As at and for the year ended 31 December 2022

(Amount in Taka)

Sl. No.	Particulars	2022	2021
1	Paid-up Capital	10,805,517,980	10,290,969,510
2	Total Capital (Tier-I + Tier-II)	34,064,482,378	33,778,031,313
3	Capital Surplus	10,370,733,177	11,312,676,858
4	Total Assets	339,818,866,156	313,731,100,865
5	Total Deposit	227,982,058,614	217,288,988,137
6	Total Investments (Loans & Advance)	237,229,977,592	216,586,583,999
7	Total Contingent Liabilities and Commitment	154,272,177,491	171,223,629,229
8	Investment Deposit Ratio (%)	83.64%	84.48%
9	Percentage of Classified Investments against Total Investments	4.78%	4.42%
10	Profit after Tax and Provision	3,525,058,077	2,585,236,940
11	Amount of Classified Investments	11,332,826,570	9,568,844,349
12	Provisions kept against Classified Investments	3,927,533,630	3,075,119,256
13	Provisions Surplus	217,729,826	723,256
14	Cost of Fund	5.27%	5.28%
15	Profit Earning Assets	285,102,871,972	266,235,178,638
16	Non-Profit Earning Assets	54,715,994,184	47,495,922,226
17	Return on Investments (ROI) in Securities	4.63%	3.46%
18	Return on Assets (ROA)	1.08%	0.85%
19	Income from Investment in Securities	1,732,562,841	1,192,319,713
20	Earnings per Share	3.26	2.39
21	Net Income per Share	3.26	2.39
22	Price Earning Ratio (Times)	5.76	9.11

Shahjalal Islami Bank Limited (Offshore Banking Unit)

Balance Sheet

As at 31 December 2022

	Note	31.12.2022		31.12.2021	
		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		583,263.81	60,249,402	532,007.48	45,646,242
Outside Bangladesh		-	-	-	-
	3	**583,263.81**	**60,249,402**	**532,007.48**	**45,646,242**
Investments					
General Investment etc.		25,548,445.58	2,639,077,783	17,788,253.12	1,526,232,118
Bills Purchased and Discounted		121,946,232.13	12,596,679,940	164,355,154.06	14,101,672,218
	4	**147,494,677.71**	**15,235,757,723**	**182,143,407.18**	**15,627,904,336**
Fixed Assets including Premises, Furniture and Fixtures	5	4,423.84	456,969	5,162.69	442,959
Other Assets		-	-	-	-
Non-Banking Assets		-	-	-	-
Total Property and Assets		**148,082,365.36**	**15,296,464,095**	**182,680,577.35**	**15,673,993,537**
Liabilities and Capital					
Liabilities					
Placement from Other Banks & Financial Institutions	6	**145,091,900.00**	**14,987,557,994**	**180,071,500.00**	**15,450,134,700**
Deposits and Other Accounts					
Mudaraba Savings Deposits		34,882.24	3,603,231	700.00	60,060
Mudaraba Term Deposits		-	-	-	-
Other Mudaraba Deposits		-	-	-	-
Al-Wadeeah Current & Other Deposit Accounts		296,086.51	30,584,848	47,599.24	4,084,015
Bills Payable		-	-	-	-
	7	**330,968.75**	**34,188,079**	**48,299.24**	**4,144,075**
Other Liabilities	8	**2,659,496.61**	**274,718,021**	**2,560,778.11**	**219,714,762**
Total Liabilities		**148,082,365.36**	**15,296,464,095**	**182,680,577.35**	**15,673,993,537**
Capital/Shareholders' Equity					
Paid-up Capital		-	-	-	-
Statutory Reserve		-	-	-	-
Retained Earnings		-	-	-	-
Total Shareholders' Equity		-	-	-	-
Total Liabilities & Shareholders' Equity		**148,082,365.36**	**15,296,464,095**	**182,680,577.35**	**15,673,993,537**

Shahjalal Islami Bank Limited (Offshore Banking Unit)

Off-balance Sheet Items

As at 31 December 2022

	Note	31.12.2022		31.12.2021	
		USD	Taka	USD	Taka
Contingent Liabilities					
Acceptances & endorsements		-	-	-	-
Letters of guarantee		-	-	-	-
Irrevocable letters of credit (including back to back bills)		-	-	-	-
Bills for collection		1,558,995.05	161,039,512	715,890.40	61,423,396
Other contingent liabilities		-	-	-	-
Total		**1,558,995.05**	**161,039,512**	**715,890.40**	**61,423,396**
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		**1,558,995.05**	**161,039,512**	**715,890.40**	**61,423,396**

Shahjalal Islami Bank Limited (Offshore Banking Unit)

Profit and Loss Account

For the year ended 31 December 2022

	Note	2022		2021	
		USD	Taka	USD	Taka
Investment Income	9	8,991,355.38	928,780,037	6,662,905.25	571,677,270
Less: Profit paid on Deposits & Borrowing	10	3,574,052.22	369,188,872	1,999,059.82	171,519,333
Net Investment Income		**5,417,303.16**	**559,591,165**	**4,663,845.43**	**400,157,938**
Commission, Exchange and Brokerage	11	27,138.49	2,803,325	7,977.86	684,500
Other Operating Income	12	136,291.31	14,078,483	130,001.05	11,154,090
		163,429.80	**16,881,808**	**137,978.91**	**11,838,590**
Total Operating Income		**5,580,732.96**	**576,472,973**	**4,801,824.34**	**411,996,528**
Salaries and Allowances	13	120,771.56	12,475,340	123,016.51	10,554,817
Rent, Taxes, Insurances, Electricity etc.	14	945.58	97,676	195.41	16,766
Legal Expenses		-	-	-	-
Postage, Stamps, Telecommunication etc.	15	157.57	16,277	331.16	28,414
Stationery, Printings, Advertisements etc.	16	491.85	50,807	656.69	56,344
Auditor's Fees		-	-	-	-
Depreciation & Repairs of Bank's Assets	17	1,463.81	151,207	1,642.06	140,889
Other Expenses	18	7,579.11	782,899	7,979.68	684,657
Total Operating Expenses		**131,409.48**	**13,574,205**	**133,821.51**	**11,481,886**
Profit before Provision		**5,449,323.48**	**562,898,768**	**4,668,002.83**	**400,514,643**
Specific provision for Classified Investments		-	-	-	-
General provision for Unclassified Investments		(339,937.84)	(35,114,559)	1,829,836.83	157,000,000
Provision for Other Assets		-	-	-	-
Total Provision		**(339,937.84)**	**(35,114,559)**	**1,829,836.83**	**157,000,000**
Total Profit before Provisions for Taxation		**5,789,261.32**	**598,013,327**	**2,838,166.00**	**243,514,643**
Deferred Tax Expenses		-	-	-	-
Current Tax Expenses		-	-	-	-
		-	-	-	-
Net Profit after Taxation		**5,789,261.32**	**598,013,327**	**2,838,166.00**	**243,514,643**
Retained Earnings from previous year		-	-	-	-
Add: Retained Earnings of current year		5,789,261.32	598,013,327	2,838,166.00	243,514,643
Retained Earnings carried forward		**5,789,261.32**	**598,013,327**	**2,838,166.00**	**243,514,643**
Less: Retained earnings transferred to central operation		**5,789,261.32**	**598,013,327**	**2,838,166.00**	**243,514,643**
		-	-	-	-

Shahjalal Islami Bank Limited (Offshore Banking Unit)

Cash Flow Statement

For the year ended 31 December 2022

	2022		2021	
	USD	Taka	USD	Taka
Cash flows from operating activities				
Investment income receipt in cash	8,991,355.38	928,780,037	6,662,905.25	571,677,270
Profit paid on deposits & borrowings	(3,574,052.22)	(369,188,872)	(1,999,059.82)	(171,519,333)
Fees & commission receipt in cash	27,138.49	2,803,325	7,977.86	684,500
Cash payments to employees	(120,771.56)	(12,475,340)	(123,016.51)	(10,554,817)
Cash payments to suppliers	(491.85)	(50,807)	(656.69)	(56,344)
Receipts from other operating activities	136,291.31	14,078,483	130,001.05	11,154,090
Payments for other operating activities	(8,682.26)	(987,183)	(8,584.18)	(742,957)
(i) Operating profit before changes in operating assets and liabilites	**5,450,787.29**	**562,959,643**	**4,669,566.96**	**400,642,411**
Changes in operating assets and liabilities				
(Increase)/decrease of investments to customers	34,648,729.47	392,146,613	(39,496,317.13)	(3,531,431,100)
Increase/(decrease) of deposits received from customers	282,669.51	30,044,004	(93,559.58)	(7,885,553)
Increase/(decrease) of other liabilities	438,656.34	90,117,819	(9,027.51)	(34,592)
(ii) Cash flows from operating assets and liabilities	**35,370,055.32**	**512,308,435**	**(39,598,904.22)**	**(3,539,351,245)**
Net cash used in operating activities (A)=(i+ii)	**40,820,842.61**	**1,075,268,078**	**(34,929,337.26)**	**(3,138,708,834)**
Cash flows from investing activities				
Proceeds from sale of fixed assets	-	-	-	-
Purchases of fixed assets	(724.96)	(74,886)	(292.45)	(25,092)
Net cash used in investing activities (B)	**(724.96)**	**(74,886)**	**(292.45)**	**(25,092)**
Cash flows from financing activities				
Borrowings from Banks & Financial Institutions	(34,979,600.00)	(462,576,706)	38,041,500.00	3,405,990,700
Profit transferred to Shahjalal Islami Bank Ltd.	(5,789,261.32)	(598,013,327)	(2,838,166.00)	(243,514,643)
Net cash flow from financing activities (C)	**(40,768,861.32)**	**(1,060,590,032)**	**35,203,334.00**	**3,162,476,057**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**51,256.33**	**14,603,160**	**273,704.29**	**23,742,131**
Add: Cash and cash equivalents at the beginning of the year	**532,007.48**	**45,646,242**	**258,303.19**	**21,904,111**
Cash and cash equivalents at the end of the year	**583,263.81**	**60,249,402**	**532,007.48**	**45,646,242**

Notes to the Financial Statements

As at and for the year ended 31 December 2022

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 has not been accounted for in the separate Financial Statements of OBU. Instead, this provisions has been accounted for in the Financial Statement of Shahjalal Islami Bank Limited.

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 103.2970 (weighted average rate declared by Bangladesh Foreign Exchange Dealers' Association (BAFEDA)) as at 29 December 2022).

	Note	31.12.2022		31.12.2021	
		USD	Taka	USD	Taka
3. Balance with Other Banks and Financial Institutions					
(other than Mudaraba Term Fund)					
Inside Bangladesh	(Note-3.1)	583,263.81	60,249,402	532,007.48	45,646,242
Outside Bangladesh		-	-	-	-
		583,263.81	**60,249,402**	**532,007.48**	**45,646,242**
3.1 Inside Bangladesh					
Shahjalal Islami Bank Ltd		583,263.81	60,249,402	532,007.48	45,646,242
		583,263.81	**60,249,402**	**532,007.48**	**45,646,242**
4. Investments (Loans and Advances)					
Country-wise Classification of Investments					
Inside Bangladesh					
Gross Murabaha, Bai-Muajjal etc.		25,548,445.58	2,639,077,783	17,788,253.12	1,526,232,118
Less: Profit receivable on Murabaha, Bai-Muajjal etc.		-	-	-	-
Net Murabaha, Bai-Muajjal etc.		**25,548,445.58**	**2,639,077,783**	**17,788,253.12**	**1,526,232,118**
Net Bills Purchased and Discounted	(Note- 4.1)	121,946,232.13	12,596,679,940	164,355,154.06	14,101,672,218
Outside Bangladesh		-	-	-	-
		147,494,677.71	**15,235,757,723**	**182,143,407.18**	**15,627,904,336**
4.1 Bills Purchased and Discounted					
Payable inside Bangladesh		2,992,982.29	309,166,092	6,245,813.00	535,890,755
Payable outside Bangladesh		119,107,431.16	12,303,440,317	158,306,652.83	13,582,710,813
Gross Bills Purchased and Discounted		**122,100,413.45**	**12,612,606,408**	**164,552,465.83**	**14,118,601,568**
Less: Profit receivable on Bills Purchased and Discounted		154,181.32	15,926,468	197,311.77	16,929,350
Net Bills Purchased and Discounted		**121,946,232.13**	**12,596,679,940**	**164,355,154.06**	**14,101,672,218**
5. Fixed Assets including Premises, Furniture & Fixtures					
Furniture & Fixture		1,710.45	176,684	2,513.43	215,652
Office Equipment		2,713.39	280,285	2,649.26	227,307
Carrying Value		**4,423.84**	**456,969**	**5,162.69**	**442,959**
Adjusting Account Debit		-	-		-
		-	-	-	-
6. Placement from other Banks & Financial Institutions					
Mudaraba Term Deposit from other Banks		47,975,000.00	4,955,673,575	64,000,000.00	5,491,200,000
Borrowing from Shahjalal Islami Bank Ltd		97,116,900.00	10,031,884,419	116,071,500.00	9,958,934,700
		145,091,900.00	**14,987,557,994**	**180,071,500.00**	**15,450,134,700**
7. Deposits and Other Accounts					
Al-Wadeeah Current Deposit		193,520.60	19,990,097	43,719.23	3,751,110
Sundry Deposits		102,565.91	10,594,751	3,880.01	332,905
		296,086.51	**30,584,848**	**47,599.24**	**4,084,015**
Mudaraba Savings Deposit		1,237.34	127,814	700.00	60,060
Foreign Currency Deposits		33,644.90	3,475,417		
		34,882.24	**3,603,231**	**700.00**	**60,060**
Mudaraba Term Deposit		-	-	-	-
		-	-	-	-
		330,968.75	**34,188,079**	**48,299.24**	**4,144,075**

	Note	31.12.2022		31.12.2021	
		USD	Taka	USD	Taka
8. Other Liabilities					
Profit Payable		1,168,582.62	120,711,079	730,326.28	62,661,995
Provision for Investments		1,489,898.99	153,902,096	1,829,836.83	157,000,000
Other Payables		-	-	-	-
Outstanding Expenses		1,015.00	104,846	615.00	52,767
		2,659,496.61	**274,718,021**	**2,560,778.11**	**219,714,762**

		2022		2021	
		USD	Taka	USD	Taka
9. Profit on Investments					
Profit received from Mudaraba Import Bills (UPAS)		7,554,776.16	780,385,713	5,835,819.10	500,713,279
Profit received from Hire Purchase		836,306.03	86,387,904	660,786.33	56,695,467
Profit received from Ijara		200,488.37	20,709,847	-	-
Profit on Inland Document Bill Purchased		399,784.82	41,296,573	166,299.82	14,268,525
		8,991,355.38	**928,780,037**	**6,662,905.25**	**571,677,270**
10. Profit paid on Deposits & Borrowings					
Profit on Deposits		101.81	10,516.67	-	-
Profit paid on Borrowings		3,573,950.41	369,178,355.50	1,999,059.82	171,519,333
		3,574,052.22	**369,188,872**	**1,999,059.82**	**171,519,333**
11. Commission, Exchange & Brokerage					
Commission from LC		**27,138.49**	**2,803,325**	**7,977.86**	**684,500**
12. Other Operating Income					
SWIFT & REUTERS		27,928.06	2,884,885	24,378.64	2,091,687
Miscellaneous Earnings		108,348.85	11,192,111	105,535.46	9,054,942
Service & Charges Receipts		14.40	1,487	86.95	7,460
		136,291.31	**14,078,483**	**130,001.05**	**11,154,090**
13. Salary & Allowances					
Basic Salary		47,386.54	4,894,887	47,406.78	4,067,502
Allowances		42,383.74	4,378,113	47,226.08	4,051,998
Bonus		26,416.71	2,728,767	23,316.24	2,000,533
Bank's Contribution to Provident fund		4,584.57	473,572	5,067.41	434,784
		120,771.56	**12,475,340**	**123,016.51**	**10,554,817**
14. Rent, Taxes, Insurance, Electricity etc.					
Insurance		**945.58**	**97,676**	**195.41**	**16,766**
		945.58	**97,676**	**195.41**	**16,766**
15. Postage, Stamps, Telecommunication etc					
Telephone charges		**157.57**	**16,277**	**331.16**	**28,414**
		157.57	**16,277**	**331.16**	**28,414**
16. Stationery, Printing, Advertisement etc					
Computer Stationery		481.25	49,712	656.69	56,344
Publicity and Advertisement		10.60	1,095	-	-
		491.85	**50,807**	**656.69**	**56,344**

	Note	31.12.2022		31.12.2021	
		USD	Taka	USD	Taka
17. Depreciation and Repairs of Fixed Assets					
Depreciation of Fixed Assets					
Furniture & Fixtures		802.98	82,945	802.98	68,896
Office Appliance & Equipment		660.83	68,262	761.15	65,307
		1,463.81	**151,207**	**1,564.13**	**134,202**
Repairs & Maintainance		**-**	**-**	**77.93**	**6,686**
		1,463.81	**151,207**	**1,642.06**	**140,889**
18. Other Expenses					
Entertainment Expense		87.81	9,070.51	12.62	1,082.80
Travelling Expense		15.52	1,603.17	-	-
Business Development & Promotion		255.12	26,353.13	173.10	14,851.98
Car Expense		7,148.83	738,452.69	7,793.96	668,721.77
Miscellaneous Expenses		71.83	7,419.82	-	-
		7,579.11	**782,899**	**7,979.68**	**684,657**

FINANCIAL STATEMENTS OF

SHAHJALAL ISLAMI BANK SECURITIES LIMITED

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, 2022 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 31 December 2022, 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;

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
DVC No. 2302070331AS348882

Place : Dhaka.
Dated : 01 February 2023

Shahjalal Islami Bank Securities Limited

Statement of Financial Position

As at 31 December 2022

	Notes	2022 Taka	2021 Taka
ASSETS			
Current assets			
Cash and bank balances	4	343,641,221	552,337,203
Receivables from securities trading	5	5,771,826	5,598,099
Receivable from others	6	25,774,658	19,372,444
Receivable from margin clients	7	4,892,947,742	4,855,276,931
Proprietary position in securities & other investments	8	1,711,518,584	1,642,124,315
Other advances	9	454,696,578	409,735,569
Other assets	10	370,352	403,600
		7,434,720,961	**7,484,848,161**
Non-current assets			
Fixed assets	11	141,008,032	145,011,311
Intangible assets	12	275,294	344,114
Capital work in progress		-	4,094,437
Investment in exchanges	13	428,000,000	428,000,000
Other long term assets	14	1,266,951	1,601,224
		570,550,277	579,051,086
Total assets		**8,005,271,238**	**8,063,899,247**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Payable to clients	15	315,072,740	469,414,857
Short term business liabilities	16	2,523,473,895	2,506,519,665
Payable to exchanges	17	26,815	26,069,846
Other liabilities and provisions	18	2,336,735,257	2,292,169,864
		5,175,308,707	**5,294,174,232**
Shareholders' equity			
Share capital	19	2,740,000,000	2,740,000,000
Capital Reserve	20	28,796,597	3,449,994
Retained earnings	21	61,165,934	26,275,021
		2,829,962,531	2,769,725,015
Total liabilities and Shareholders' Equity		**8,005,271,238**	**8,063,899,247**
Net asset value per share		**10.33**	**10.11**

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
DVC No. 2302070331AS348882

Place : Dhaka.
Dated : 01 February 2023

Shahjalal Islami Bank Securities Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

	Notes	2022 Taka	2021 Taka
Brokerage commission	22	148,003,064	278,987,673
Income from margin investments		267,013,721	173,610,465
Income from investment in securities	23	155,738,602	252,275,563
Other operating income	24	6,319,723	9,163,585
Total operating income		**577,075,110**	**714,037,286**
Operating expenses	25	(24,133,977)	(42,954,438)
Income from operation		**552,941,133**	**671,082,848**
Other income	26	260,196	2,559,569
Administrative and general expenses	27	(126,261,482)	(133,446,239)
Financial expenses	28	(218,195,910)	(203,313,347)
Net profit before Provision and income tax		**208,743,937**	**336,882,831**
Provision for investment in securities		(12,400,000)	(16,000,000)
Provision for margin investment		(91,023,877)	-
General provision		-	(1,500,000)
Net profit before income tax		**105,320,060**	**319,382,831**
Current tax		(44,748,271)	(64,946,817)
Deferred tax		(334,273)	(969,982)
		(45,082,544)	(65,916,799)
Net profit after income tax		**60,237,516**	**253,466,032**
Other comprehensive income		-	-
Total comprehensive income		**60,237,516**	**253,466,032**
Earnings Per Share (EPS)	29	**0.22**	**0.93**

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
DVC No. 2302070331AS348882

Place : Dhaka.
Dated : 01 February 2023

Shahjalal Islami Bank Securities Limited

Statement of Changes in Equity

For the year ended 31 December 2022

Amount in Taka

Particulars	Share capital	Capital Reserve	Retained earnings	Total
Balance as at 01 January 2022	2,740,000,000	3,449,994	26,275,021	2,769,725,015
Net profit for the year	-	-	60,237,516	60,237,516
Transferred to Capital Reserve	-	25,346,603	(25,346,603)	-
Balance as at 31 December 2022	**2,740,000,000**	**28,796,597**	**61,165,934**	**2,829,962,531**

For the year ended 31 December 2021

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**

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
DVC No. 2302070331AS348882

Place : Dhaka.
Dated : 01 February 2023

Shahjalal Islami Bank Securities Limited

Statement of Cash Flows

For the year ended 31 December 2022

		Note	2022 Taka	2021 Taka
A.	**Cash flows from operating activities**			
	Cash received from commission and others		472,592,310	917,799,491
	Payment for operating expenses & others		(419,827,681)	(626,795,640)
	Finance expenses paid		(218,195,910)	(203,313,347)
	Income tax paid		(42,377,210)	(55,506,173)
	Net Cash flow from/(used in) operating activities	30	**(207,808,491)**	**32,184,331**
B.	**Cash flow from investing activities**			
	Investment to executive car finance scheme		335,550	283,800
	Cash receipt on sale of assets		-	447,200
	Purchase of fixed assets		(18,177,271)	(46,714,775)
	Net Cash flow from/(used in) investing activities		**(17,841,721)**	**(45,983,775)**
C.	**Cash flow from financing activities**			
	Short term business liabilities		16,954,230	369,183,222
	Dividend paid		-	(198,655,599)
	Net cash flow from/(used in) financing activities		**16,954,230**	**170,527,623**
	Net Increase/(decrease) in cash and cash equivalents (A+B+C)		(208,695,982)	156,728,179
	Opening cash and cash equivalents		552,337,203	395,609,024
	Closing cash and cash equivalents		**343,641,221**	**552,337,203**

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.

Place : Dhaka.
Dated : 01 February 2023

Notes to The Financial Statements

For the year ended 31 December 2022

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 81 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 2022.

b. Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2022.

c. Statement of Changes in Equity for the year ended 31 December 2022.

d. Statement of Cash Flows for the year ended 31 December 2022.

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, amongst others.

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 mentioned 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 @27.5 % 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)

The employees of the Company are entitled gratuity benefits allowed 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, 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.

		2022 Taka	2021 Taka
4.	**Cash and bank balances**		
	Cash at bank in company's accounts	5,179,223	3,211,786
	Cash at bank in trading accounts (dealer account)	826,778	15,781,369
	Cash at bank in consolidated customer accounts	337,635,220	533,344,048
	Cash at bank in IPO account	-	-
		343,641,221	**552,337,203**
	Details are shown in "Annexure-B"		
5.	**Receivables from securities trading**		
	Receivable from DSE (Note:5.1)	4,645,131	5,598,099
	Receivable from CSE (Note:5.2)	1,126,695	-
		5,771,826	**5,598,099**
5.1	**Receivable from DSE**		
	Receivable from DSE Broker Activities (note: 5.1.1)	4,645,131	5,598,099
	Receivable from DSE Dealer Activities (note: 5.1.2)	-	-
		4,645,131	**5,598,099**
5.1.1	**Receivable from DSE Broker Activities**		
	Receivable against A,B,G and N category	4,087,819	-
	Receivable against Z category	557,312	5,598,099
	Receivable against spot trading	-	-
		4,645,131	**5,598,099**
5.1.2	**Receivable from DSE Dealer Activities**		
	Receivable against A,B,G and N category	-	-
	Receivable against Z category	-	-
	Receivable against spot trading	-	-
		-	**-**
5.2	**Receivable from CSE**		
	Receivable from CSE Broker Activities (note: 5.2.1)	1,126,695	-
	Receivable from CSE Dealer Activities (note: 5.2.2)	-	-
		1,126,695	**-**
5.2.1	**Receivable from CSE Broker Activities**		
	Receivable against A,B,G and N category	1,126,695	-
	Receivable against Z category	-	-
		1,126,695	**-**
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	25,774,658	19,372,444
		25,774,658	**19,372,444**
7.	**Receivable from clients**		
	Margin Investment (Note:7.1)	3,544,937,645	3,502,292,198
	Profit receivable from margin investment (Note:7.2)	1,346,137,719	1,351,394,541
	Fees & charges receivable from clients	1,872,378	1,590,192
		4,892,947,742	**4,855,276,931**

		2022 Taka	2021 Taka
7.1	**Margin Investment**		
	Receivable to clients having negative equity	2,476,159,213	2,205,754,471
	Receivable to clients fall under force sale condition(e.g. Equity is >DB but <125% of DB)	65,875,244	239,335,154
	Receivable to clients fall under margin call(e.g. Equity is >125% of DB but <150% of DB)	74,130,893	77,315,890
	Receivable to regular margin clients (e.g. Equity is >150% of DB)	928,772,295	979,886,683
		3,544,937,645	**3,502,292,198**
7.2	**Profit receivable from margin investment**		
	Receivable to clients having negative equity	1,201,201,740	1,037,945,760
	Receivable to clients fall under force sale condition(e.g. Equity is >DB but <125% of DB)	15,326,343	196,659,145
	Receivable to clients fall under margin call(e.g. Equity is >125% of DB but <150% of DB)	73,510,438	21,365,959
	Receivable to regular margin clients (e.g. Equity is >150% of DB)	56,099,198	95,423,677
		1,346,137,719	**1,351,394,541**
8.	**Proprietary position in securities & other investment**		
	Investment in securities Dealer Account (Note:8.1)	1,296,072,613	1,212,743,083
	Investment in securities Special Fund Account (Note:8.2)	116,041,065	130,381,231
	Investment in securities BB Special Fund Account (Note:8.3)	269,404,906	299,000,001
	Investment in un-Quoted share (Xpert Fintech Ltd.)	30,000,000	-
		1,711,518,584	**1,642,124,315**
8.1	**Investment in securities - Dealer Account**		
	Value of "A" category instruments	1,234,142,477	1,151,628,864
	Value of "N" category instruments	61,930,136	39,076,714
	Value of "Z" category instruments	-	-
		1,296,072,613	**1,190,705,578**
	Deposit for application of right shares/IPO	-	22,037,505
		1,296,072,613	**1,212,743,083**
	Investment in securities at cost	1,296,072,613	1,190,705,578
	Investment in securities at market value	1,038,754,687	982,041,216
	Diminution in value of investment in shares	**257,317,926**	**208,664,362**

Details of investment in marketable securities are shown in "Annexure- C.1".

8.2	**Investment in securities - ICB Special Fund Account**		
	Investment in securities	116,041,065	130,381,231
		116,041,065	**130,381,231**
	Investment in securities at cost	116,041,065	117,630,952
	Investment in securities at market value	97,496,719	92,360,149
	Diminution in value of investment in shares	**18,544,346**	**25,270,803**
	Value of "A" category instruments	116,041,065	117,630,952
	Value of "N" category instruments	-	-
	Value of "Z" category instruments	-	-
		116,041,065	**117,630,952**

Details of investment in marketable securities are shown in "Annexure- C.2 ".

		2022 Taka	2021 Taka
8.3	**Investment in securities BB - Special Fund Account**		
	Investment in securities	269,404,906	299,000,001
		269,404,906	**299,000,001**
	Investment in securities at cost	269,404,906	298,956,829
	Investment in securities at market value	229,697,856	319,372,000
	Diminution in value of investment in shares	**39,707,050**	**20,415,171**
	Value of "A" category instruments	269,404,906	298,956,829
	Value of "N" category instruments	-	-
	Value of "Z" category instruments	-	-
		269,404,906	**298,956,829**

There is a provision in the Bangladesh Bank circular dated 10 February 2022 that the investment should be disclosed in the financial statements at cost. As such no provision has been made for the above unrealized investment loss of Taka 39,707,050 as on 31 December 2022.

Details of investment in marketable securities are shown in "Annexure- C.3 ".

9.	**Other Advances**		
	Advance income tax (Note: 9.1)	451,921,114	409,543,904
	Advance office rent (Note: 9.2)	2,421,792	-
	Advance commission for bank guarantee	353,672	191,665
		454,696,578	**409,735,569**
9.1	**Advance income tax**		
	Opening balance	409,543,904	354,037,731
	Add: Paid during the year	42,377,210	55,506,173
		451,921,114	409,543,904
	Less: Adjustment during the year	-	-
	Closing balance	**451,921,114**	**409,543,904**
9.1.1	**Advance tax paid during the year**		
	Tax on transaction (DSE)	24,085,628	43,780,835
	Tax on transaction (CSE)	147,670	757,183
	Advance tax on profit (SND)	24,715	108,170
	Advance income tax	9,517,417	-
	Advance tax on dividend income	8,601,780	10,859,985
		42,377,210	**55,506,173**
	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	55,506,173
	Year 2022	42,377,210	-
		451,921,114	**409,543,904**
9.2	**Advance office rent**		
	Advance office rent	8,861,037	11,311,800
	Transfer to advance office rent under IFRS 16*	6,439,245	11,311,800
		2,421,792	**-**
10.	**Other assets**		-
	Prepaid expenses	330,302	28,000
	Investment to executive car finance scheme	40,050	375,600
		370,352	**403,600**

		2022 Taka	2021 Taka
11.	**Fixed assets net off depreciation**		
	Furniture and fixtures	44,343,296	38,567,334
	Office equipment	12,696,778	11,054,770
	Right of Use Assets as per IFRS 16*	83,967,958	95,389,207
		141,008,032	**145,011,311**

* 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	**275,294**	**344,114**

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)	**1,266,951**	**1,601,224**

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	141,283,326	145,355,425
Tax base written down value	145,890,420	150,692,835
Deductible Temporary difference on written down value	**(4,607,094)**	**(5,337,410)**
Applicable tax rate	27.50%	30.00%
Closing deferred tax (assets)/liabilities	(1,266,951)	(1,601,224)
Opening deferred tax (assets)/liabilities	(1,601,224)	(2,571,206)
Deferred tax (income)/expenses	**334,273**	**969,982**

15.	**Payable to clients**		
	Payable to clients (IPO)	-	17,350,000
	Payable to clients (Trading)	315,072,740	452,064,857
		315,072,740	**469,414,857**

		2022 Taka	2021 Taka
16.	**Short term business liabilities**		
	Shahjalal Islami Bank Ltd. (Note: 16.1)	2,260,530,757	2,241,959,513
	Social Islami Bank Ltd. (Note: 16.2)	251,121,750	206,631,250
	Investment Corporation of Bangladesh (Note: 16.3)	11,821,388	57,928,902
		2,523,473,895	**2,506,519,665**
16.1	**Shahjalal Islami Bank Ltd.**		
	Bai Muajjal (Commercial) Investment (Note: 16.1.1)	1,972,880,825	1,925,589,750
	Bai Muajjal (Commercial) Inv. BB Special Fund (Note: 16.1.2)	287,649,932	316,369,763
		2,260,530,757	**2,241,959,513**
16.1.1	**Bai Muajjal (Commercial) Investment**		
	Principal business liabilities	1,895,200,000	1,859,000,000
	Profit payable on business liabilities	77,680,825	66,589,750
		1,972,880,825	**1,925,589,750**

Shahjalal Islami Bank Ltd., Bai-muazzal (Comm.) - investment limit of Tk.200.00 crore. Rate of return 9.00%. Validity up to 30.10.2023.

16.1.2	**Bai Muajjal (Commercial) Investment BB Special Fund**		
	Principal business liabilities	270,780,000	298,861,498
	Profit payable on business liabilities	16,869,932	17,508,265
		287,649,932	**316,369,763**

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	250,000,000	200,000,000
	Profit payable on business liabilities	1,121,750	6,631,250
		251,121,750	**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 31.01.2023. Security covered by Corporate Guarantee.

16.3	**Investment Corporation of Bangladesh.**		
	Principal business liabilities	11,726,275	57,481,821
	Profit payable on business liabilities	95,113	447,081
		11,821,388	**57,928,902**

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. It has been paid 02.01.2023.

17.	**Payable to exchanges**		
	Payable to DSE (note:17.1)	26,815	24,873,801
	Payable to CSE (note:17.2)	-	1,196,045
		26,815	**26,069,846**
17.1	**Payable to DSE**		
	Payable to DSE for Broker activities	26,815	10,264,596
	Payable to DSE for Dealer activities	-	14,609,205
		26,815	**24,873,801**
17.2	**Payable to CSE**		
	Payable to CSE for Broker activities	-	1,196,045
	Payable to CSE for Dealer activities	-	-
		-	**1,196,045**
18.	**Other liabilities and provisions**		
	Provision for income tax (Note: 18.1)	477,325,183	432,576,912
	Provision for investment in marketable securities (Note: 18.2)	275,900,000	263,500,000
	Provision for margin investment (Note: 18.3)	285,550,000	194,526,123
	General Provision (Note: 18.4)	49,465,735	49,465,735
	Other liabilities (Note: 18.5)	1,248,494,339	1,352,101,094
		2,336,735,257	**2,292,169,864**

		2022 Taka	2021 Taka
18.1	**Provision for income tax**		
	Opening balance	432,576,912	367,630,095
	Add: Provision made during the year	44,748,271	64,946,817
		477,325,183	432,576,912
	Less: Adjustment during the year	-	-
	Closing balance	**477,325,183**	**432,576,912**
	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	64,946,817
	Year 2022	44,748,271	-
		477,325,183	**432,576,912**
	Income tax assessment status is shown in "Annexure- E"		
18.2	**Provision for investment in marketable securities**		
	Opening balance	263,500,000	137,500,000
	Add: Addition during the year	12,400,000	16,000,000
	Add: Transferred from provision for margin investment during the year	-	110,000,000
	Closing balance	**275,900,000**	**263,500,000**

As Per Bangladesh Securities and Exchange Commission's Directive No. BSEC/CMRRCD/2009-193/196 dated 28-12-2016, Directive No. BSEC/CMRRCD/2009-193/203 dated 28-12-2017, Directive No. BSEC/SRI/POLICY/3/2018/931 dated 24-12-2018 Directive No. BSEC/SRI/POLICY/3/2020/68 dated 12-01-2020 & Directive No. BSEC/SRI/NE/2020/605 dated 28-12-2022 (valid up to 31-12-2023) 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. 275,862,272 as on 31 December 2022. The Company has maintained provision of Tk. 275,900,000 as on December 31, 2022 leaving surplus of Tk.37,728

18.3	**Provision for margin investment**		
	Opening balance	194,526,123	303,155,165
	Add: Addition during the year	91,023,877	-
	Add:Amount transferred during the year	-	1,370,958
	Less: Transferred to provision for investment in marketable securities during the year	-	110,000,000
	Closing balance	**285,550,000**	**194,526,123**

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/CMRRCD/2009-193/203 dated 28-12-2017, Directive No. BSEC/SRI/POLICY/3/2018/931 dated 24-12-2018 Directive No. BSEC/SRI/POLICY/3/2020/68 dated 12-01-2020 & Directive No. BSEC/SRI/NE/2020/605 dated 28-12-2022 (valid up to 31-12-2023) the Company may keep 20% provision for negative equity in margin account. The market value of securities of the client account having negative equity stood at Tk. 2,346,747,275 as on December 31, 2022 against margin investment including profit receivable of Tk.3,677,360,954 thus arise negative equity of Tk. 1,364,200,796.00. If the market price of the securities against margin investment go up in future this equity erosion will be reduced. However, the Company maintained profit suspense on margin investment stood at Tk. 1,078,666,690 (note-18.5) up to 31.12.2022 and also maintained provision for margin investment Tk. 285,550,000 as on 31.12.2022 leaving total surplus of Tk.15,894

18.4	**General Provision**		
	Opening balance	49,465,735	47,965,735
	Add: Provision made during the year	-	1,500,000
	Closing balance	**49,465,735**	**49,465,735**

General provision made in the books of account stood at Tk. 49,465,735 as on December 31, 2022 against the required provision of Tk. 48,929,477 leaving surplus of Tk. 536,258 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.

		2022 Taka	2021 Taka
18.5	**Other liabilities**		
	Accrued expenses	7,306,076	262,898
	VAT payable	341,247	506,047
	Office rent payable	1,078,640	121,408
	Withholding tax payable	282,177	48,053,006
	Leave fare assistance payable	1,936,339	1,688,443
	Income suspense account	13,646,019	13,646,019
	Profit suspense account	1,078,666,690	1,151,135,450
	Security deposit	34,402	-
	Profit Payable to Client for consolidated customer bank account (18.5.1)	12,802,383	7,617,064
	Outstanding cheque	640,617	225,683
	Employees retirement obligation	42,768,266	37,357,500
	Untraced deposit accounts	834,749	787,836
	Lease liabilities as per IFRS-16 (Note. 18.5.2)	88,156,734	90,699,740
		1,248,494,339	**1,352,101,094**

18.5.1 Profit payable to client for consolidated customer bank account will be distributed to the elligible customer within three month. In this respect the management has applied to DSE for extension of three months time vide letter no. SJIBSL/Ho/Accounts/2023/DSE/93 dated January 29, 2023.

18.5.2 As mentioned in note -3.6 the Company has recognised the lease liabilities in accordance with IFRS-16 "Lease"

18.5.3 Maturity analysis of lease liabilities (as per para 58 of IFRS-16)

Not later than one month;	525,830	344,247
Later than one month and not later than three months;	1,063,522	696,259
Later than three months and not later than one year; and	5,470,535	4,013,012
Later than one year and not later than five years.	39,306,714	34,568,465
Later than five year and not later than five years.	41,790,133	51,077,757
	88,156,734	**90,699,740**

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

			2022 Taka	2021 Taka
17	Alhaj Mohammed Younus	1,250,000	12,500,000	12,500,000
18	Sanawar Bano	156,251	1,562,510	1,562,510
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	28,796,597	3,449,994
Retained earnings	61,165,934	26,275,021
	2,829,962,531	**2,769,725,015**
(ii) Supplementary Capital		
General provision	39,572,588	39,572,588
Specific provision	393,015,000	320,618,286
	432,587,588	**360,190,874**
B.Total Eligible capital (i+ii)	**3,262,550,119**	**3,129,915,889**
C. Total risk requirement (Annexure-A)	**583,294,455**	**565,902,390**
D. Required capital (120% of total risk requirement)	**699,953,346**	**679,082,868**
E. Capital surplus (B-D)	**2,562,596,773**	**2,450,833,021**
F. Capital adequacy ratio	**559%**	**553%**
Core capital to total risk requirement	485%	489%
Supplementary to total risk requirement	74%	64%
G. Operational risk requirement	**22,468,174**	**15,969,365**
H. Core capital to operational risk requirement (minimum 100%)	**126**	**173**
	times	**times**

19.2 Net Capital to aggregate liabilities Ratio

A. Liquid Assets		
Cash in hand or in Bank	343,641,221	552,337,203
Cash Surrender Value of life insurance policy	-	-
Customer's Debit Balances receivable within 3 days	3,544,937,645	3,503,882,390
Interest, dividend or commission receivable within 30 days	267,471,029	201,160,022
Clearing House Deposits	400,000,000	400,000,000
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.	5,771,826	5,598,099
Investment in Treasury bills,bonds or certificates issued by the Government of Bangladesh		-
Market Value of Investment in Securities traded in an exchange.	1,365,949,262	1,393,773,365
Market value of Investment in Mutual fund	-	-
Market value of Investment in collective investment scheme with haircurt of 15%	-	-
Value of Investment in Scurities not traded in the Exchange with haircurt of 30% of its face value.	67,890,613	67,890,613
Total Liquid Assets (A)	**5,995,661,596**	**6,124,641,692**

		2022 Taka	2021 Taka
	Designated Liabilities:		
	Amount payable in the ordinery course of dealing in securities	26,815	11,460,641
	Overdraft & Loan from banks	2,427,706,275	2,415,343,319
	Accrued Expenses	127,245	238,276
	Tax payable, net of advance taxes	-	19,078,741
	All other liabilities that are regarded as liabilities under generally accepted accounting principles in Bangladesh which are payable (within 30 days)	410,840,360	542,275,024
	Total Designated Liabilities (B)	**2,838,700,695**	**2,988,396,001**
	C. Net Capital Balance (A-B)	**3,156,960,901**	**3,136,245,691**
	D. Net Capital to aggregate Liabilities Ratio	**1:1.64**	**1:1.69**
	E. Maximum permissible Ratio	**1 : 20**	**1 : 20**
20.	**Capital Reserve**		
	Opening Balance	3,449,994	2,878,961
	Add: Addition during the year	25,346,603	571,033
	Closing Balance	**28,796,597**	**3,449,994**
	The above Capital Reserve has been maintained 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	26,275,021	19,980,022
	Add: Net Profit after tax during the year	60,237,516	253,466,032
	Less: Amount transferred to Capital Reserve (Note: 20)	(25,346,603)	(571,033)
	Less: Interim dividend paid	-	(246,600,000)
	Closing Balance	**61,165,934**	**26,275,021**
22.	**Brokerage commission**		
	Commission income through DSE	147,146,808	275,493,082
	Commission income through CSE	856,256	3,494,591
		148,003,064	**278,987,673**
23.	**Income from investment in shares**		
	Capital gain on sale of shares	106,327,473	204,087,992
	Dividend income (Note: 23.1)	49,411,129	48,187,571
		155,738,602	**252,275,563**
23.1	**Dividend income**		
	Cash dividend from DSE & CSE	3,879,464	3,767,064
	Cash dividend from investment in shares	43,751,073	42,563,007
	Cash dividend from investment in shares (ICB Fund)	1,780,592	1,857,500
		49,411,129	**48,187,571**
24.	**Other operating income**		
	Margin documentation fee	18,000	51,000
	BO account opening fee	460,500	926,000
	Income from CDBL	408,694	2,617,437
	BO account maintenance charge	5,248,084	5,119,650
	BO account closing fee	46,110	111,173
	Income from IPO process	138,335	338,325
		6,319,723	**9,163,585**
25.	**Operating expenses**		
	Howla charge	80,450	50
	Laga charge	12,119,232	22,295,787
	BO A/C maintenance fee	4,419,100	7,654,150
	CDBL transaction fee	6,582,151	12,392,636
	Service charge	933,044	611,815
		24,133,977	**42,954,438**

		2022 Taka	2021 Taka
26.	**Other income**		
	Cheque dishonour fee	39,000	27,000
	Profit on special notice deposit	153,807	1,073,253
	Notice pay earning	51,980	205,200
	Miscellaneous income	15,409	1,254,116
		260,196	**2,559,569**
27.	**Administrative and general expenses**		
	Rent, taxes, insurance, electricity etc. (Note: 27.1)	6,596,978	6,036,721
	Salaries and allowances (Note: 27.2)	74,090,233	52,647,257
	Legal and professional expenses	77,250	28,750
	Postage, stamp, telecommunication etc. (Note: 27.3)	3,042,601	2,425,692
	Stationery, printing & advertisement (Note: 27.4)	1,446,724	1,287,010
	Depreciation, repairs & maintenance (Note: 27.5)	22,995,211	21,234,085
	Other expenses (Note: 27.6)	18,012,485	49,786,724
		126,261,482	**133,446,239**
27.1	**Rent, taxes, insurance, electricity etc.**		
	Office rent (Note:27.1.1)	3,017,511	3,247,813
	Electricity and generator	2,621,078	2,551,002
	Insurance for motor vehicle	50,738	50,081
	Insurance premium (healthcare & fire)	522,842	-
	Fuel	384,809	187,825
		6,596,978	**6,036,721**
27.1.1	**Office rent**		
	Office rent	21,992,759	20,023,587
	Transfer to depreciation and profit expenses under IFRS 16*	18,975,248	16,775,774
		3,017,511	**3,247,813**
27.2	**Salaries and allowances**		
	Basic salary	26,279,320	21,249,219
	Casual salary	3,329,059	2,121,456
	Allowances	25,035,994	20,150,187
	Other allowance	717,750	678,600
	Consolidated salary	754,527	2,239,807
	Bonus	15,345,629	4,084,706
	Contribution to provident fund	2,627,954	2,123,282
		74,090,233	**52,647,257**
27.3	**Postage, stamp, telecommunication etc.**		
	Revenue stamp	25,003	35,251
	Telephone & mobile	627,946	582,656
	Networking	2,341,095	1,762,611
	Postage and courier	48,557	45,174
		3,042,601	**2,425,692**
27.4	**Stationery, printing & advertisement**		
	Office stationery	37,857	99,650
	Other stationery	148,801	149,372
	Paper expenses	264,432	263,891
	Advertisement	204,833	185,000
	Printing	764,251	555,962
	Computer accessories	26,550	33,135
		1,446,724	**1,287,010**
27.5	**Depreciation, repairs & maintenance**		
	Depreciation	7,322,215	7,841,621
	Depreciation on Right of Use Assets	14,927,155	12,790,807
	Repairs & maintenance	745,841	601,657
		22,995,211	**21,234,085**

		2022 Taka	2021 Taka
27.6	**Other expenses**		
	Expences for Bank Guarantee	757,993	1,226,668
	Conveyance	255,526	234,021
	Travelling and conveyance	34,500	47,870
	Uniform	69,567	64,190
	Water bill	922,637	698,477
	Renewal fees	939,210	337,822
	Training expense	1,000	3,000
	Bank charge	25,923	39,356
	Excise duty	306,572	272,556
	Entertainment	3,476,381	2,164,674
	Audit fee	76,500	67,242
	Utility bill	14,142	21,846
	Directors fee	231,000	451,000
	Software expenses	132,300	389,896
	Car maintenance	23,970	32,022
	Office maintenance	2,728,359	1,823,605
	Business promotional expenses	-	57,720
	Miscellaneous expenses	588,933	483,663
	Loss for written off margin	2,017,206	-
	Social security superannuation fund expenses	100,000	-
	Gratuity expenses	5,310,766	37,357,500
	Loss on sales of Assets	-	4,013,596
		18,012,485	**49,786,724**
28.	**Financial expenses**		
	Profit paid on Bai-muazzal (Commercial) TR investment, SIBL	21,541,643	6,918,750
	Profit paid on Bai-muazzal (Commercial) TR investment, SJIBL	169,824,880	159,901,377
	Profit paid on Bai-muazzal (Comm.) BB. Special Fund, SJIBL	17,508,944	26,127,403
	Profit paid to Investment Corporation of Bangladesh	1,266,663	3,512,904
	Profit expenses of lease liabilities as per IFRS-16*	8,053,780	6,852,913
		218,195,910	**203,313,347**

* 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	60,237,516	253,466,032
	Number of ordinary shares outstanding	274,000,000	274,000,000
		0.22	**0.93**
30.	**Cash flow from operating activities under indirect method**		
	Net profit before tax	105,320,060	319,382,831
	Adjustment for non-cash items:		
	Depreciation	22,249,370	20,632,428
	Loss on sale of Assets	-	4,013,596
		127,569,430	**344,028,855**
	Adjustment for changes in working capital:		
	Decrease in accounts receivables	(1,319,119)	218,702,636
	(Increase) in advance deposits and prepayments	1,208,336	5,498,718
	Increase in provision for investment in marketable securities	12,400,000	126,000,000
	Increase in General provision for all outstanding margin	-	1,500,000
	(Increase)/Decrease in margin investment	(42,927,633)	(404,533,364)
	(Increase)/Decrease in investment in marketable securities	(69,394,269)	(283,469,358)
	(Decrease) in provision for margin investment	91,023,877	(108,629,042)
	(Decrease) in trade and other payables	(283,991,903)	188,592,059
		(293,000,711)	**(256,338,351)**
		(165,431,281)	87,690,504
	Less: Income tax paid	(42,377,210)	(55,506,173)
	Net cash flows used in operating activities	**(207,808,491)**	**32,184,331**

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 01.01.2022	Transaction during the year (Net)		Balance as on 31.12.2022
			Cr.	Dr.	Cr.	Cr.
Shahjalal Islami Bank Ltd.	Parent Company	Short-term borrowing with Profit payble	2,241,959,513	-	18,571,244	2,260,530,757

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. Event after the reporting period

(a) The Board of Directors in its meeting held on 01 February 2023 approved the financial statements of the Company for the year ended 31 December 2022 and authorized the same for issue. The Board of Director has also decided to declare 2% cash dividend for the year 2022.

(b) Except above, no other significant event had occurred till date of signing the financial statements.

Chief Executive Officer **Director** **Chairman**

Place : Dhaka.
Dated : 01 February 2023

Shahjalal Islami Bank Securities Limited

Statement Showing Computation of Capital Adequacy

As at December 31, 2022

Annexure-A

A. Eligible Capital

Amount in Taka

Components	Amount	Haircut %	Haircut Amount	2022	2021
				Eligible Amount	Eligible Amount
Paid-up-capital	2,740,000,000	0		2,740,000,000	2,740,000,000
Capital Reserve	28,796,597	0		28,796,597	3,449,994
Retained Earnings	61,165,934	0		61,165,934	26,275,021
Sum of core capital				**2,829,962,531**	**2,769,725,015**
General Provision	49,465,735	20%	9,893,147	39,572,588	39,572,588
Specific Provision:					
Margin investment	285,550,000	30%	85,665,000	199,885,000	136,168,286
Investment in marketable securities	275,900,000	30%	82,770,000	193,130,000	184,450,000
Sum of supplementary capital				**432,587,588**	**360,190,874**
	Total Capital			**3,262,550,119**	**3,129,915,889**

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%**	22,468,174	15,969,365
Position Risk Requirement (PRR):			
i. Proprietary positions in Equity securities:		-	
Value of "A" category securities	**10%**	161,958,845	156,821,665
Value of "B/G/N/." category securities	**12%**	7,431,616	4,689,206
Value of "Z" category instruments	**15%**	-	-
ii. Proprietary positions in MFs & CISs:			
Value of listed funds	**10%**	-	-
Counterparty Risk Requirement (CPRR):			
i. Exposure of credit facilities to Clients	**8%**	391,435,819	388,422,154
Total risk requirement		**583,294,455**	**565,902,390**

C. Capital Adequacy Ratio (CAR)= $\frac{\text{Total Capital (TC)}}{\text{Total Risk Requirement(TRR)}} \times 100$ — 559% i.e.5.59 times; 553% i.e. 5.53 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
DVC No. 2302070331AS348882

Place : Dhaka.
Dated : 01 February 2023

Shahjalal Islami Bank Securities Limited

Cash and Bank Balance

As at 31 December 2022

Annexure-B

Amount in Taka

Particulars	Name of Bank Account	Name of the Bank name	Branch name	Account Number	Balance as on 31 December 2022	Balance as on 31 December 2021
Cash at bank in Company's accounts	SJIBSL Revenue A/C (DSE) A/C	Shahjalal Islami Bank Ltd.	Motijheel Branch	001310000301	1,411,122	1,318,756
	Shahjalal Islami Bank Securities Ltd. A/C	Shahjalal Islami Bank Ltd.	Motijheel Branch	001310000900	2,975,612	423,558
	Shahjalal Islami Bank Securities Ltd. A/C	Shahjalal Islami Bank Ltd.	Motijheel Branch	001310004205	62,630	297,427
	SJIBSL Special Fund Portfolio A/C	Shahjalal Islami Bank Ltd.	Motijheel Branch	0013100004231	311,702	190,409
	Shahjalal Islami Bank Securities Ltd. A/C,	Shahjalal Islami Bank Ltd.	GSA Branch.	0013100000011	1,517	1,662
	SJIBSL Gulshan Branch A/C	Shahjalal Islami Bank Ltd.	GSA Branch.	0012100003280	56,538	3,124
	SJIBSL Uttara Branch A/C	Shahjalal Islami Bank Ltd.	Uttara Branch.	0011100009766	99,463	2,892
	SJIBSL Collegegate Branch A/C	Shahjalal Islami Bank Ltd.	Collegegate Branch.	0013100000082	29,097	5,027
	SJIBSL Eskaton Branch A/C	Shahjalal Islami Bank Ltd.	Eskaton Branch	0011100000381	24,384	10,117
	SJIBSL Savar Branch A/C	Shahjalal Islami Bank Ltd.	Savar Branch.	0013100000501	11,746	8,837
	SJIBSL Agrabad Branch A/C	Shahjalal Islami Bank Ltd.	Agrabad Branch	0013100001096	67,875	4,460
	SJIBSL Chawkbazar Branch A/C	Shahjalal Islami Bank Ltd.	Chawkbazar Branch	0011100006045	12,757	17,848
	SJIBSL Sylhet Branch A/C	Shahjalal Islami Bank Ltd.	Sylhet Branch.	0013100003668	13,945	4,792
	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	77,674	227,725
	Shahjalal Islami Bank Securities Ltd. A/C	Al-Arafah Islami Bank Ltd.	Motijheel Branch	000020042768	8,085	8,775
	SJIBSL Special Fund Portfolio A/C	Al-Arafah Islami Bank Ltd.	HO Corporate	1431220000813	6,313	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					**5,179,223**	**3,211,786**

Shahjalal Islami Bank Securities Limited

Cash and Bank Balance

As at 31 December 2022

Annexure-B

Amount in Taka

Particulars	Name of Bank Account	Name of the Bank name	Branch name	Account Number	Balance as on 31 December 2022	Balance as on 31 December 2021
Cash at bank in trading accounts (Stock dealer account)	SJIBSL Dealer A/C DSE	Shahjalal Islami Bank Ltd.	Motijheel Branch	001310000324	636,970	642,539
	SJIBSL Dealer A/C DSE	Social Islami Bank Ltd.	Principal Branch	0021360003253	189,808	15,138,830
Total Cash at bank in Stock dealer account					**826,778**	**15,781,369**
Cash at bank in Consolidated customer accounts	SJIBSL Consolidated customer A/C DSE	Shahjalal Islami Bank Ltd.	Motijheel Branch	001310000290	313,992,001	474,451,019
	SJIBSL Consolidated customer A/C DSE	Social Islami Bank Ltd.	Principal Branch	0021360003242	23,551,119	58,800,239
	SJIBSL Consolidated customer A/C	Commercial bank of ceylon	Panthapath Branch	002809006966	92,100	92,790
Total Cash at bank in Consolidated customer account					**337,635,220**	**533,344,048**
Cash at bank in IPO account	SJIBSL IPO Process A/C	Shahjalal Islami Bank Ltd.	Motijheel Branch	001310004096	-	-
Total Cash at bank in IPO account					**-**	**-**
Grand total cash at bank balance					**343,641,221**	**552,337,203**

Shahjalal Islami Bank Securities Limited

Investment in Securities - Dealer Account

As at 31 December 2022

Annexure-C.1

Amount in Taka

Sl. No.	Name of the company	Category	No of shares	Cost value	Market value
1	ACI Limited	A	17,100	4,718,670	4,671,891
2	The ACME Laboratories Limited	A	190,000	17,542,889	16,150,000
3	Beximco Pharmaceuticals Ltd	A	240,000	48,935,431	35,088,000
4	Dhaka Electric Supply Company Limited	A	2,178,208	100,570,252	79,722,413
5	Energypac Power Generation Limited	A	234,087	12,039,749	8,076,002
6	Esquire Knit Composite Limited	A	41,780	1,880,100	1,441,410
7	Islamic Finance Company Limited	A	500,000	12,341,298	9,850,000
8	Lub-rref (Bangladesh) Limited.	A	695,000	29,357,974	25,089,500
9	Meghna Cement Mills Ltd.	A	21,099	1,502,246	1,444,376
10	MJL Bangladesh Limited	A	538,405	55,054,632	46,679,714
11	Mir Akhter Hossain Limited.	A	193,983	12,757,232	9,854,336
12	Navana CNG Limited	A	102,000	2,976,036	2,591,820
13	Prime Islami Life Insurance Ltd.	A	199,800	14,723,793	10,669,320
14	RAK Ceramics (Bangladesh) Ltd.	A	500,000	26,460,204	21,450,000
15	Shasha Denims Limited	A	6,141,228	189,120,609	165,813,156
16	Silco Pharmaceuticals Limited	A	1,500,000	42,045,296	35,100,000
17	Social Islami Bank Limited	A	1,550,000	20,320,229	19,065,000
18	Standard Bank Limited	A	13,015,821	131,612,043	114,539,225
19	Summit Alliance Port Limited	A	1,630,000	57,633,618	48,900,000
20	Takaful Islami Insurance Limited	A	1,532,109	83,358,244	69,557,749
21	Titas Gas Transmission & Dist. Co. Ltd.	A	3,150,000	186,836,703	128,835,000
22	Heidelberg Cement Bangladesh Limited	A	12,500	3,906,024	2,238,750
Total Value of "A" category instruments				**1,055,693,272**	**856,827,660**
1	Beximco Green Sukuk Al Istisna'a	N	32,000	3,025,562	2,848,000
2	AIBL Mudaraba Perpetual Bond	N	1	4,973	5,100
3	Islami Commercial Insurance Company Limited	N	8,798	87,980	247,224
4	Union Bank Limited	N	3,703,000	45,637,951	34,437,900
5	Global Islami Bank Limited	N	1,317,367	13,173,670	11,856,303
Total Value of "N" category instruments				**61,930,136**	**49,394,527**
1	The Dacca Dyeing & Manufacturing Co.Ltd.	B	4,537,500	112,370,346	78,952,500
2	Robi Axiata Limited	B	850,000	34,750,044	25,500,000
3	Silva Pharmaceuticals Limited	B	1,300,000	31,328,815	28,080,000
Total Value of "B" category instruments				**178,449,205**	**132,532,500**
Grand Total				**1,296,072,613**	**1,038,754,687**

Shahjalal Islami Bank Securities Limited

Investment in Securities - ICB Special Fund Account

As at 31 December 2022

Annexure-C.2

Amount in Taka

Sl. No.	Name of the company	Category	No of shares	Cost value	Market value
1	ACI Formulations Limited	A	80,000	13,782,560	12,400,000
2	Associated Oxygen Limited	A	330,264	14,815,714	12,054,636
3	Jumuna Oil Company Limited	A	30,000	5,509,010	5,019,000
4	AFC Agro Biotech LTD.	A	412,795	12,396,570	9,700,683
Total Value of "A" category instruments				**46,503,854**	**39,174,319**
1	Fu-Wang Ceramic Industry Limited	B	936,000	22,345,806	16,286,400
2	Intech Limited	B	600,000	24,823,474	17,520,000
3	Silva Pharmaceuticals Limited	B	1,135,000	22,367,931	24,516,000
Total Value of "B" category instruments				**69,537,211**	**58,322,400**
Grand Total				**116,041,065**	**97,496,719**

Shahjalal Islami Bank Securities Limited

Investment in Marketable Securities- Bangladesh Bank Special Fund Account

As at 31 December 2022

Annexure-C.3

Amount in Taka

Sl. No.	Name of the company	Category	No of shares	Cost value	Market value
1	ACI Limited	A	128,064	36,349,266	34,988,313
2	Beximco Pharmaceuticals Limited	A	575,169	110,574,921	84,089,708
3	EXIM Bank Limited	A	5,000,000	59,699,744	52,000,000
4	Jamuna Oil Company Limited	A	100,000	18,529,173	16,730,000
5	Meghna Petroleum Limited	A	112,300	22,658,788	22,302,780
6	Power Grid Company of Bangladesh Ltd.	A	228,856	13,839,208	11,992,054
7	Singer Bangladesh Limited	A	50,000	7,753,806	7,595,000
Total Value of "A" category instruments				**269,404,906**	**229,697,856**

Shahjalal Islami Bank Securities Limited

Schedule of Fixed Assets

As at 31 December 2022

Annexure-D

Amount in taka

Particulars	COST				Rate (%)	DEPRECIATION				Written Down value as at 31.12.2022
	Balance as at 01.01.2022	Addition during the year	Adjustments /disposal during the year	Balance as at 31.12.2022		Balance as at 01.01.2022	Charged during the year	Adjustments /disposal during the year	Balance as at 31.12.2022	
Tangible assets										
Furniture and fixtures	63,907,378	10,316,005	-	74,223,383	10%	25,340,044	4,540,043	-	29,880,087	44,343,296
Office equipment	41,923,233	4,355,360	-	46,278,593	20%	30,868,463	2,713,352	-	33,581,815	12,696,778
Sub-Total	**105,830,611**	**14,671,365**	**-**	**120,501,976**		**56,208,507**	**7,253,395**	**-**	**63,461,902**	**57,040,074**
Intangible assets										
Software	2,684,379	-	-	2,684,379	20%	2,340,265	68,820	-	2,409,085	275,294
Total tangible & intangible assets	**108,514,990**	**14,671,365**	**-**	**123,186,355**	**0**	**58,548,772**	**7,322,215**	**-**	**65,870,987**	**57,315,368**
Right of use Assets	120,276,821	3,505,906	-	123,782,727	0%	24,887,614	14,927,155	-	39,814,769	83,967,958
Total as at December 31, 2022	**228,791,811**	**18,177,271**	**-**	**246,969,082**	**0**	**83,436,386**	**22,249,370**	**-**	**105,685,756**	**141,283,326**
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**

Shahjalal Islami Bank Securities Limited

Income Tax Assessment Status

As at 31 December 2022

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	65,023,590	65,023,590	Return filed U/S- 82BB
2023-2024	44,748,271	-	32,859,793	Return to be submitted
Total	**477,325,183**	**412,623,505**	**490,045,857**	

Shahjalal Islami Bank Securities Limited

Computation of Total Income & Tax Liability

Income year ended 31st December-2022

Assessment Year 2023-2024

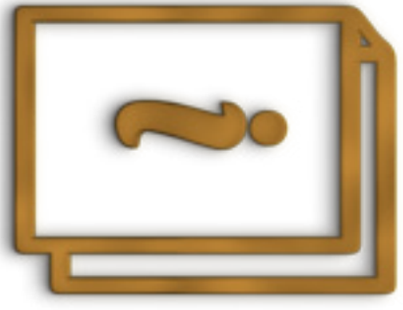
Annexure- F

Particulars	Taka	Taka
Net profit before Provision as per audited Profit and Loss Account		208,743,937
Add:		
Accounting depreciation on Fixed Assets	7,322,215	
Accounting depreciation as per IFRS 16	14,927,155	
Interest charge oh lease liability as per IFRS 16	8,053,780	30,303,150
		239,047,087
Less:		
Depreciation as per 3rd Schedule	8,052,531	
Rental expenses as per IFRS 16	18,975,248	27,027,779
		212,019,308
Less:		
Dividend Income	49,411,129	
Gain on sale of share	106,327,473	155,738,602
	Total Income	56,280,706
Minimum Tax on Brokerage commission u/s 82c(4)	24,233,298*100	88,121,084
	27.5	88,121,084
Add: Income from separate consideration		
Dividend Income	49,411,129	
Gain on sale of investment in share	106,327,473	155,738,602
	Total Income	**243,859,686**

CALCULATION OF TAX LIABILITY

	Attachment		**Taka**
Brokerage commission	88,121,084	27.5%	24,233,298
Tax on Dividend Income	49,411,129	20%	9,882,226
Tax on Gain on sale of investment in share	106,327,473	10%	10,632,747
Taxable Income	**243,859,686**	**Total Tax Liability**	**44,748,271**

Other
INFORMATION



BRANCH NETWORK

Dhaka Zone	
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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
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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
Torki Bandar Branch Jhuma Bhaban,369, School Road,Torki Bandar,Upazila: Gournadi,Dist: Barishal, Cell No. 01755556437 E-mail: torkibandar@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	
DSE Annex Building Sub-Branch DSE Annex Building, Holding No.- 9/E, Motijheel C/A, Dhaka-1000 Phone: 01755556351 E-mail: dsenxb@sjiblbd.com	Paniala Bazar Sub-Branch Patwary Super Market, Kamaruddin Road, Paniala Bazar, Lakshmipur Phone: 01755556352 E-mail: panialabazar@sjiblbd.com
Dhulasar Sub-Branch Bablatola New Market, Bablatola Bazar, Dhulasar, Patuakhali Phone: 01755556353 E-mail: dhulasar@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	
Gulshan ATM	40/5, North Avenue, Gulshan-2, Dhaka-1212
Dhanmondi ATM	Momtaz Plaza, House # 07, Road # 04, Dhanmondi R/A, Dhaka
Dilkhusha ATM	58 Dilkusha C/A, Dhaka-1000
Motijheel ATM	1/C Rajuk Avenue, Dainik Bangla Moor, Motijheel C/A, Dhaka-1000
Anwer Khan Mordern Hospital & College ATM	Road No.-08, Dhanmondi, Near Mirpur Road, Dhaka
Gulshan South Avenue ATM	Nasa Heights, Holding No-47, Gulshan Avenue, Gulshan-1, Dhaka-1212
Tangail ATM	Nirala Complex, Par Dihgulia, Tangail
Savar ATM	Bismillah Super Market, Holding no.:71/1&72/1, Savar
Uttara ATM	Anwer Complex, House#12,Road#14/C, Sec#04, Ward#01, Uttara Model Town, Dhaka
Uttara (Ladies Branch) ATM	Solar Trade Center, Plot No.:16, Sector:11, Gorobi Nayoaz Avenue, Uttara Residential Area , Uttara, Dhaka
Malibag Chowdhury Para ATM	34/B, DIT Road, Malibag Chowdhury Para, Dhaka
Karatia ATM	Plot-584/587,Karatia Bazar, Tangail
Sarulia ATM	Khandaker Super Market, Khandar Moor, Tanra Road, Ward-05, Union- Sarulia, PO- Sarulia Bazar, Demra, Dhaka
Joypara ATM	Monowara Mansion, Joypara, Dohar, Dhaka
Haluaghat ATM	Kamar Potti, Halua Ghat, Halua Ghat Sadar, Mymensing
Baruakhali ATM	Baruakhali high school market, Baruakahli, Nobabgong, Dhaka
Shikarpur Nimtola ATM	Eajuddin Mollah Super Market (Ground floor floor), 573 Shirajdikhan, Keyan, Munshigonj
Mymensingh ATM	Mymensingh College Super Market, Holding: 42/2, Rambabu Road, Mymensingh Sadar, Mymensingh
Nagarpur ATM	Refaz Uddin Plaza (1st Floor), 369 Sadar Road, Nagarpur, Tangail
Baipail ATM	Swapneel Tower, Baipail, Ashulia, Dhaka EPZ, Savar, Dhaka
Ha-Meem_Group_ATM_01	407 Tejgoan Industrial Area, Dhaka-1208
Ha-Meem_Group_ATM_02	407 Tejgoan Industrial Area, Dhaka-1208
Banani ATM	Ataturk Tower (1st floor) 22 Kamal Ataturk Avenue, Banani Dhaka-1213
Narayangonj ATM	Osman Tower, 56/1 SM Maleh Road, Narayangonj
Incepta_HO ATM	Incepta Pharmaceuticals Ltd. Head Office, 40, Shahid Tajuddin Ahmed Sarani, Tejgaon, I/A, Dhaka
Aswad_Mawna_1 ATM	Aswad Composit Mills, 1317, Beraider Chala, Sreepur, Gazipur
Aswad_Mawna_2 ATM	Aswad Composit Mills, 1317, Beraider Chala, Sreepur, Gazipur
Incepta_Manikgong ATM	Incepta Pharmaceuticals Ltd. Factory: Krishnapura, Shahabelishwar, Dhanrai, Dhaka
Al-Razzak Bangshal ATM	Hotel Al-Razzak (Pvt) Ltd, 29/1, North South Road, Bangshal, Dhaka
Charbhadrasan ATM	Charbhadrasan Bazar, Charbhadrasan, Faridpur
Joydevpur Chowrasta Branch ATM	Khaleque Complex (1st floor), Joydevpur Chowrasta, Gazipur
SJIBL Incepta_Savar_01 ATM	Incepta Pharmaceuticals Ltd, Dewan Idris Road, Boro Rangamati, Jirabo, Savar, Dhaka
SJIBL Incepta_Savar_02 ATM	Incepta Pharmaceuticals Ltd, Dewan Idris Road, Boro Rangamati, Jirabo, Savar, Dhaka
SJIBL Tower ATM	Shahjalal Islami Bank Tower, Plot No: 4, CWN(C), Gulshan Avenue, Dhaka-1212.
Elephant Road Branch ATM	Fahim Mansion (1st Floor), 23 Elephant Road, New Market, Dhaka-1205

Ati Bazar Branch ATM	Shah Alam Tower, 65 Ati Bazar Main Road, Keraniganj, Dhaka
Kalihati Branch ATM	Haji Samad Shopping Complex, 116 Kalihati Bus Stand, Kalihati, Tangail
Anowara_ATM_01	Anowara Knit Composite Limited, Mulayed, Mawna, Sreepur, Gazipur
Anowara_ATM_02	Anowara Knit Composite Limited, Mulayed, Mawna, Sreepur, Gazipur
Jurain Branch ATM	Rezia Alam Shopping Complex (1st Floor), Holding No.-414/2, New Jurain, Alambagh Road, Kadamtoli, Dhaka-1204
Dighirpar Branch ATM	Dighirpar (Bus Stand), Union: Mulchor, PS: Tongibari, District: Munshiganj
Mondol_Mawna_1 ATM	Mondol Intimates Ltd. Bagher Bazar, Mawna, Gazipur
Mondol_Mawna_2 ATM	Mondol Intimates Ltd. Bagher Bazar, Mawna, Gazipur
Tangil Sristy ATM	Sristy Complex, 3109, Mymensigh Road, Tangail Sadar, Tangil-1900
Baraikhali Branch ATM	Islam Super Market, Baraikhali Bazar, Srinagar, Munsigonj
Taktarchala Bazar Branch ATM	Taktarchala Bazar, Taktarchala, Shokhipur, Tangail
Sadarpur Branch ATM	Jamjam Tower, Sadarpur Main Road, Hospital Mor, Sadarpur, Faridpur
Libas_Textile_Shafipur_NCR_ ATM_01	Libas Textile Ltd. Nishchintapur, Mouchak, Kaliakoir GAZIPUR
Libas_Textile_Shafipur_NCR_ ATM_02	Libas Textile Ltd. Nishchintapur, Mouchak, Kaliakoir GAZIPUR
Q Pail Limited Tongi_NCR_ ATM	Plot # B 196, BSCIC Industrial Area, Tongi, Gazipur
Bandura ATM	Nuruddin Plaza, Bandura bus stand, Puraton Bandura Bazar, Hashnabad, Nawabgonj, Dhaka.
Ekram Sweaters Bhaluka ATM	Ekram Sweaters Ltd. Kathali, Bhaluka, Mymensingh
Narayanganj Branch ATM 2	Osman Tower, 56/1 SM Maleh Road, Narayangonj
Silken_Sewing_JCB_ATM_01	Silken Sewing ltd., Baniar Chala, PO-Bhabanipur union, Mirzapur Gazipur Sadar, Gazipur
Silken_Sewing_JCB_ATM_02	Silken Sewing ltd., Baniar Chala, PO-Bhabanipur union, Mirzapur Gazipur Sadar, Gazipur
Sheikhpur Bazar Branch ATM	Sheikhpur Bazar, Shibchor, Madaripur
Gharishar Branch ATM	Italy Plaza, Gharishar Main Road, Gharishar, Naria, Shariatpur
Vararia Bazar Branch ATM	Vararia Bazar, Vararia, Manikgonj
Gafargaon Branch ATM	Hekim Tower, M-396, Station Road, Gafargaon, Mymensingh
Barachowna Bazar Branch ATM	Barachowna Bazar PS:Shakhipur Dist.: Tangail
Ekram Sweaters Bhaluka ATM-2	Ekram Sweaters Ltd. Kathali, Bhaluka, Mymensingh
Satmasjid Road Branch ATM	Khuda Buksh Foundation, Road No. 11/A, House No. 99, Dhanmondi, Dhaka-1209
Saturia Branch ATM	Upazilla Muktijodda Complex Bhaban, Upazilla Sadar, Saturia, Manikgonj
Mondol Mawna GRG_1 ATM	Mondol Intimates Ltd. Bagher Bazar, Mawna, Gazipur
Anwer Khan Modern Hospital GRG_ATM2	Road No.-08, Dhanmondi, Near Mirpur Road, Dhaka
Faridpur Branch ATM	Sree Sree Gour Gopal Bigroha Estate Biponi Bitan Complex-2, Thana Road, Faridpur
Progati Sarani Branch ATM	Confidence Center (1st Floor), Kha-9, Progati Sarani, Gulshan, Dhaka-1229
Pallabi Branch ATM	Holding No.-23, Road No.-8, Block-A, Section-12, Pallabi, Mirpur, Dhaka
Basail Branch ATM	Doctor Wazed Ali Super Market, 901 Upzilla Road, Bashail, Tangail
Foreign Exchange Branch ATM	Humayun Court, 21 Motijheel C/A, Dhaka
Ashkona Branch ATM	City Port 398, Ashkona Bazar Road (Haji Camp), Dakkhin Khan, Dhaka-1230
Pandora Sweaters ATM-1	Pandora Sweaters Ltd.Gilar Chala, Master Bari, Shreepur, Gilar Chala Rd, Gazipur
Pandora Sweaters ATM-2	Pandora Sweaters Ltd.Gilar Chala, Master Bari, Shreepur, Gilar Chala Rd, Gazipur
Chattogram Zone	
Agrabad ATM	104, Agrabad C/A, Chattogram
Chawkbazar ATM	2 Chawkbazar, Kapashgola Road, Chattogram
Bandartila ATM	Zalal Plaza, 311 Bandartila, Sailor's Colony, Chattogram
Laxmipur ATM	Ali-Haidar Shopping Complex, Holding No.#339, Hospital Road, P.O+P.S: Laxmipur, Ward No#07, Dist-Laxmipur

Hajigong ATM	Holding No.-622,P.O+P.S-Hajigong, Ward No.-06, Chadpur
Brahmanbaria ATM	City Center Shopping Complex, 1072 Court Road
Chowmuhuni ATM	Ali Bhaban, 1523 katimpur Road, Chowmuhuni, Begumganj, Noakhali
Cumilla ATM	Cumilla Tower, Lakxam Road, Cumilla
Gunabati ATM	Faraiji Shopping Complex (1st Floor), College Road, Gunabati, Chouddagram, Cumilla
Feni Branch ATM	Star Line Complex, 314/1, S.S.K Road, Feni
Dashgharia Branch ATM	Nur Shopping Complex, Paniwala Road, Dashgharia Bazar, Chatkhil, Noakhali
Rajapur Branch ATM	Shenu Member Market, Dhagonbhuiya Road, RajapurBazar, Dhagonbhuiya, Feni
Samitir Bazar Branch ATM	Samitir Bazar, Ramganj, Lazmipur
Halishahar Branch ATM	Shahidullah Bhaban, 1764/1/2221 North Agrabad, Doublemuring, Chattogram.
Brahmanpara Branch ATM	Yousuf Miaji Plaza, Upazilla Sarak, Brahmanpara, Cumilla
Baxirhat ATM	Baxirhat,Senbag, Noakhali
Mirsharai Branch ATM	Lucky Rosey Market, Holding No-NHB-88, Dhaka-Chattogram Highway, Mirsharai, Chattogram
Mainamati Branch ATM	A.M. Haji Market, Nishchintapur, Mainamati Cantonment, Cumilla
WASA Moor Branch ATM	MOJ-Rose Heights, Holding-521/522, Road-42, M. M. Ali Road (CDA Avenue), ward-14, Lal Khan Bazar, Khulshi
Anderkilla Branch ATM	Anderkilla Branch, Pubali Art Press Bhaban, 320 Anderkilla, Chattogram
Ramgonj ATM	Anowar Khan Tower, 283, Kalabagan Road , Ramgonj, Laxmipur
Dattapara Branch ATM	399, Dattapara Road, Dattapara Bazar, Laxmipur Sadar, Laxmipur
Khatunganj Branch ATM	Aziz tower, Holding No.-306, Khatunganj, Chattogram
Debdawar Branch ATM	Bandhan Tower, 353/3, Cumilla, Sylhet Highway, Debidwar, Cumilla.
Sylhet Zone	
Sylhet ATM	Star view Tower, Sylhet
Al-Falah ATM	Dhopa Dighirpar, Sylhet
Darghagate Branch ATM	Amin Complex, 80/A-1, Waves, Airport Road, Amberkhana, Sylhet
Habiganj Branch ATM	Harun Tower, 3679-01 B Zaman Khan Road, Habiganj
Moulvibazar Branch ATM	286/300 Ahmed Mansion (1st floor), Saifur Rahman Road, Moulvibazar-3200
Subidbazar Branch ATM	Merlin Tower, Holding No: 7746, Sunamganj Road, Sylhet
Mirboxtula ATM	Jamiah Islamiah Hussainia Mirboxtula Market Bhaban, Nayaroad, Sylhet
Khulna Zone	
Khulna ATM	Moon Mansion, 10 KDA Avenue Moylapota More, Khulna
Jashore ATM	Sadhinata Bhaban, Holding no:91, M.K. Road. Kotawaly, Jashore
Kushtia ATM	Shop No.#09, Chowdhury Super Market, 1-Sir Sayed Ahammed Road, Panch Raster more/Sapla more, Thana para, Kushtia
Chuadanga ATM	Malik Tower, Holding No-43 & 107, Chuadanga
Chuknagar ATM	Azad Plaza (1st floor), Chuknagar Bazar, Atlia, Dumuria, Khulna
Hat Gopalpur Branch ATM	Shahjalal Shopping Complex, Padmakar, Jhenaidah Sadar, Jhenaidah
Jashore Pouroshova ATM	Jashore Pouroshova Bhaban, Munshi Meherullah Road, Ward no.- 5, P.S.- Kotowali, Pouroshova- Jashore
Moheshpur Branch ATM	Royal Plaza, 770, Moheshpur, Jhenaidah
Kaligonj Branch ATM	Munsur Plaza, 162 Madhugonj Bazar, Kaligonj, Jhenaidah
Rajshahi Zone	
Bogura ATM	Nurul Haque Tower, 357/395, Boro Gola Mor, Bogura
Rajshahi ATM	Al-Helal Super Market (Ground Floor) shop No.-02, Sahebbazar, P.S- Blia, Rajshahi
Naogoan ATM	3366 Chawkdeb, Naogaon, Dist: Naogaon
Saidpur ATM	Saidpur Plaza(1st Floor), Sere Bangla Road Saidpur, Nilphamari
Dinajpur ATM	T&T Road, South Munshi para, Bahadur Bazar, Dinajpur
Chapainawabgonj ATM	Monsur Mansion, Boro Indra Mor, Chapinawabgonj sador, Chapinawabgonj-6300
Rangpur ATM	Shalek Pump, Station Road, Rangpur

Thakurgaon ATM	Galary Complex, Bango Bando Road, Thakurgaon
Pabna ATM	J. P. Super Market (1st floor), 985 M. M. Ali Road, Delalpur, Pabna
Bogura ATM 2	House No. 511/579, Khandar Mor, Carmichael Road, Ward No. 9, Bogura Sadar, Bogura
Arani Bazar Branch ATM	Bhutto Super Market, 519, Arani Bazar, Arani, Bagha, Rajshahi
Joypurhat Branch _GRG_ATM	Bari Trade Centre, Sadar Road, Joypurhat, Bangladesh
Barishal Zone	
Amtali Branch ATM	N Islam Mansion, Holding No-189/1, New Bazar Hospital Road, Amtali, Barguna
Khepupara Branch ATM	128 Ismail Talukder Road, Lumarpatti, Khepupara, Kolapara, Patuakhali
Bangla Bazar Branch ATM	Yeasmin Bhaban, Holding # 3347, Moddo Joynagor, Sadar Road, Bangla Bazar, Doulatkhan, Bhola
Barishal ATM	Ali Arched, Holding # 95,Sadar Road, Kotowali, Barishal

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 22nd Annual General Meeting of the Bank to be held on **Wednesday, the 24th May 2023 at 11:00 a.m.** through Digital Platform at any adjournment thereof.

Signed this _____ day of _____ 2023.

(Signature of the Member)

(Signature of the Proxy)

BO ID No. | | | | | | | | | | | | | | | |

Number of Shares held on record date: _____

Affix Revenue Stamp of Tk.20.00

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 22nd Annual General Meeting to be held on Wednesday, the 24th May 2023 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-4, Block-CWN(C)
Gulshan Avenue, Dhaka-1212, Bangladesh
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Fax: +88-02-222297607
Email: sjiblho@sjiblbd.com
Web: www.sjiblbd.com

24/7 Call Center
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16302

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