TURNING THE TIDE WITH CONFIDENCE



Shahjalal Islami Bank PLC.

Committed to Cordial Service

ANNUAL REPORT 2023

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

TURNING THE TIDE WITH CONFIDENCE



In the midst of global turbulence characterized by conflict, energy crises, and economic uncertainty, Shahjalal Islami Bank stands firm and committed to providing stability and assurance to its clients. The bank is committed to providing peace of mind and support through even the toughest times.

As a tide-turner, Shahjalal Islami Bank navigates challenges with dedication and innovation, ensuring clients feel supported in the face of adversity. Its values serve as a guiding light, emphasizing assurance as a cornerstone. Shahjalal Islami Bank orchestrates dependability, reassuring clients they're not alone on their financial journey.

Acknowledging the country's unique challenges, from remittance flows to RMG exports, Shahjalal Islami Bank remains undeterred. Its values highlight opportunity within obstacles, cementing its commitment to a brighter future alongside its community.



In uncertain times, Shahjalal Islami Bank offers guidance, expertly navigating complexities to ensure stability and resilience. Its principles act as an anchor, providing a safe harbor for clients to find inspiration and overcome challenges.

Shahjalal Islami Bank's firm assurance shines brightest in adversity, standing shoulder-to-shoulder with clients and turning the tide with confidence. Together, Shahjalal Islami Bank and its clients chart a course towards a brighter tomorrow.

TABLE OF CONTENT



INTRODUCTION

Letter of Transmittal	6
Notice of the 23rd Annual General Meeting	7
Awards and Recognition	8
Key Financial and Non Financial Highlights-2023	10
Vision	12
Motto	12
Our Core Values	13
Mission	13
Our Strategy	14
Code of Conducts	16
Profile of the Bank	17
Corporate structure	18
Milestones	20
Forward Looking Statement	22
Outlook of SJIBPLC 2024	23
Board of Directors	24
Committee of Board of Directors	25
Brief Profile of the Board of Directors	28
Media Highlights 2023	40
Key Events 2023	42

SUSTAINABILITY REPORTING

Message from the Managing Director & CEO on Sustainability	145
About Sustainability Reporting	147
Social Responsibility Initiatives	150
Environment Related Initiatives	163
Advanced Technology, Innovative Ideas and Other Issues	168
Information on Consumption and its Management	170
Disclosure on ISO Certification	172
Corporate Social Responsibility	173

INTEGRATED REPORTING

Our Approach to Integrated Report	180
Our Material Topics	184
Strategic Focus and Resource Allocation	187
Strategic Framework	190
Business Model	192

DIRECTORS' REPORT

Chairman's Message	56
Review from the Desk of Managing Director & CEO	64
Report of the Board of Directors'	69

MANAGEMENT REVIEW AND ANALYSIS

Senior Management	95
Committee of Management	97
Organogram	102
Products and Services	104
Overview of Divisions	106
Review of SJIBPLC Subsidiary	138
Report on Going Concern	142
Our Value Creation Model	194
How SJIBPLC Creates Value Through Business Operations	196
Multiple Business Model of SJIBPLC	198
Capitals	199
Stakeholder Identification / Relationships	214
Competitive landscape and market positioning	217
PESTEL Analysis	219
SWOT Analysis	222
Our Environmental, Social and Governance (ESG) Approach and Focus Areas	224
Entity Analysis	229
Value Added Statement	231
Economic Value Added Statement	232
Market Value Added Statement	233

RISK MANAGEMENT

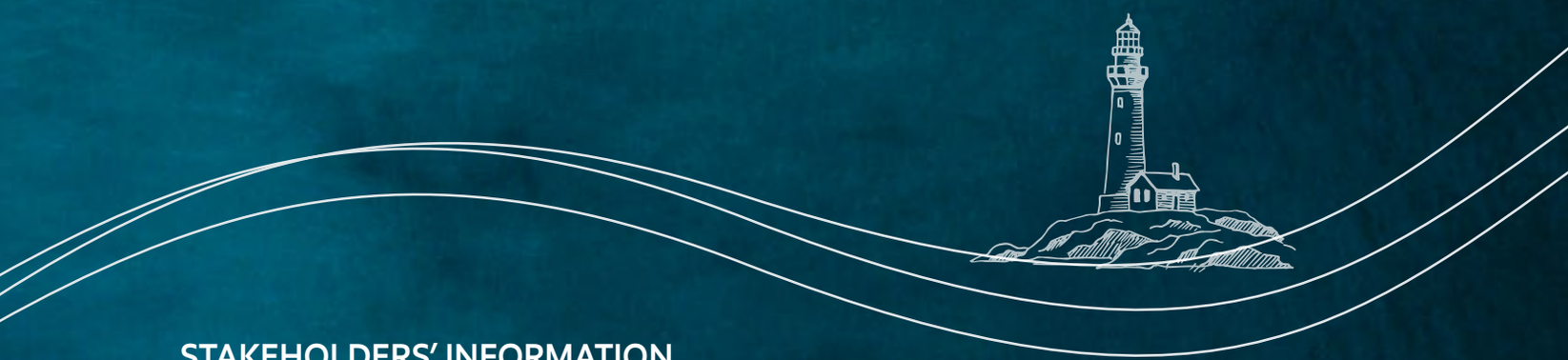
Report of the Board Risk Management Committee	235
From the Desk of Chief Risk Officer	239
Risk Management Framework	246
Principal Risks and Uncertainties faced by the Bank	256
Information on Risk Mitigation Strategies	264
Disclosure on Risk Based Capital (Pillar 3 of Basel III)	289
Management of Non-performing Investment (NPI)	314

STAKEHOLDERS' INFORMATION

Shareholding Structure	318
Shareholding by Directors	319
Redressal of Investors' Complaints	320
Financial calendar	321
Evaluation of Quarterly Performance	322
Stock Performance-2023	323
Profitability/Dividends/Performance and Business Ratios	324
Five Years Financial Summary	325
Financial and Non-Financial Ratios	326
Graphical Presentation	327
Horizontal & Vertical Analysis	332
Segment Analysis	336
DuPont Analysis	337
Credit Rating Report	338

CORPORATE GOVERNANCE

Report on the activities of the Audit Committee	340
Statement of Board of Directors' on the Responsibility to Establish Appropriate System of Internal Control	344
Statement of Board of Directors on Adequacy of Internal Control System	345
Corporate Governance of SJIBPLC	346
Dividend Distribution policy	384
Summary of Unclaimed Cash Dividend	386
Declaration by CEO and CFO	387
Certificate on Compliance of Corporate Governance Code	388
Compliance Status on BSEC Notification on Corporate Governance	389
Compliance Status on Bangladesh Bank Guidelines on Corporate Governance	403
Compliance Checklist as stated in the Companies Act, 1994 (as amended up to date)	413
Annual Report of the Shari'ah Supervisory Committee	415
From the Desk of CFO	419



FINANCIAL STATEMENTS

Auditor's Report to the Shareholders	425
Consolidated Balance Sheet	430
Consolidated Profit and Loss Account	432
Consolidated Cash Flow Statement	434
Consolidated Statement of Changes in Equity	435
Balance Sheet	436
Profit and Loss Account	438
Cash Flow Statement	440
Statement of Changes in Equity	441
Liquidity Statement	442
Notes to the Consolidated and Separate Financial Statements	443
Financial Statements of Offshore Banking Unit	510
Financial Statements of Shahjalal Islami Bank Securities Ltd.	518

OTHER INFORMATION

Branch Network	549
ATM Network	557
Proxy Form & Attendance Slip	561



LETTER OF TRANSMITTAL

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

Dear Sir(s),

Subject: Annual Report of Shahjalal Islami Bank PLC. for the year - 2023

We are pleased to enclose a copy of the Annual Report 2023 of Shahjalal Islami Bank PLC. including Audit Report and Audited Financial Statements for the year ended on 31December 2023 along with Notes thereon for your kind information and record.

Thank you,

Yours Truly,

Sd/-
Md. Abul Bashar
SEVP & Company Secretary

بِسْمِ اللهِ الرَّحْمٰنِ الرَّحِيْمِ

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

NOTICE OF THE 23rd ANNUAL GENERAL MEETING

Notice is hereby given that the **23rd Annual General Meeting** of Shahjalal Islami Bank PLC. will be held on **Thursday, the 30th May 2024 at 11:00 a.m. using Digital Platform through the link https://sjibplc.bdvirtualagm.com** to transact the following Agenda:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31 December 2023 along with the Report of the Auditors and the Directors thereon.
2. To approve Dividend for the year ended 31 December 2023 as recommended by the Board of Directors.
3. To elect/re-elect Directors.
4. To appoint Statutory Auditors for the year 2024 and to fix their remuneration.
5. To appoint Compliance Auditors for compliance certification on Corporate Governance Code for the year 2024 and to fix their remuneration.

Dhaka
21 April 2024

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

Notes:

- The Board of Directors recommended for payment of 14% Cash Dividend out of the profit of the Bank as at the close of business on 31 December 2023.
- The Record Date in lieu of Book Closure will be on Wednesday, the 8th May 2024. The shareholders whose names would appear in the Register of Members and/or Depository Register of the Company on the Record Date will be eligible to join the AGM and entitled to receive the dividend.
- All the shareholders of the company are requested to update their BO Account information i.e. Mailing Address, E-mail, Mobile Number, Bank Account Details and e-TIN information through their respective Depository Participants (DP) before 8th May 2024.
- A Member eligible to join and vote at the AGM may appoint a proxy to join and vote on his/her behalf either for or against each of the Agenda or Resolution. Scanned copy of the proxy form duly filled, signed and stamped must be mailed to the Share Department of the Bank at sblshare@sjiblbd.com at least 72 (Seventy-Two) hours before the meeting.
- The soft copy of the Annual Report-2023 along with Notice of the 23rd AGM and Proxy Form will be duly sent to the email addresses of the Members available in their BO accounts maintained with Depository Participants (DP). Soft copy of the same will also be available in the Bank's Website: https://.sjiblbd.com.
- The Members will be able to submit their questions/comments and also vote electronically 48 (Forty-Eight) hours before commencement of the AGM and during the AGM.
- Detail Login/Participation process for joining 23rd AGM through Digital Platform will also be available in the Bank's website: https://.sjiblbd.com.
- Depository Participants (DP)/Stock Brokers are requested to send the list of Margin Account Holders based on "Record Date" to pay off the Cash Dividend, if any, within 26th May 2024 and also requested to mail the same in MS Excel format at sblshare@sjiblbd.com. In case of non-submission of such option within the stipulated time, the dividend will be paid off as deemed appropriate by the Bank.



SAFA Best Presented
Annual Report Awards-2022 for
Integrated Reporting Category - Bronze

SAFA Best Presented Annual Report Awards-2022 for Private Sector Banking Institutions Category – Gold Award

23rd ICAB National Award for Best Presented Annual Report-2022 for Private Sector Banks Category - Joint Gold Award

23rd ICAB National Award for Best Presented Annual Report-2022 for Overall Winner of the Year - 2022

ICMAB Best Corporate Award – 2022 for Private Commercial Bank (Islamic Operation) Category – Gold Award

10th ICSB National Award 2022 for Corporate Governance Excellence For Islami Banking Companies Category - Gold Award

AWARDS AND RECOGNITAION



SAFA Best Presented Annual Report Awards-2022 for SAARC Anniversary Award for Corporate Governance Category - Joint Silver



SAFA Best Presented Annual Report Awards-2022 for Private Sector Banking Institutions Category - Gold Award

SAFA Best Presented Annual Report Awards-2022 for SAARC Anniversary Award for Corporate Governance Category - Joint Silver

SAFA Best Presented Annual Report Awards-2022 for Integrated Reporting Category- Bronze

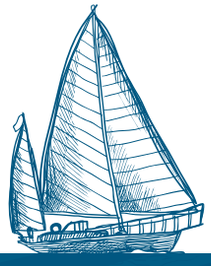
23rd ICAB National Award for Best Presented Annual Report-2022 for Corporate Governance Disclosures Category - Silver Award

23rd ICAB National Award for Best Presented Annual Report-2022 for Integrated Reporting Category - Bronze Award



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 2022



KEY FINANCIAL HIGHLIGHTS- 2023

TOTAL ASSETS

2023	**Tk. 351,719m**
2022	Tk. 339,819m
2021	Tk. 313,731m

TOTAL DEPOSIT

2023	**Tk. 249,585m**
2022	Tk. 227,982m
2021	Tk. 217,289m

IMPORT BUSINESS

2023	**Tk. 266,912m**
2022	Tk. 254,756m
2021	Tk. 248,934m

COST OF FUND

2023	**5.64%**
2022	5.27%
2021	5.28%

CLASSIFIED INVESTMENT

2023	**4.42%**
2022	4.78%
2021	4.42%

OPERATING PROFIT

2023	**Tk. 8,887m**
2022	Tk. 8,335 m
2021	Tk. 6,004m

EARNINGS PER SHARE (EPS)

2023	**Tk. 3.26**
2022	Tk. 3.17
2021	Tk. 2.39

RETURN ON EQUITY (ROE)

2023	**15.89%**
2022	16.92%
2021	13.70%

TOTAL CAPITAL

2023	**Tk. 34,126m**
2022	Tk. 34,064m
2021	Tk. 33,778m

TOTAL INVESTMENT

2023	**Tk. 241,751m**
2022	Tk. 237,230m
2021	Tk. 216,587m

EXPORT BUSINESS

2023	**Tk. 247,526m**
2022	Tk. 265,942m
2021	Tk. 191,899m

PROFIT EARNING ASSETS

2023	**Tk. 281,805m**
2022	Tk. 285,103m
2021	Tk. 266,235m



NON-FINANCIAL HIGHLIGHTS 2023

CAPITAL ADEQUACY RATIO

2023 15.06%

2022 14.38%

2021 15.04%

PROFIT AFTER TAX

2023 Tk. 3,625m

2022 Tk. 3,525m

2021 Tk. 2,585m

NET ASSETS VALUE PER SHARE

2023 Tk. 21.35

2022 Tk. 19.65

2021 Tk. 18.33

RETURN ON ASSETS (ROA)

2023 Tk. 1.05%

2022 Tk. 1.08%

2021 Tk. 0.85%

NUMBER OF BRANCHES

2023 140

2022 140

NUMBER OF AGENT BANKING OUTLETS

2023 119

2022 111

NUMBER OF ATMS

2023 132

2022 129

STAFF STRENGTH

2023 2,875

2022 2,835

CONTRIBUTION TO NATIONAL EXCHEQUER

2023 9,858m

2022 6,763m

CORPORATE SOCIAL RESPONSIBILITY

2023 536m

2022 325m

NO. OF CLIENTS

2023 1,257,705

2022 1,163,904

NO. OF FOREIGN CORRESPONDENT

2023 433

2022 437

NO. OF DRAWING ARRANGEMENT

2023 17

2022 17

NO. OF AD BRANCHES

2023 19

2022 19



OUR VISION

Where we want to be...

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



OUR MOTTO

Ethical bondage to aim...

Cordial Service and welfare banking.

OUR MISSION

What we want to achieve...

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

OUR CORE VALUES

UNIQUE BANK

Our Banking Products are the Benchmark

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

DYNAMIC

Progressive and Innovative

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

PROFESSIONAL

Fast, Efficient and Responsive Service

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

CARING

Approachable and Supportive Partner

We are always attentive to customers' needs & satisfactions

TRUSTWORTHY

Dependable and Reliable

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

OUR STRATEGY

OUR STRATEGY IS TO PERFORM TOWARDS SUSTAINABLE GROWTH ACHIEVEMENT

OUR STRATEGIC INTENT

To be the unique shariah based Bank in Bangladesh

A very caring bank to:

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

OUR BRAND PROMISES



OUR COMMITMENT TO THREE CORE PILLARS

PEOPLE

we believe in long-lasting relationships and possess great value for the customers and people around us

PROGRESS

the way we conduct ourselves

PROSPERITY

our passion for sustainable value addition to our all stakeholders

HOW WE DELIVER: OUR STRATEGIC PILLARS

Our presence

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

Strict Observance of Shari'ah

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

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, SJIBPLC 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.

Strengthen recovery & Monitoring Department

The prime objectives of the bank are to maintain quality asset portfolio, recovery of Non Performing Investment (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.

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 SJIBPLC 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.

Conservative and disciplined on risk, capital and liquidity

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

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

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

Our delivery

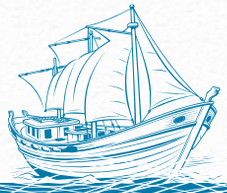
We are committed to Cordial Service and with this commitment we constantly try to pull on sustainable business practices, upholding high standards of corporate governance, social responsibility, environmental protection and human resource development.

CODE OF CONDUCT

Ethical Principles of SJIBPLC

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 SJIBPLC family doing their best to maintain and enhance our tradition of honesty, integrity, fairness, excellence, respect and concern for others.

The ethical conduct of SJIBPLC 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:





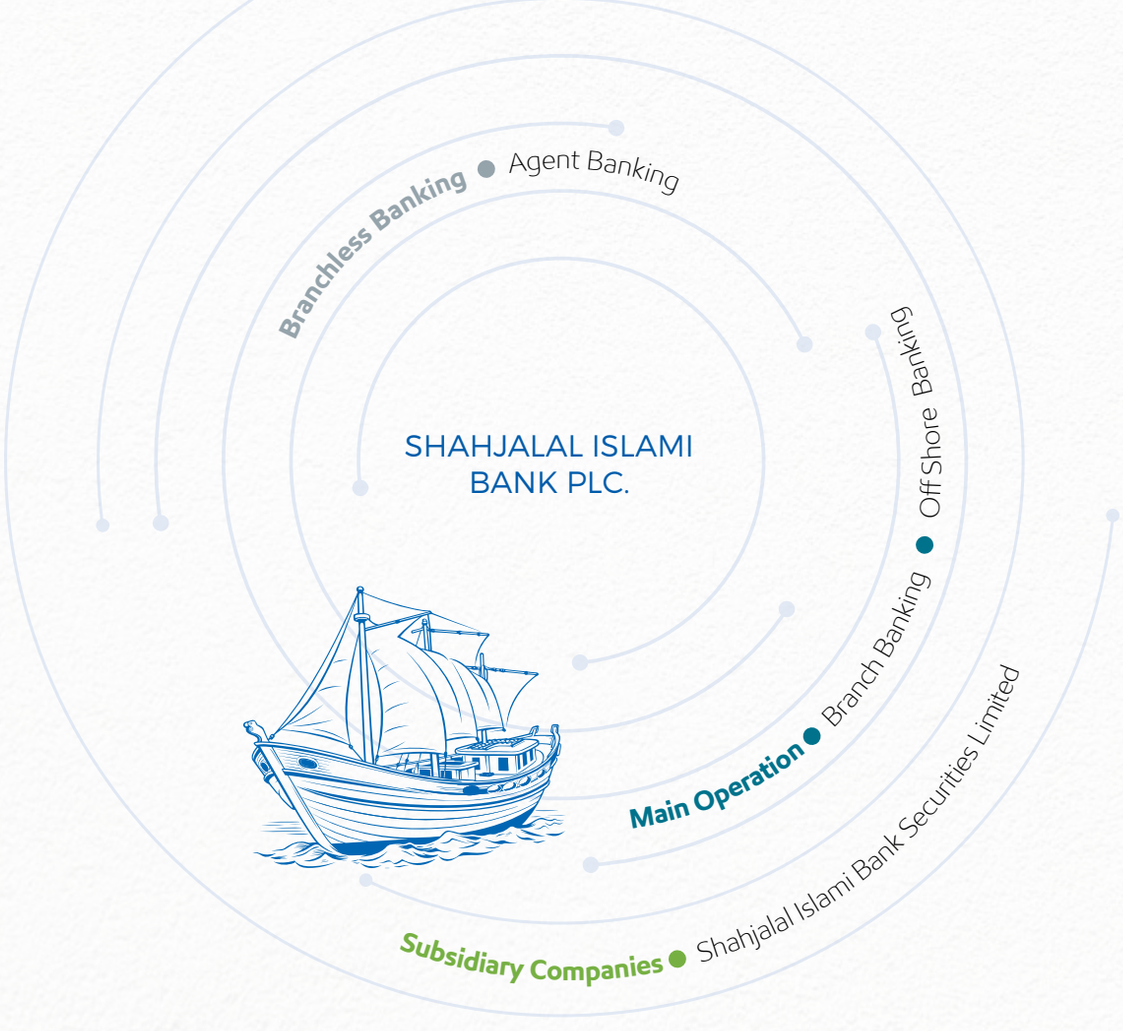
1. **Adhering to the Shariah and implementing its principles.**
2. **Maintain honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships.**
3. **Provide customers with information that is accurate, complete, objective, relevant, timely, and understandable.**
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 PLC.
Legal Form	:	A public limited company incorporated in Bangladesh on 1st April 2001 under the companies Act 1994 and listed with Dhaka Stock Exchange PLC. and Chittagong Stock Exchange PLC.
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	:	https://.sjiblbd.com
SWIFT	:	SJBLBDDH
E-mail	:	sjiblho@sjiblbd.com
Chairman	:	Mr. A.K. Azad
Managing Director & CEO	:	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 Sub-branches	:	4
No. of ATM Booth	:	132
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	:	2,875
Authorized Capital	:	Tk. 15,000 million
Paid up Capital	:	Tk. 11,130 million

SHAHJALAL ISLAMI BANK PLC. 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 PLC. & Chittagong Stock Exchange PLC.

First trading of shares on Dhaka Stock Exchange PLC. & Chittagong Stock Exchange PLC.

Launching of 1st ATM

2008

Opening of Offshore Banking Unit

2010

Incorporation of Subsidiary Company, Shahjalal Islami Bank Securities Limited

2011

Started operation of Shahjalal Islami Bank Securities Limited

2013

Full-fledged operation with BankUltimus, the Core Banking Soluation

2014

Construction of Head Office Buiding on own plot started

2015

Establishment of full-fledged Shahjalal Islami Bank Training Academy

2016

100th Branch Opened at Hat Gopalpur, Jhenaidah

2017

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

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

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

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

2018

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

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

2019

Opening of first Sub-Branch at Bokshirhat

Launching of Shariah compliant Credit Card



2020

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

Launching Mobile Apps Based Banking Solution-SJIBL NET

Commencement of Call Center 16302 for 24/7

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

2021

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

Inauguration of 100th Agent Banking Outlet

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

Launched QR CODE banking service for its customers.

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

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

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 for Information Security Management System from the UK-based Certification Body Intertek.

Published separate Sustainability Report-2021as per GRI standards.

2023

For the first time Shahjalal Islami Bank has been adjudged as the recipient of the award 'Overall Winner' for the year 2022 by ICAB for Annual Report 2022.

Shahjalal Islami Bank has been awarded Gold Award by all 4 professional Bodies; SAFA, ICAB, ICMAB and ICSB for Annual Report 2022.

PCI DSS Certification to secure card Data Environment of the Bank

Introduction of Green PIN for SJIBPLC Cards

Introduction of Bangla-QR Service through Mobile Application SJIBL NET

FORWARD LOOKING STATEMENT

While our forward-looking statements in the 2023 Annual Report reflect our best assessment based on current information and assumptions, there are inherent risks and uncertainties that could materially impact our projected outcomes. These include, but are not limited to:

- **Volatile global economic conditions: Rising inflation, potential recessionary pressures, and ongoing geopolitical tensions, particularly the war in Ukraine, all pose significant challenges.**
- **Domestic economic headwinds: The current situation in Bangladesh, including inflationary pressures, supply chain disruptions, and potential fluctuations in the taka, could affect our performance.**
- **Uncertain policy environments: Changes in government policies or regulations, both in Bangladesh and internationally, could have unforeseen consequences for our business.**

Therefore, it is important to recognize that our forward-looking statements may not ultimately prove accurate. We encourage you to read the full Annual Report and consider these potential risks and uncertainties when making any investment decisions. Furthermore, please note that we will not be updating the information in the published Annual Report. However, we remain committed to keeping our stakeholders informed of any material developments that could significantly impact our future performance.

Outlook of Banking Industry for 2024

The banking industry in Bangladesh is likely to face a number of challenges in 2024, as the global economic outlook remains uncertain and the domestic economy continues to grapple with high inflation, foreign currency shortage and supply chain disruptions.

Global economic outlook: The global economy is expected to slow significantly in 2024, as the war in Ukraine drags on and central banks raise interest rates to combat inflation. This slowdown is likely to have a negative impact on Bangladesh's exports and remittances, which are two key drivers of economic growth.

Domestic economic challenges: Bangladesh's economy is also facing a number of challenges, including high inflation, supply chain disruptions, foreign currency shortage and a widening fiscal deficit. These challenges are likely to weigh on bank profitability and asset quality in 2024.

Deposit mobilization: The banking industry is likely to face challenges in mobilizing deposits in 2024, as high inflation erodes the purchasing power of depositors. This could lead to higher lending rates and narrower margins for banks.

Lending: The government's control over lending rates at close to inflation levels is likely to continue to constrain bank lending in 2024. This could limit the ability of banks to support economic growth.

Export: The ongoing war in Ukraine and its economic fallout continue to weigh on global growth, with key export destinations facing slower economic expansion and substantial reductions in export momentum and growth in the coming months.

Non-performing Investment: The rising cost of living and supply chain disruptions are likely to lead to an increase in non-performing investments (NPIs) in 2024. This could put pressure on bank profitability and capital adequacy ratios.

IMF support: The IMF's $4.7 billion loan program for Bangladesh is likely to provide some support to the banking industry. This support could help to stabilize the financial system and boost investor confidence.

Digital transformation: The banking industry in Bangladesh is rapidly adopting digital technologies. This could help banks to reduce costs, improve efficiency, and reach new customers.

Strong domestic demand: Despite the global economic slowdown, domestic demand in Bangladesh is expected to remain strong in 2024. This could support bank lending and profitability.

OUTLOOK OF SJIBPLC 2024

The economic environment in 2024 is likely to be challenging, with continued high inflation, crisis of foreign currency, weak economic growth, and volatile geopolitical conditions. However, SJIBPLC has a strong track record of navigating challenges and achieving its growth targets. The outlook for SJIBPLC in 2024 is challenging but optimistic. The bank will need to navigate a number of headwinds, including:



Focus on investment to high-growth sectors of the economy, such as agriculture, manufacturing, and technology. These sectors are more likely to be resilient to economic shocks.

Focus on increasing market share in the SME sector. This sector is expected to remain resilient in the face of economic challenges.

Manage deposit mix carefully as the cost of deposits is likely to rise, attract deposits from low-cost, no-cost sources to optimize spread management.

Need to ensure that deposit mobilization efforts are aligned with investment growth plans. The bank will need to attract deposits from the right sources, in the right mix, to support its target of lending growth.

Focus on work closely with investment clients for recovering non-performing investments (NPIs) and need to be careful not to worsen the quality of its existing assets.

Focus on rationalize costs, as the economic environment is likely to be challenging. The bank will need to identify and eliminate unnecessary costs, while ensuring the level of service that its customers expect.

Continue to expand digital banking offerings, making it easier for customers to access their accounts and conduct transactions online. This will help the bank to reach new customers and grow its market share.

Strengthen its risk management framework to mitigate the risks associated with the current economic environment. This will help the bank to protect its capital and maintain its investment quality.

Invest in new technologies to improve operational efficiency and reduce costs. This will help the bank to maintain its profitability in a challenging economic environment.

The bank will need to be selective in its making investment, focusing on high-quality investment customers.

Be more agile and resilient in 2024, as the economic environment is likely to be volatile. The bank will need to be prepared for uncertain economic condition and be able to quickly adapt to changing conditions.

Focus on expand its footprint by opening new branches, sub-branches, booth banking, agent banking, and use technology-based channels such as and digital banking to reach unbanked people.

BOARD OF DIRECTORS

Chairman	:	Mr. A.K. Azad
Vice Chairmen	:	Mr. Mohammed Younus Mr. Mohiuddin Ahmed
Directors	:	Dr. Anwer Hossain Khan, MP Mr. Md. Sanaullah Shahid (Rep. of Electra International Ltd.) Mr. Abdul Karim (Nazim) (Rep. of Shamsuddin Khan & Harun Miah Ltd.) Mr. Md. Abdul Barek Mr. Abdul Halim Mr. Akkas Uddin Mollah (Rep. of Akkas Uddin Mollah Ltd.) Mr. Khandaker Sakib Ahmed Engr. Md. Towhidur Rahman Mr. Fakir Akhtaruzzaman 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

COMMITTEE OF BOARD OF DIRECTORS

Executive Committee	:	Mr. Akkas Uddin Mollah	Chairman
		Mr. Fakir Akhtaruzzaman	Vice Chairman
		Dr. Anwer Hossain Khan, MP	Member
		Mr. Md. Sanaullah Shahid	Member
		Mr. Mohiuddin Ahmed	Member
		Engr. Md. Towhidur Rahman	Member
		Mr. Mohammed Younus	Member
Audit Committee	:	Mr. K.A.M. Majedur Rahman	Chairman
		Mr. Abdul Halim	Member
		Mr. Khandaker Sakib Ahmed	Member
		Mr. Ekramul Hoque	Member
		Mr. Nasir Uddin Ahmed FCA, FCS	Member
Risk Management Committee	:	Engr. Md. Towhidur Rahman	Chairman
		Dr. Anwer Hossain Khan, MP	Member
		Mr. Mohiuddin Ahmed	Member
		Mr. Khandaker Sakib Ahmed	Member
		Mr. Mohammed Younus	Member
Shariah Supervisory Committee	:	Mufti Shahed Rahmani	Chairman
		Prof. Dr. Md. Abdur Rashid	Member
		Maulana Mohammad Sadequl Islam	Member
		Dr. Mufti Yousuf Sultan	Member
		Mawlana Shah Mohammad Wali Ullah	Member

BOARD OF DIRECTORS



SITTING FROM LEFT TO RIGHT

- Mr. Md. Abdul Barek
- Mr. Md. Sanaullah Shahid
- Dr. Anwer Hossain Khan, MP
- Mr. Mohammed Younus
- Mr. A. K. Azad

STANDING FROM LEFT TO RIGHT

- Mrs. Tahera Faruque
- Mrs. Jabun Nahar
- Mr. Abdul Karim (Nazim)
- Mr. Mosleh Uddin Ahmed
- Mr. Nasir Uddin Ahmed FCA, FCS



Mr. Mohiuddin Ahmed

Mr. Akkas Uddin Mollah

Engr. Md. Towhidur Rahman

Mr. Fakir Akhtaruzzaman

Mr. Abdul Halim

Mr. Khandaker Sakib Ahmed

Mr. Fakir Mashrikuzzaman

Mr. Ekramul Hoque

Mr. Md. Moshiur Rahman Chamak

Mr. K. A. M. Majedur Rahman

BRIEF PROFILE OF THE BOARD OF DIRECTORS



MR. A. K. AZAD
Chairman

Mr. A. K. Azad, one of the sponsors and Chairman of Shahjalal Islami Bank PLC., completed his B.Sc. Honors in Applied Physics from University of Dhaka. After completion of graduation he got involved with business. He is a Member of Parliament (M.P.) of Faridpur-3 Constituency.

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. Azad, the group has been contributing significantly in a bid to expand RMG sector to a great extent which also creates employments and contributes significantly of the country's economic growth. Ha-Meem Group of Companies comprises of Spinning, Textiles, Denim, Readymade Garments, Garments Accessories, Washing Plants, Cotton Recycling Plant, Tea Plantations.

Mr. Azad has affiliation with different trade, social, professional, broadcasting and philanthropic organizations. He is the Former President of the FBCCI, Bangladesh Chamber of Industries (BCI) and Dhaka University Alumni Association. During his two term tenure as President, Dhaka University Alumni Association became more pro-active than ever before. At present he is Vice President of the International Chamber of Commerce- Bangladesh (ICC).

Alongside trade, commerce and industry, Mr. Azad is also involved in print & electronic media. He is the founder of the Daily Samakal, a leading Bengali daily newspaper and also the founder of Channel 24, a popular TV Channel of the country. At present he is President of the Newspaper Owners' Association of Bangladesh (NOAB).

Mr. Azad is a man of pleasant personality and amiable disposition. His contribution in education sector is also commendable. As the highest exporter of RMG products and for his role in the development of the industry, the Government has declared him as a Commercially Important Person (CIP) continuously since 1997 and his companies have been awarded time and again with the National Export Trophy as the highest exporter in the RMG Woven category.



MR. MOHAMMED YOUNUS
Vice Chairman

Mr. Mohammed Younus is one of the sponsors of Shahjalal Islami Bank PLC. Presently, he is the Vice Chairman of the Board of Directors of the Bank and Chairman of Shahjalal Islami Bank Securities Limited. He is the immedite past Chairman of the the Board of Directors of the Bank. 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. Presently the group has been operating with 40 business units. Mr. Younus is also engaged in an online newspaper named 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 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. He 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 three decades. He is the proprietor of Rupsha Trading Corporation, Mohiuddin Auto House & Pacific Automobile. 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.





DR. ANWER HOSSAIN KHAN, MP
Director

Mr. Anwer Hossain Khan, one of the sponsors and former Chairman of Shahjalal Islami Bank PLC, 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 M. Com. Degree. He has a long and outstanding business experience for more than two decades and he has 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, Anwer Khan Mordern Securities Ltd. 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 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 and former Chairman of Shahjalal Islami Bank PLC. He has started business after completion of Bachelor Degree. He is the immedite past Chairman of Shahjalal Islami Bank Securities Limited.

Mr. Sanaullah has long and creditable business experience for more than three 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 Ltd. and Electra Holding Ltd. 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. ABDUL KARIM (NAZIM)
Director

Mr. Abdul Karim (Nazim) is a Director of Shahjalal Islami Bank PLC. He is the Representative of Shamsuddin Khan & Harun Miah Ltd. Mr. Karim 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. 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 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.



MR. MD. ABDUL BAREK
Director

Mr. Md. Abdul Barek is one of the sponsors of Shahjalal Islami Bank PLC. He 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 Director 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. He is also a Director 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 (Representative Akkas Uddin Mollah Ltd.) is one of the Director and formar Chariman of Shahjalal Islami Bank PLC. Presently he is the Chairman of the Executive Committee of the Board of Directors of the Bank. Mr. Mollah 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, Ekram Export Ltd. and Alalpur Agro & Fisheries Ltd. And the Proprietor of Russel Garments, Russel Apperals, Russel Washing Plant. He is also the Sponsor 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.

He is a man of pleasant personality and amiable disposition.





MR. KHANDAKER SAKIB AHMED
Director

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

Mr. Sakib is the Chairman of Own The World Company Limited. He is the Director of AQUA Consultants & Associates Ltd., Intech Limited (Public Limited Company) and sponsor of Shahjalal Islami Bank Securities Limited. He is also the Shareholder of Millennium Information Solution Ltd. 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 of Shahjalal Islami Bank PLC, started business after completion of B.Sc. Engineering Degree from Europe. Presently he is the Chairman of the Risk Management Committee of the Board of Directors of the Bank. He has long and outstanding business experience for more than three decades and established himself as an icon of Sea Food business.

He is the Chairman and Managing Director of Fresh Foods Limited (one of the largest sea food exporters of the country), Sea Fresh Limited, Libas Textiles Limited, Fresh Knitwear Limited, Fresh Export Import Limited, Fresh Foods Ltd, Moshiur Infrastructure Ltd., Natural Fabes Limited & Eng. Towhidur Rahman Ltd.

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 been awarded with Mother Terresa Gold Medal and achieved other awards for his contribution in social activities of the country.



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 PLC. 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., Fakir Securities 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 traveled different parts of the world in connection with business.



MR. MD. MOSHIUR RAHMAN CHAMAK
Director

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

Mr. Chamak is a very young and energetic business entrepreneur of the country. He is the Managing Director of Fresh Export Import Limited and Director of Libas Textile Limited, Fresh Knitwear Limited, Moshiur Infrastructure Limited, Natural Febs Ltd. and Eng. Towhidur Rahman Ltd. 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 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, an export oriented Knit Composite Factory. He is also the Director of Fakir Eco Knitwear's Limited, FKL Spinning Limited, Zaman Agro Fisheries Ltd., Fakir Logistics Service and Fakir Securities 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. 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 PLC. from 2010 to 2013 and he succeeded to bring out AIBL from the problem Bank area to normal banking channel in 2012 through his dynamic leadership.

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



MR. K. A. M. MAJEDUR RAHMAN
Independent Director

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

During his banking career, Mr. Rahman has led key strategic initiatives including implementation of the Standard Charterd's consumer banking platform in Bangladesh, implementation of core banking system of Dhaka Bank PLC., 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 PLC.

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



MR. NASIR UDDIN AHMED FCA, FCS
Independent Director

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

He is a veteran Chartered Accountant with successful leadership experience over 37 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 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 PLC. 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 PLC. with a vast experience in the banking industry, he has honed his expertise in various areas such as financial operations, risk management, capital market, money market, planning, and forecasting. Mr. Ahmed's deep understanding of the banking industry has been a result of his extensive experience in different positions, including as the Managing Director and CEO of National Credit and Commerce Bank, South Bangla Agricultural and Commerce Bank and Additional Managing Director & CBO of Jamuna Bank PLC.

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.



وَأَحَلَّ اللّٰهُ الْبَيْعَ وَحَرَّمَ الرِّبَا

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

Surah Al-Baqarah, Verse-275

MEDIA HIGHLIGHTS 2023



Financial Express [Page-20] 25/12/2023

Shahjalal Islami Bank bags 3 prestigious SAFA awards

Additional Managing Director & CBO of Shahjalal Islami Bank PLC Abdul Aziz and Chief Financial Officer (CFO) Md. Jafar Sadeq, FCA received three awards from CA. Nihar N. Jambusaria, President of the South Asian Federation of Accountants (SAFA), at an event in New Delhi, India on Friday.

Shahjalal Islami Bank bags 3 prestigious SAFA awards

Shahjalal Islami Bank PLC got three prestigious awards from the South Asian Federation of Accountants (SAFA) for its best presented Annual Report-2022, says a press release.

The bank bagged the Gold Award (1st Prize) in the Private Sector Banking Institutions Category, the Joint Silver Award (Joint 2nd Prize) in the SAARC Anniversary Award for Corporate Governance Disclosure Category and the Bronze Award (3rd Prize) in the Integrated Reporting Category.

In an event organized in New Delhi, India on Friday, Additional Managing Director & CBO of Shahjalal Islami Bank PLC Abdul Aziz and Chief Financial Officer (CFO) Md. Jafar Sadeq, FCA received these awards from CA. Nihar N. Jambusaria, President of the South Asian Federation of Accountants (SAFA).



যুগান্তর [পাতা ১৫] 02/11/2023

আবারও আইসিএবি পুরস্কার জিতল শাহজালাল ইসলামী ব্যাংক

আবারও আইসিএবি পুরস্কার জিতল শাহজালাল ইসলামী ব্যাংক

সেরা বার্ষিক প্রতিবেদন প্রকাশের জন্য আইসিএবি ন্যাশনাল এ্যাওয়ার্ড ফর বেস্ট প্রেজেন্টেড অ্যানুয়াল রিপোর্ট-২০২২ এ সবার সেরা হয়েছে শাহজালাল ইসলামী ব্যাংক পিএলসি। সোমবার ২৩তম এ অনুষ্ঠানে বেসরকারি ব্যাংক ক্যাটাগরিতে ধারাবাহিকভাবে তৃতীয়বারের মতো প্রথম হয়েছে শাহজালাল ইসলামী ব্যাংক। রাজধানীর এক হোটেলে আয়োজিত অনুষ্ঠানে বাণিজ্যমন্ত্রী টিপু মুনশি কাছ থেকে পুরস্কার নেন ব্যাংকের ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী মোশফেক উদ্দীন আহমেদ। এ সময় ব্যাংকের অতিরিক্ত ব্যবস্থাপনা পরিচালক ও সিবিও আব্দুল আজিজ এবং ব্যাংকের সিএফও মো. জাফর সাদেক উপস্থিত ছিলেন। অনুষ্ঠানের মধ্যে পরিকল্পনা প্রতিমন্ত্রী ড. শামসুল আলম, ফাইনান্সিয়াল রিপোর্টিং কাউন্সিল (এফআরসি) এর চেয়ারম্যান প্রফেসর ড. মো. হামিদ উল্লাহ ভূঁইয়া, আইসিএবির সভাপতি মো. মফিজুজ্জামান, শাহজালাল ইসলামী ব্যাংকের অতিরিক্ত ব্যবস্থাপনা পরিচালক মির্জা কামরুল হাসান চৌধুরী ও এম. আখতার হোসেন উপস্থিত ছিলেন। সংবাদ বিজ্ঞপ্তি।



Financial Express [Page-14] 09/11/2023

Shahjalal Islami Bank gets ICMAB Best Corporate Award

Shahjalal Islami Bank achieved the Gold Award in the Private Commercial Bank (Islamic Operation) category. Managing Director & CEO of the bank Mosleh Uddin Ahmed received the award.



THE NEWS TIMES

SJIBL Holds Annual Business Conference



ইত্তেফাক [পাতা-১৪] 23/03/2023

অর্থনৈতিক অঞ্চলে কৃষকদের মধ্যে বিনিয়োগ প্রণোদনা করছে শাহজালাল ইসলামী ব্যাংক



Financial Express

Mosleh Uddin Ahmed inaugurated hajj booth and free medical camp at Ashkona Hajj Camp



INDUSTRY [Page-6] 16/10/2023

Shahjalal Islami Bank wins gold award

Shahjalal Islami Bank wins gold award



বণিক বার্তা

CLOSING CEREMONY

শাহজালাল ইসলামী ব্যাংককে সিএবে ক্লোজ সেরেমনি

Business Post



On behalf of Abdus Sobhan, BNP Joint Secretary Mushtaque Wasi receives financial aid from SJIBL officials at the bank's head office in Dhaka on Thursday
- Courtesy Photo

SJIBL supports Gold Medalist Abdus Sobhan for kidney transplant

TBP Desk

Shahjalal Islami Bank Limited (SJIBL) extended financial support for the kidney transplant of Youth Games Gold Medalist Abdus Sobhan, as part of Corporate Social Responsibility (CSR).

Abdus Sobhan is suffering from kidney complications and is being treated in the kidney department of Bangabandhu Sheikh Mujib Medical University.

The bank handed over the financial aid to a programme at the bank's head office in Dhaka on Thursday, said a media release.

On behalf of Abdus Sobhan, Joint Secretary of Bangladesh Shooting Sports Federation Mushtaque Wasi received a cheque of Tk 1 lakh from the Managing Director and CEO of SJIBL Mohieh Uddin Ahmed.

Abdus Sobhan is a permanent resident of Bhaghuila village in Sadar upazila of Rangpur district. He won the Gold Medal in the 10m Air Rifle at the Youth Games held in March 2023.

Among others, the Additional Managing Director of the bank Abdul Aziz, Secretary General of World Sports Alliance Professor Dr Zahid Nayan, Manager of Bangladesh Shooting Sports Federation Debashish Ghosh and the Head of Public Relations and Bank Foundation of the bank Md Shamsuddoha were also present at the event.

[পৃষ্ঠা ১৪] 10/10/2023

শাহজালাল ইসলামী ব্যাংকের পৃষ্ঠপোষকতায় অনুষ্ঠিত হলো ওয়ার্ল্ড ম্যাচবল্ল লেকো এক্সিবিশন



শাহজালাল ইসলামী ব্যাংকের পৃষ্ঠপোষকতায় অনুষ্ঠিত হলো ওয়ার্ল্ড ম্যাচবল্ল অ্যান্ড লেকো এক্সিবিশন

[পৃষ্ঠা ১৪] 28/04/2023

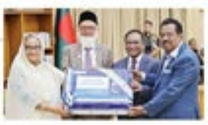
শাহজালাল ইসলামী ব্যাংকের পক্ষ থেকে দুস্থ ও অসহায় মানুষের মধ্যে ঈদ উপহার হিসেবে ত্রাণসামগ্রী বিতরণ



শাহজালাল ইসলামী ব্যাংকের পক্ষ থেকে দুস্থ ও অসহায় মানুষের মধ্যে ঈদ উপহার হিসেবে ত্রাণসামগ্রী বিতরণ

বণিক বার্তা [পৃষ্ঠা ১০] 11/11/2023

শীতার্তদের সহায়তায় প্রধানমন্ত্রীর ত্রাণ তাণ্ডারে কম্বল অনুদান : শাহজালাল ব্যাংক



FE Financial Express

Shahjalal Islami Bank bags 3 prestigious SAFA awards



Bank & Corporate



Business Post

Shahjalal Islami Bank's Satmasjid Road branch relocated



যুগান্তর [পৃষ্ঠা ১০] 24/12/2023

২৫০ শিক্ষার্থীকে শাহজালাল ইসলামী ব্যাংকের বৃত্তি



২৫০ শিক্ষার্থীকে শাহজালাল ইসলামী ব্যাংকের বৃত্তি

ইত্তেফাক

শাহজালাল ইসলামী ব্যাংকের ‘বার্ষিক ঝুঁকি ব্যবস্থাপনা সম্মেলন ২০২৩’ অনুষ্ঠিত



জনকণ্ঠ

‘স্টার্ট- আপ’ উদ্যোক্তাদের সঙ্গে হারবিনিময় ও উন্মুক্ত চেক বিতরণ করল শাহজালাল ইসলামী ব্যাংক



The Daily Star [B-2] 12/10/2023

Shahjalal Islami Bank inks deal with Bangladesh Bank

Shahjalal Islami Bank inks deal with Bangladesh Bank



[পৃষ্ঠা ৪] 05/04/2023

শাহজালাল ইসলামী ব্যাংক ও ফকরাবাদ হাসপাতালের মধ্যে চুক্তি স্বাক্ষরিত



[পৃষ্ঠা ১৪] 28/04/2023



বণিক বার্তা

সাসটেইনেবল ফাইন্যান্সের ওপর শাহজালাল ইসলামী ব্যাংকের কর্মশালা



KEY EVENTS 2023

22nd AGM 2023


Mohammed Younus, Chair...
Director
Director
Director















Annual Business Conference, Half-Yearly Mangers Conference and Business Review Meetings

Shahjalal Islami Bank PLC. organized Annual Business Conference, Half-Yearly Mangers Conference and Business Review Meetings with Managers of the Branches in different territories throughout the year 2023 by attending physically or by virtual platform. These meetings and conferences allows participants to share their views on Banking business and get directions from higher officials to move towards success.

Training & Workshops



Workshop with Bangladesh Bank-Refinance Scheme

Shahjalal Islami Bank Training Academy organized a day-long workshop on refinancing schemes of Bangladesh Bank on 21st October 2023. The Managing Director & CEO of Shahjalal Islami Bank PLC. Mr. Mosleh Uddin Ahmed, attended the workshop as the chief guest.



Sustainable Finance Workshop

Shahjalal Islami Bank PLC. organized an Awareness Raising Workshop on Sustainable Finance on 26th August 2023 at Bank's Training Academy in Dhaka. The Director of Sustainable Finance Department of Bangladesh Bank Mr. Chowdhury Liakat Ali was present as Special Guest in the workshop. The Joint Director of Sustainable Finance Department Mr. Shakhawat Hossan and the Joint Director of Sustainable Finance Department of Bangladesh Bank Mr. Md. Abu Rayhan were the key note speakers.



Workshop on Reporting of FX Transactions under RIT of Return or Statement

Shahjalal Islami Bank PLC. organized a two days long workshop on 'Reporting of FX Transactions under RIT of Return/Statement" at its Corporate Head Office for its officials working in foreign trade operation of the Bank. Dr. Muhammad Amir Hossain, Director (Statistics), Bangladesh Bank was present as the chief guest of that workshop.



Workshop on Reporting of Foreign Direct Investment and External Debt

Shahjalal Islami Bank PLC. organized a workshop on "Reporting of Foreign Direct Investment and External Debt" at its Corporate Head Office for its officials working in foreign trade operation of the Bank. Expertise and faculties in this field from Bangladesh Bank conducted the sessions.



SJIBPLC AD Forum

15th meeting of SJIBPLC AD Forum held at Bank's Corporate Head Office chaired by Mr M. Akhter Hossain, Additional Managing Director & Convener of the Forum.





Financial Literacy Seminar in Tangail district

Shahjalal Islami Bank PLC. organized a Financial Literacy Seminar in the district of Tangail on remittance for raising social awareness for legal channel of expatriate income-for the wage earners and their family members on 07th October 2023. The Assistant Director of Financial Inclusion Department of Bangladesh Bank Mr. Md. Shamim Al Mamun also attended the program. The program was participated by wage earners and their family members.

Financial Literacy workshops at Ha-Meem Group

Shahjalal Islami Bank PLC. organized a Financial Literacy Workshop on May 18, 2023 at Ha-Meem Group's Garment Factory at Kashimpur, Gazipur District to convey information about the Bank's financial services, products and other activities to various sections of the society. Mr. Iqbal Mohsin, Additional Director of Financial Inclusion Department of Bangladesh Bank was present in that workshop.

















Launching new branches, products & services, relocation of branches

To serve it's customer better, Shahjalal Islami Bank PLC. endeavors to launch new branches, products & services. Consequent to this, the Bank launched Meherpur Branch and ATM at Tarabo Bazar in Narayanganj District. Moreover, three new sub branches have been opened naming Anwer Khan Modern Medical College & Hospital Sub Branch in Dhanmondi, Dhulasar Sub-Branch at Kalapara, Patuakhali and Paniala Bazar Sub-Branch at Ramganj, Lakshmipur district.

Besides, two of the existing branches have been relocated to new addresses for the convenience of the customer. Bandartila and Satmasjid Road Branch have started operating to its new addresses in 2023.

Again, to bring the contemporary experience to it's clients, Shahjalal Islami Bank PLC. have introduced Contactless Visa Credit, Debit, Prepaid Cards and Green PIN. These services enable clients with faster and secured banking services in transactions.

Agreements







Remittance Agreements

Shahjalal Islami Bank PLC. signed three Remittance Agreement with different remittance service provider. These agreements include Small World Financial Services, Japan based remittance company Japan Remit Finance Co. Ltd. (JRF) & "Hellopaisa", a brand of UK-based international money transfer company naming Daytona Capital Management Limited. These agreements enable Bangladeshi expatriates living in aboard to send their money safely and quickly to their near and dear ones in Bangladesh through Shahjalal Islami Bank PLC.



Document & Parcel Service

Shahjalal Islami Bank PLC. signed an agreement with FedEx (Bangladesh Express Company Limited). This agreement enables Shahjalal Islami Bank PLC. to transmit international documents and parcel at a minimum cost within shortest possible time through FedEx (Bangladesh Express Company Limited).



Employee Health Benefit

Shahjalal Islami Bank PLC. signed an agreement with Farazy Hospital Ltd.on 03rd April 2023 at Bank's Corporate Head Office. Under this agreement the employees of SJIBPLC will get 30 to 50 percent discount on any types of medical treatment from Farazy Hospital. Furthermore, the employees of the Bank will get maximum 50 percent discount on dental treatment.



Card Services

Shahjalal Islami Bank PLC. has signed an agreement with Deshbideshe by Utshob Group. The Employees and Cardholders of the Bank will get up to 10 percent discount on sending gifts items from Bangladesh to any country in the world, especially to their loved ones living in the United States, United Kingdom, Canada and Australia.

Contribution to the society



SJIB PLC donates Blankets to PM Relief Fund

Shahjalal Islami Bank PLC. donated 75,000 blankets to the Hon'ble Prime Minister Sheikh Hasina's Relief Fund on 10th November 2023 at Ganabhaban which will be distributed among winter affected poor people. The Chairman of the Board of Directors of the Bank Mr. Mohammed Younus and the Chairman of Bank Foundation Dr. Anwer Hossain Khan, MP handed over the sample of a blanket to the PM. Among others, the Chairman of Bangladesh Association of Banks Mr. Md. Nazrul Islam Mazumdar was present on that occasion.



Shahjalal Islami Bank donated to the Prime Minister's Ashrayan Project

Shahjalal Islami Bank donated Tk. 4.00 (four) crore to the Prime Minister's Ashrayan Project-2 for constructing home for the homeless people. The Chairman of Shahjalal Islami Bank Foundation Dr. Anwer Hossain Khan, MP and the Chairman of Executive Committee of the Bank Mr. Akkas Uddin Mollah handed over the Cheque to the Hon'ble Prime Minister Sheikh Hasina at her office on 15th January 2023. Among others the Chairman of Bangladesh Association of Banks (BAB) Mr. Md. Nazrul Islam Mazumdar was also present while handing over the cheque.





Financial Assistance to sports

Financial assistance provided for the kidney transplant of Youth Games Gold Medalist Abdus Sobhan on 14th September 2023 at the Bank's Corporate Head Office. The Joint Secretary of Bangladesh Shooting Sports Federation Mr. Mushtaque Waiz received a cheque of Tk. 3 lakh on behalf of Mr. Abdus Sobhan from the Managing Director & CEO of Shahjalal Islami Bank PLC. Mr. Mosleh Uddin Ahmed. Besides, the Bank provided financial assistance for purchasing of Mouth Guards to Hockey players of Bangladesh Krira Shikkha Protisthan (BKSP) located at Jirani, Savar on 14th October 2023. The Director of Shahjalal Islami Bank PLC. Mr. Khandaker Sakib Ahmed handed over the donation cheque to Mr. Md. Zahid Hossain, in charge of BKSP Hockey Department.



Distribution of relief items as Eid gifts among unemployed workers and helpless people

To share the joy of the EID, Shahjalal Islami Bank PLC. distributed relief items as Eid gifts among unemployed workers and helpless people in the lower income region. Relief were distributed among 1400 families in Narshingdi and DNCC areas.



Hajj Booth

Shahjalal Islami Bank inaugurated 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 were provided to the Pilgrims on behalf of Anwer Khan Modern Medical College Hospital. In 2023, Shahjalal islami Bank PLC. provided Hajj Guide and 30,000 pcs of Umbrella to the Pilgrims.









Blanket Distribution throughout the country

Shahjalal Islami Bank PLC. distributes blankets to the winter stricken lower income people across the country with it's own endeavor.









Scholarship Award

Shahjalal Islami Bank PLC. has awarded scholarship to total 600 meritorious but financial insolvent students who passed the SSC & HSC examination in 2022 from different regions of the country. More than BDT 5 crore in total was awarded for their higher education. 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 Managing Director & CEO of the Bank Mr. Mosleh Uddin Ahmed presided over in the ceremony. Other members from the Board of Directors of the Bank and higher officials were present on those ceremonies.



DIRECTORS REPORT



CHAIRMAN'S MESSAGE

Shahjalal Islami Bank PLC. is governed by a professional and well-structured Board, comprising individuals with diverse expertise and perspectives. This balance ensures that the Bank is equipped to meet future challenges effectively. Under the guidance of our Board, SJIBPLC is continuously evolving through regular and comprehensive reviews of our operating model and financial capacity. These efforts are aligned with our vision and mission, aimed at addressing global challenges and supporting stakeholders in navigating a new era of development.

Bismillahir Rahmanir Rahim

Dear Shareholders,
Assalamu Alaikum Wa Rahmatullah Wa Barakatuhu,

It is my great privilege to extend a warm welcome to you all at the 23rd Annual General Meeting of Shahjalal Islami Bank PLC. On behalf of the board of directors and myself, I express my sincere gratitude for your continuous faith and firm support, which have been the cornerstone of our success over the past 23 years. This occasion holds special significance as we celebrate the bank's remarkable journey and achievements. While we take pride in our past accomplishments, we also look ahead with optimism and determination to the opportunities that lie ahead. Despite the challenges posed by the prevailing economic environment, your unfaltering support has been instrumental in guiding us through turbulent times. I am pleased to present our Annual Report and Financial Statements for the year 2023, which reflect our commitment to value creation and resilience in the face of adversity.

Global Uncertainty Clouds the World's Economic Horizon

Geopolitical tensions and conflicts cast a long shadow over the global economy, threatening stability and development progress. The ongoing Russia-Ukraine



A.K. Azad
Chairman

conflict and recent escalations in the Middle East, fueled by the Israel-Palestine war and the Yemeni Houthis' Red Sea embargo, have unleashed a wave of geopolitical turmoil. Millions of people in war-torn regions, particularly the poor and destitute, bear the brunt of this suffering. These factors, combined with surging commodity prices and shortages in energy, fertilizer, and food, are driving the sharpest global economic downturn since World War II.

Despite these challenges, the world economy managed to grow by 3.00% in 2023, with a projected growth of 2.9% in 2024. This growth is largely attributed to monetary policy tightening aimed at reducing inflation. However, tighter financial conditions in the USA and major European countries, along with ongoing trade tensions such as the US-China trade war, have further complicated global trade dynamics. Additionally, conflicts such as the China-Taiwan and Korean Peninsula conflicts have heightened geopolitical tensions, leading to increased commodity and energy prices and the imposition of artificial trade barriers.

Bangladesh Economy Shows Resilience Amidst Global Turmoil

Despite facing a volatile global situation, Bangladesh's economy has remained stable. Following a commendable recovery from the COVID-19 pandemic in 2022, Bangladesh experienced an estimated GDP growth rate of 6.11% for FY 2023, slightly lower than the previous year's 7.10%. However, export receipts increased by 6.28% to USD 52.34 billion, while import payments decreased by 15.76% to USD 69.50 billion. Worker remittances saw a slight growth of 2.75%, reaching USD 21.61 billion. The foreign exchange reserve stood at USD 27.13 billion by December 31st, mainly due to pressure on forex reserves for importing goods, particularly fuel, and a decline in inward foreign remittances.

Private sector credit growth in FY 2023 was modest, ending the year at 10.20%, down from 13.66% in the previous year. Deposit growth also slowed to 7.46% in FY 2023, compared to 9.19% in the previous year. Despite a relaxed loan classification policy by the Bangladesh Bank, non-performing investments in the banking system stood at BDT 1,560.39 billion in FY 2023. The industry classification ratio increased to 10.11% in FY 2023 from 8.20% in FY 2022.

Macroeconomic pressures affecting our business and our ways of ensuring stability

Following two years of the global COVID-19 pandemic and sustained geopolitical upheaval, 2023 presented new challenges, contributing to a stressed operating environment. Rising inflation, a weakening taka, and depleted foreign reserves led to an energy crisis, resulting in a socio-economic crisis. Tasked with supporting the economy, Shahjalal Islami Bank PLC. prioritized balance sheet strength over growth while extending necessary support to customers to cope with the multiple crises. Our efforts were aimed at aligning activities with the urgent and long-term needs of stakeholders.

Macro-economic pressures placed severe stress on bank liquidity. Recognizing the critical importance of liquid assets in short-term operations, we prioritized liquidity management. Regular Assets and Liabilities Committee (ALCO) meetings were held to make conscious decisions and maintain healthy liquidity positions. Investment efforts were prudently managed with a focus on supporting emerging export-oriented and SME sectors, key drivers of export competitiveness and sustainable economic growth.

We took proactive measures to strengthen our financial position, instituting stringent controls, increasing oversight, and improving risk management leadership. Effective corporate governance and risk management procedures were instrumental in our success during this challenging year. These measures enabled us to reinforce our balance sheet, secure our financial position, and retain the trust of customers, business partners, and shareholders. With a strong nationwide presence, we are poised to seize new opportunities and consolidate our business. Our progressive Shariah banking model, combining financial strength, trust, and innovation, positions us for sustainable growth in the future.

SJIBPLC Delivers Strong Performance in Challenging Year

Despite immense challenges in 2023, SJIBPLC's winning team delivered a remarkable performance. This success is a testament to the bank's firm commitment to key priorities, agile decision-making, and adopting a timely and relevant strategy. By consistently striving for seamless and uninterrupted service to customers and communities, SJIBPLC mitigated the negative impacts of the numerous challenging market conditions that persisted throughout the year.

The financial statements indicate an operating profit of BDT 8.33 billion in 2022, rising to BDT 8.89 billion in 2023, marking a 6.63% increase. After deducting provisions for investment and taxes, the bank's net profit reached BDT 3.62 billion, reflecting 2.83% increase from the previous year. Despite challenging circumstances, the bank maintained a healthy cost of deposits, managing to keep it within the range of 3.32% to 3.47% in 2023. This was achieved through

measures aimed at reducing dependency on corporate and bank deposits and trimming down the high-cost deposit base amidst inflationary pressures. Additionally, effective management of operational expenditures contributed to boosting the bank's operating income.

The bank prioritizes close monitoring of investments to prevent willful defaults and limit increases in classified investments, especially considering the anticipated withdrawal of relaxed investment classifications by Bangladesh Bank. We diligently comply with their requirements for provisions against investment clients, mitigating potential risks. While this resulted in a BDT 1.73 billion increase in total provisions for 2023, impacting distributable profits, our earnings per share (EPS) still grew from BDT 3.17 to BDT 3.26, demonstrating sound financial health.

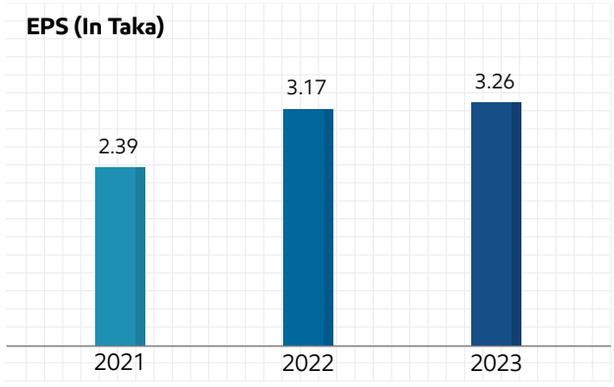
The bank's strong performance at year-end 2023 is reflected in its robust financials. As of December 31, 2023, the total deposit base of the bank stood at BDT 249.59 billion, while the total investment volume stood at BDT 241.75 billion. During the year, our import business was BDT 266.91 billion and our export business was BDT 247.53 billion. The net asset value of the bank stood at BDT 23.76 billion in 2023, compared to BDT 21.87 billion in 2022, resulting in an increase of BDT 1.89 billion.

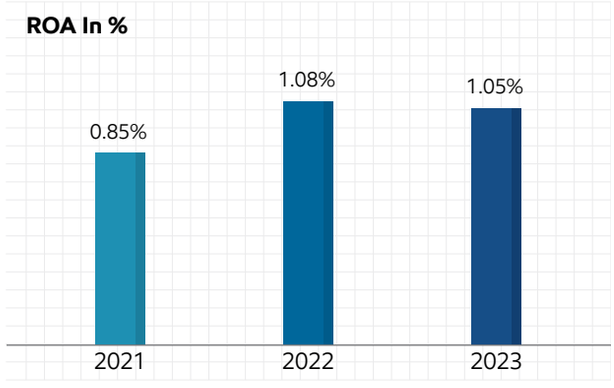
Dividends to the shareholders

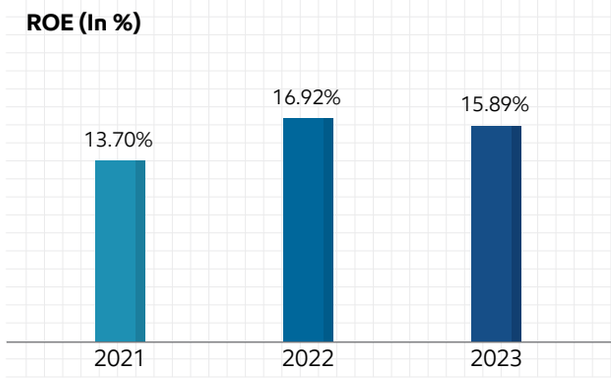
SJIBPLC has achieved outstanding performance in 2023, with significant improvements in business and profitability compared to the previous year. We are pleased to announce cash dividend of BDT 1.40 per share for the year ended December 31, 2023, which is a clear indication of the bank's strong financials and increasing profitability. Moving forward, we remain committed to sustaining growth and delivering even greater value to our shareholders and esteemed clients, who are the cornerstone of our success.

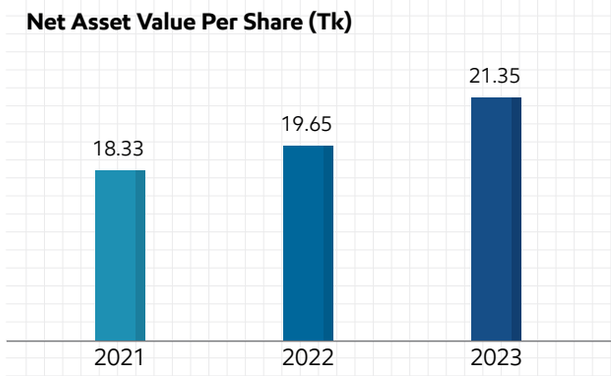
Social welfare and contribution to the national exchequer

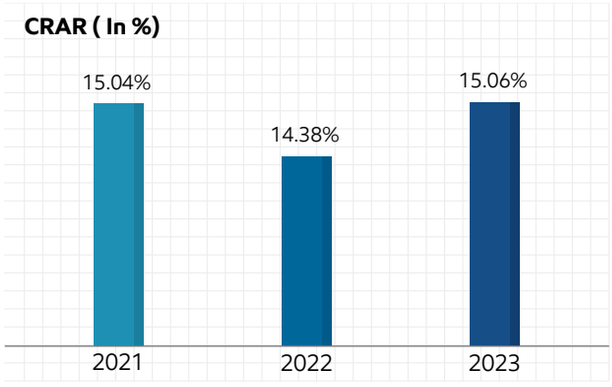
SJIBPLC, as a responsible social organization, remains firmly committed to supporting those in need. Throughout 2023, we provided financial assistance across various sectors, including contributing to the Prime Minister's Relief Fund to combat poverty and alleviate distress. Recognizing academic excellence, we awarded scholarships to deserving students pursuing higher education after their SSC and HSC exams. Additionally, we continued our annual tradition of distributing winter relief to help vulnerable communities brave the cold season. Furthermore, to support individuals facing medical emergencies, we offered

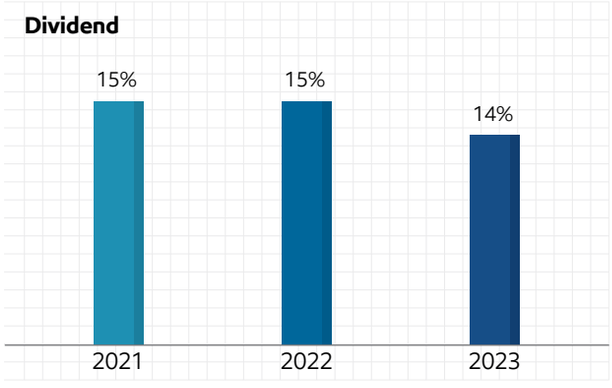


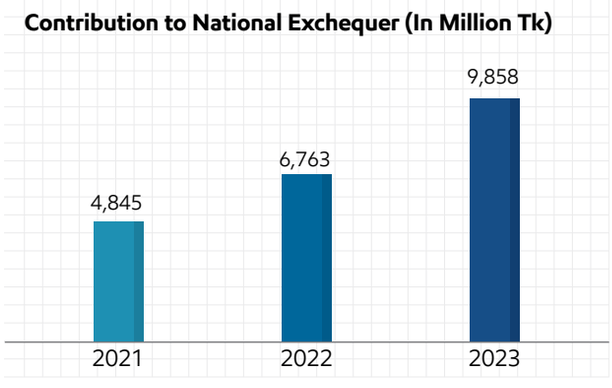












financial assistance to ease their burdens. Recognizing the critical role of environmental preservation, we donated BDT 0.0028 billion for nationwide tree-planting initiatives. In total, our 2023 philanthropic contributions reached BDT 0.536 billion, reflecting our firm commitment to social responsibility and community well-being.

The bank demonstrates its commitment to responsible financial practices by ensuring the prompt payment of corporate taxes, often exceeding deadlines. This includes withholding taxes and VAT, then transferring them to the government treasury. In 2023, the bank contributed BDT 9.86 billion through various taxes, including source tax, salary tax, VAT, and excise duty. Notably, we provisioned BDT 3.53 billion for corporate tax in 2023, showcasing our dedication to fiscal responsibility.

Beyond financial contributions, the bank plays a vital role in job creation. We directly employ 2,875 full-time employees and generate numerous indirect employment opportunities, fostering economic growth and stability. These efforts were recognized by the Large Tax Payers Unit (LTU) in Dhaka, awarding the bank "Special Honors and Certificates" for 2021-2022 and 2022-2023 in the highest taxpayer category. This recognition highlights our significant contribution to government revenue through prompt and appropriate income tax payments.

Sound Credit Rating

SJIBPLC has received impressive credit ratings, highlighting resilience and sound financial position in a volatile economic trend in Bangladesh, while we have achieved credit ratings of AA+ for long-term and ST-2 for short-term, respectively. Our firm commitment to prudent growth strategies, risk management practices, maintenance of asset quality, and robust governance standards has strengthened our credit profile and reputation in the market.

Embracing Digital Transformation with Security at its Core

At SJIBPLC, we prioritize embracing advanced technology to drive innovation and efficiency, aligning with Bangladesh's "Smart Bangladesh" vision and accelerating digitalization in the banking sector. Our commitment extends to continuously enhancing our mobile app for both Android and iPhone users, ensuring a user-friendly and convenient banking experience. Moreover, our "Green Pin" feature provides a secure and paperless card service, leveraging cutting-edge technology.

We prioritize cybersecurity through regular software updates, the implementation of next-generation firewalls, and vigilant back-office operations to minimize potential cyber risks and ensure efficient operations. We invest in the latest IT infrastructure for our data centers, head office, branches, sub-branches, agent banking, and ATM booths to ensure fast, secure, and versatile banking services.

Recognizing the inherent risks associated with technology, such as system malfunctions and cyber threats, we maintain a robust IT security policy and have established a dedicated ICT Security Department. This department actively monitors and addresses IT and cyber threats, employing cutting-edge solutions to safeguard the confidentiality, integrity, and availability of our critical business data. SJIBPLC remains committed to leading digital transformation while prioritizing the security of our customers and their information.

Corporate Governance

Absolute transparency and accountability are incorporated into all aspects of Shahjalal Islami 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. 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. 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.

We prioritize absolute transparency and accountability across all operational service areas to uphold the highest standards of corporate governance. This commitment is integral to our organization's success and long-term sustainability. To ensure smooth operations and effective monitoring, we assign clear duties and responsibilities among our board members and management team.

We emphasize the importance of compliance with regulations and guidelines set forth by regulatory bodies such as the Bangladesh Bank, Bangladesh Securities and Exchange Commission, National Board of Revenue, and others. In the realm of corporate governance, we strive to be a role model in the industry by adhering to best practices and consistently upholding ethical standards within our bank.

Board performance and effectiveness of the role played

Shahjalal Islami Bank PLC. is governed by a professional and well-structured Board, comprising individuals with diverse expertise and perspectives. This balance ensures that the Bank is equipped to meet future challenges effectively. Under the guidance of our Board, SJIBPLC is continuously evolving through regular and comprehensive reviews of our operating model and financial capacity. These efforts are aligned with our vision and mission, aimed at addressing global challenges and supporting stakeholders in navigating a new era of development. The Board remains committed to fulfilling its role and responsibilities through inclusive and collaborative processes, enabling the bank to enhance its response and strengthen its position in the industry.

The responsibilities and governance documents of the Board and its Committee were reviewed regularly and refreshed to streamline our governance approach, including key matters on value creation for shareholders. Evaluation of the performance and effectiveness of the Board and its Committees revealed that the Board closely consulted on several critical matters and instituted new measures to manage and monitor the Bank's progress in adapting to changes in the operating environment, thereby steering the Bank in the right direction.

Awards and Accolades

Shahjalal Islami Bank PLC. has been widely recognized for its outstanding performance and commitment by various national and international organizations, affirming its accountability, transparency, and strong corporate governance practices.

Among the notable achievements in 2023 is being named the overall winner in the 23rd ICAB National Award for Best Presented Annual Report-2022. The Bank has won three prestigious awards from ICAB for the first time in its history, along with the overall winner for best presented annual report in 2022, namely the Gold Award in the private sector bank category for the third consecutive year, the Silver Award in the Corporate Governance Disclosure category, and the Bronze Award in the Integrated Reporting 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 achieved three prestigious awards from the South Asian Federation

of Accountants (SAFA), mentioning the Gold Award (1st Prize) in the Private Sector Banks Category for the best-presented annual report, the Joint Silver Award in the SAARC Anniversary for Corporate Governance Disclosure, and the Bronze Award in the Integrated Reporting 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 Shahjalal Islami Bank is on track to realize its goal of becoming Bangladesh's leading Islamic banking institution and making a substantial contribution to the country's economy.

Outlook 2024

A slowing global economy coupled with a divergent economic landscape will challenge the banking industry in new ways in 2024. To facilitate an effective response to increasing needs in a rapidly changing world, we are working closely with governments, civil society, the private sector, and other stakeholders. However, we expect to promote even more robust, inclusive, and sustainable growth as we embark on a new era of development. Our fundamental strength, talented and dedicated employees, and the firm support of our customers give us great confidence for the future. We are moving forward with optimism as we continue to build a winning culture with our high-performing and sustainably enabled products and services.

Recognizing that the country will continue to face prolonged economic challenges in the coming years, our plans and road maps emphasize both resilience and future readiness. As a sound capital management effort, we will engage in capital-raising exercises in 2024 and beyond to be well-capitalized for stakeholder value creation. We will continue to strengthen our focus on exporters, a national priority, and the SME sector, smaller industrial players, etc. to ensure that they are adequately capitalized and operational for the long term. We have a plan to create a rich digital ecosystem for business customers as a ground-breaking project. Furthermore, we will continue to focus on our customer services as well as the values and brand image of the Bank built over the past 23 years, which is a competitive advantage for us.

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 of our vision and strategy. 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 fellow directors, who have consistently been helpful and flexible.

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

Allah Hafez
With warmest regards



A.K. Azad
Chairman of the Board
Shahjalal Islami Bank PLC.



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

REVIEW FROM THE DESK OF MANAGING DIRECTOR & CEO

Amidst challenging conditions, our commitment to exceptional service has never wavered. By prioritizing the enhancement of the customer experience, creating seamless end-to-end journeys, and integrating both human and digital interactions, we've strengthened our relationships and enriched our product offerings. We're grateful for the trust our customers place in us and the tireless dedication of our team members, who consistently go above and beyond to serve our communities.

Navigating Challenges and Opportunities in a Shifting Economic Landscape

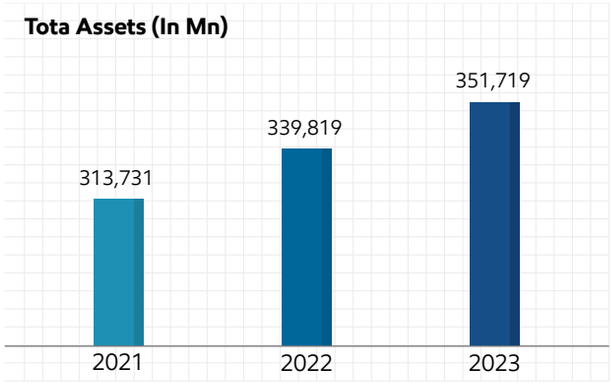
Shahjalal Islami Bank PLC. operates in a dynamic economic environment, presenting both challenges and opportunities. Significant shifts and uncertainties in the global landscape demand constant adaptation. The prolonged Russia-Ukraine conflict and the Israeli-Palestinian conflict have introduced new complexities, fueling inflation and volatility in the foreign exchange market. These factors impact global supply and demand dynamics, affecting key economic indicators like the balance of payments, remittance flow, and national reserves. However, we are not facing these challenges alone. The government and Bangladesh Bank have implemented proactive measures, including selling USD from reserves, providing liquidity support to commercial banks, and imposing restrictions on luxury goods imports. These strategies aim to stabilize the situation and ensure long-term economic stability for the country.

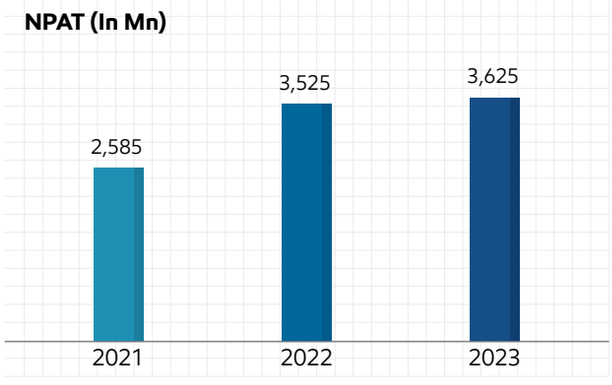
Strong Overall Financial Performance

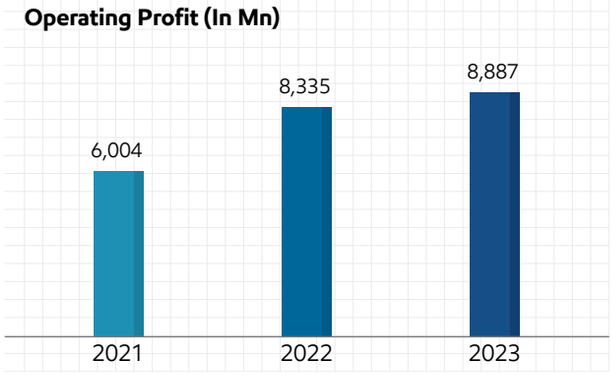
Despite economic uncertainty and geopolitical challenges, Shahjalal Islami Bank PLC. delivered a strong financial performance in 2023. Our operating profit increased by 6.63% to BDT 8,886.83 million, compared to BDT 8,334.64 million in 2022. Similarly, the net profit after tax increased to BDT 3,624.87



Mosleh Uddin Ahmed
Managing Director & CEO







million, reflecting a 2.83% increase in net profit compared to 2022. Our investment portfolio grew by 1.91% to BDT 241,751 million at the close of 2023, up from BDT 237,230 million in 2022. Export businesses experienced a 7% decline in 2023 due to decreased demand in major markets stemming from the global economic slowdown. Despite the foreign exchange market's volatility in 2023, our import businesses thrived, with imports growing by 5%.

Remaining resolute in our commitment to supporting key sectors, the SME sector, a driving force for economic growth, received 28.24% of our total investments, amounting to BDT 68,274 million. We also focused on expanding our retail investment portfolio, featuring home investments, car loans, household durables, and other consumer finance schemes, which grew by 3.91%.

Asset quality remains a top priority, as evident by an NPI ratio of 4.42% at the close of 2023, significantly below the industry average. We are dedicated to reducing NPIs through effective asset management and recovery efforts. To strengthen this commitment, we established and reinforced our Investment Monitoring Department, enhancing our ability to maintain asset quality. Our collective efforts have ensured that our NPI remains at a manageable level.

Cost Rationalization

Driven by a commitment to profitability, we meticulously fine-tuned our operations, keeping cost to income ratio almost same as 41.59% in 2023 compared to previous year. Our strategic initiatives encompassed process optimization, technology integration, and sustainable practices aimed at minimizing waste and shrinking our environmental impact. Through the cultivation of a skilled and dedicated workforce, we fostered an environment conducive to value creation. Looking forward, we are confident that this comprehensive approach will sustain our success while fostering a greener and more prosperous future.

Digital Transformation

Digital transformation stands as a cornerstone of our strategic endeavors. The banking and financial services sector has undergone a profound evolution propelled by digital innovations. The surge in demand for digital products and services, fueled further by the COVID-19 pandemic, prompted us to elevate our digital capabilities. Continual upgrades to our core banking system and the adoption of emerging technologies are central to enhancing operational efficiency. Our array of digital banking services, comprising internet banking, SMS banking, and mobile banking, delivers secure and user-friendly banking experiences to our customers. Additionally,

we've introduced groundbreaking features like QR code-based cash withdrawals and the "e-Account" platform for remote account opening. Upholding stringent data security and cybersecurity measures remains paramount in safeguarding our IT networks.

Customer Service

Amidst challenging conditions, our commitment to exceptional service has never wavered. By prioritizing the enhancement of the customer experience, creating seamless end-to-end journeys, and integrating both human and digital interactions, we've strengthened our relationships and enriched our product offerings. We're grateful for the trust our customers place in us and the tireless dedication of our team members, who consistently go above and beyond to serve our communities.

Advancing Sustainability

Sustainability remains ingrained in our core values, driving our commitment to aligning with the United Nations' Sustainable Development Goals (SDGs) through sustainable investments. We've implemented rigorous social and environmental screening processes for project financing, showcasing our dedication to green financing. In 2023 alone, our disbursement of BDT 1,990 million in green finance has contributed significantly to the transition towards a low-carbon economy.

Our corporate social responsibility initiatives continued to thrive, spanning education, healthcare, disaster management, and community development. We're steadfast in our mission to uplift society and create a meaningful impact. Behind these efforts are our exceptional staff, whose unwavering dedication and resilience have consistently supported our customers, communities, and each other.

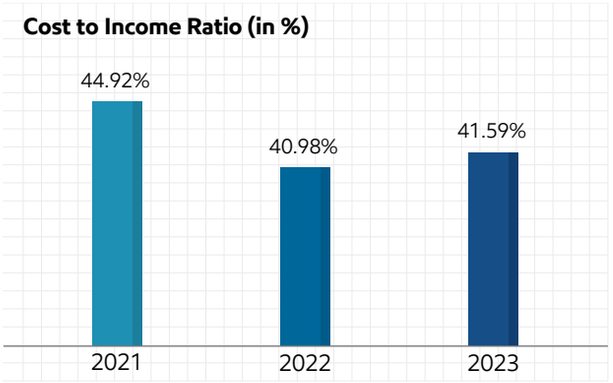
Our commitment to diversity, inclusion, and career development fosters an environment of innovation and excellence. We've introduced health and wellness support and implemented frequent communication to assist our employees in navigating challenging times, ensuring their well-being and continued success.

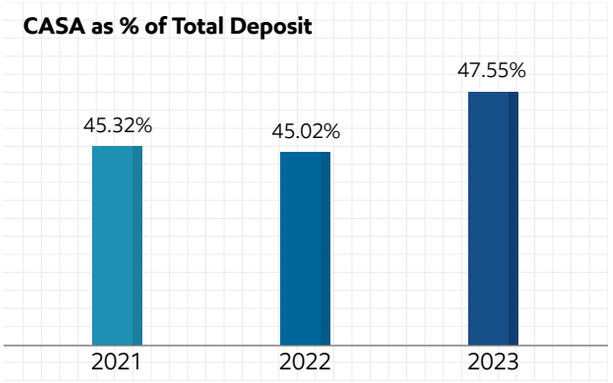
Shariah Compliance

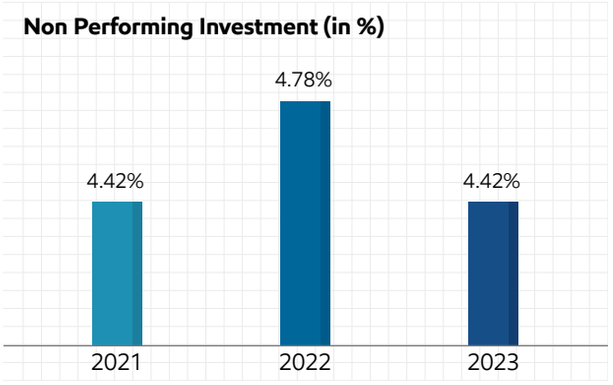
Maintaining Shariah compliance remains paramount in our operations, bolstering trustworthiness and credibility among our stakeholders. An independent Shariah Supervisory Committee diligently oversees our activities, ensuring strict adherence to Shariah principles.

Human Resource Strategy

Shahjalal Islami Bank PLC. places a high priority on attracting, retaining, and motivating top talent. We







offer a competitive compensation package along with a supportive and progressive work environment, including flexible work arrangements and ample career development opportunities. We recognize that our employees are our most valuable asset, and their individual and collective efforts drive our success. Each employee plays a crucial role in building strong customer relationships and achieving our organizational goals.

We take great pride in our team of highly motivated, skilled, and dedicated professionals. They consistently strive to exceed customer expectations and fulfill our strategic objectives. Understanding the significance of continuous learning and development, we have implemented a comprehensive learning and development (L&D) strategy. This strategy encompasses both physical and virtual training programs, covering diverse areas such as investment analysis, risk management, and technology-based banking. Additionally, we regularly collaborate with renowned institutes like BIBM, BAB, and IBRTA to provide employees access to world-class learning experiences.

Corporate Social Responsibility

Since its inception, SJIBPLC 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 2023, the bank incurred a CSR expense of BDT 536.13 million, compared to BDT 325.36 million in 2022, 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, SJIBPLC remains dedicated to positively impacting society and setting an example for other organizations to follow.

Accolades and Recognition

It's with great pleasure that we announce SJIBPLC's recognition with numerous national and international awards from esteemed institutions. In 2023, SJIBPLC achieved remarkable recognition by receiving three awards from the South Asian Federation of Accountants (SAFA) for the 2022 Annual Report. We were honored with the Gold Award in the Private Sector Banks Category, Joint Silver in the SAARC Anniversary Award for Corporate Governance Category, and Bronze in the Integrated Reporting Category. This is an outstanding achievement for any Bangladeshi Shariah-based bank.

Furthermore, SJIBPLC received all four prestigious awards from the Institute of Chartered Accountants of Bangladesh (ICAB) in 2023. We were honored as the Overall Winner of the Year 2022, achieved Joint Gold in the Private Sector Bank Category, earned Silver in the Corporate Governance Disclosure Category, and secured Bronze in the Integrated Reporting Category. Additionally, we received the Gold Award from the Institute of Cost and Management Accountants of Bangladesh (ICMAB) in the Private Commercial Bank (Islamic Operation) Category and another Gold Award from the Institute of Chartered Secretaries of Bangladesh under the Islami Banking Companies category.

These recognitions, far beyond brand value enhancement, solidify our dedication to transparent reporting and meeting stakeholder needs. They inspire us to continuously raise the bar for Shariah-based banking in the region, fostering greater trust and growth for the industry.

Acknowledgement

As we conclude, I extend my heartfelt gratitude to our Board of Directors for their visionary leadership. Their unflagging support has been invaluable during these challenging times. I also acknowledge the support and guidance of Bangladesh Bank and the Securities and Exchange Commission. Our stakeholders, customers, and employees have been instrumental in our journey, and we are grateful for their trust and loyalty.

As we navigate the dynamic economic terrain, our unfaltering commitment to innovation, sustainability, and excellence shines brighter than ever. From pioneering green financing solutions to empowering micro-entrepreneurs with digital tools, we're seizing opportunities and overcoming challenges with agility and purpose. Driven by a resolute passion for success, we're forging a brighter future for Shahjalal Islami Bank PLC. and the communities we serve.



Mosleh Uddin Ahmed
Managing Director & 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.

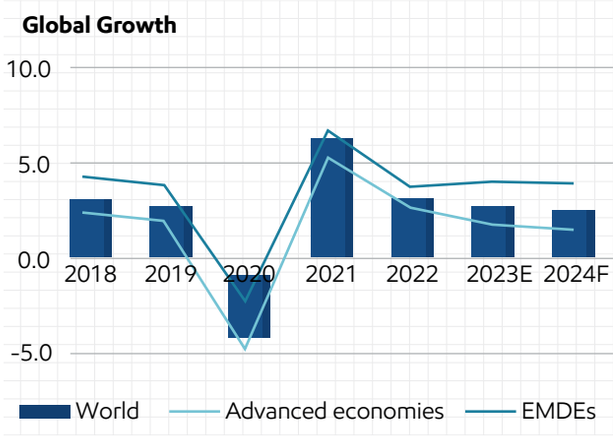
The Board of Directors of Shahjalal Islami Bank PLC. warmly welcomes you to the 23rd Annual General Meeting. We are pleased to present the Directors' Report, Audited Financial Statements, and Auditors' Report for the year 2023. Furthermore, we are delighted to provide you with a comprehensive overview of the bank's financial performance and its current financial standing, along with key insights into the global and Bangladesh economies.

The year 2023 was exceptional due to the ongoing Russia-Ukraine war, and the lingering impacts of the conflict in Palestine have affected economies worldwide, including Bangladesh. In addition to these challenges, the foreign exchange market experienced unprecedented volatility, and the country faced its highest inflation rate in a decade. It is crucial to note that if this situation persists, the exchange rate may face further pressure, impacting our foreign exchange reserves.

We take great pride in our unique strategy, deep local knowledge, empathy, and professional expertise. These qualities have consistently empowered us to navigate even the most formidable challenges. Despite the hurdles we have encountered, we remain firm in our commitment to rise to the occasion and deliver exceptional service to our valued customers. Our overall goal is to stand as a trusted partner to our clients, responsibly offering financial services that drive growth and foster economic advancement. As we ventured into 2023, we carried forward a commendable business momentum across virtually all facets of our operations. We maintain a high level of confidence that our collective expertise, coupled with the bank's robust foundations, will continue to generate enduring value for all our stakeholders throughout the current year and beyond.

World Economy

Global economic activity is experiencing a gradual slowdown due to the effects of tight monetary policies, restrictive financial conditions, and sluggish global trade growth. Despite some positive signs, such as China's consumption returning to normalcy and a rebound in US growth, Europe continues to struggle with a significant slowdown resulting from the lingering effects of the 2022 energy shock. However, the full impact of recent monetary tightening is yet to be fully felt, compounded by China's ongoing property slump and stagnation in the eurozone. The tightening of monetary policy is gradually permeating economies worldwide. This is evident in the rapid increase in policy rates, leading to higher interest rates for new corporate and mortgage loans. Although rising borrowing costs pose challenges for households and firms, they serve.



Inflation has been declining more rapidly than anticipated across most regions worldwide due to the resolution of supply-side bottlenecks and the implementation of restrictive monetary policies. The number of trade restrictions imposed by countries has also increased significantly, with approximately 3,200 new restrictions in 2022 and about 3,000 in 2023, compared to approximately 1,100 in 2019, according to data from Global Trade Alert.

Global Economic Outlook

According to a World Bank estimate, global growth is projected to decline to 2.4 percent in 2024, the third consecutive year of deceleration, reflecting the delayed and continued impacts of tight monetary policies to rein in decades-high inflation, restrictive credit conditions, and sluggish global trade and investment. While major economies are experiencing subdued growth, emerging markets and developing economies (EMDEs) with strong fundamentals show signs of improvement.

Global trade growth in 2023 witnessed its slowest expansion outside of global recessions in the past half century. This sluggishness stemmed from a contraction in goods trade, coinciding with lackluster global industrial production. While the services trade sector continued its recovery from the pandemic, the pace fell short of earlier expectations. The International Monetary Fund (IMF) projects world trade growth to remain subdued at 3.3% in 2024 and 3.6% in 2025, trailing the historical average of 4.9%. Rising trade distortions and geo-economic fragmentation are expected to continue to weigh on the level of global trade. These forecasts are based on assumptions that fuel and nonfuel commodity prices will decline in 2024 and 2025 and that interest rates will decline in major economies. Annual average oil prices are projected to fall by about 2.3 percent in 2024, whereas nonfuel commodity prices are expected to fall by 0.9 percent.

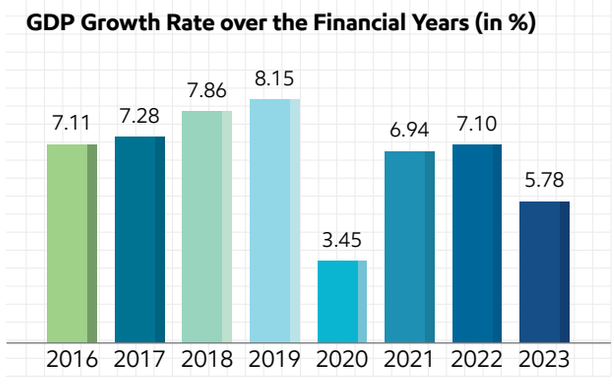
The IMF predicts that global headline inflation is expected to fall from an estimated 6.8 percent in 2023 (the annual average) to 5.8 percent in 2024 and 4.4 percent in 2025. Advanced economies are expected to see faster disinflation, with inflation falling by 2.0 percentage points in 2024 to 2.6 percent. Overall, about 80 percent of the world's economies are expected to see lower annual average headline and core inflation in 2024. The drivers of declining inflation differ by country but generally reflect lower core inflation as a result of still-tight monetary policies, a related softening in labor markets, and pass-through effects from earlier and ongoing declines in relative energy prices.

According to IMF projections, the global economy may grow by 3.1 percent in 2024 and 3.2 percent in 2025. This is due to greater-than-expected resilience in the United States and several large emerging markets and developing economies, as well as fiscal support in China. However, the forecast for 2024–25 is below the historical (2000–19) average of 3.8 percent, with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth. Inflation is falling faster than expected in most regions amidst unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8 percent in 2024 and to 4.4 percent in 2025, with the 2025 forecast revised down.

Bangladesh economy

Post-pandemic, Bangladesh experienced a relatively swift recovery, showing promising signs of returning to its pre-Covid growth trajectory. However, the economy faced challenges due to global inflationary pressures and supply disruptions stemming from the Russia-Ukraine War. Factors such as the strengthening US dollar, escalating international inflation rates, and recessionary concerns in advanced economies, compounded by a few not so thoughtfull domestic policy measures, contributed to an unfavorable economic environment. Economic activity slowed in 2023 with persistently high inflation and the erosion of external buffers. Bangladesh has been facing some serious macroeconomic challenges, reflected in high inflation, balance of payments pressure causing the loss of foreign exchange reserves, local currency sharply losing its value, and fiscal pressures indicated by a severe revenue constraint and rising fiscal deficits.

Despite significant stress in the external sector and persistent geopolitical and geo-economic uncertainties, the Bangladesh economy demonstrated resilience, achieving a growth rate of 5.78 percent in FY23. This growth rate was one of the slowest since 2011–12, with the lowest recorded at 3.42 percent in 2019–20 due to the adverse impact of the coronavirus pandemic. Notably, this growth was propelled by the manufacturing sector, spanning firms of all sizes, and a robust service sector. While the agriculture sector faced crop losses due to natural disasters, it still achieved commendable growth. On the demand side, both public consumption and public investment as a percentage of GDP remained steady, driven by the completion of ongoing government transportation and energy infrastructure mega-projects.



Spending under the Annual Development Programme (ADP) has been sluggish in the first half of FY 2023–24, with implementing agencies utilizing only 22.48 percent of their allocations until December of the previous year. The government managed to spend just Tk 61,739 crore of its Tk 274,678 crore ADP budget in the first six months of FY24, which was its lowest execution rate in at least the past 13 years. The recent general elections were the key reason for the slow ADP implementation, as administrative activities had become restricted at the time. Apart from that, government revenue collection is expected to reduce this year, which may contribute to slower disbursals for project implementation.

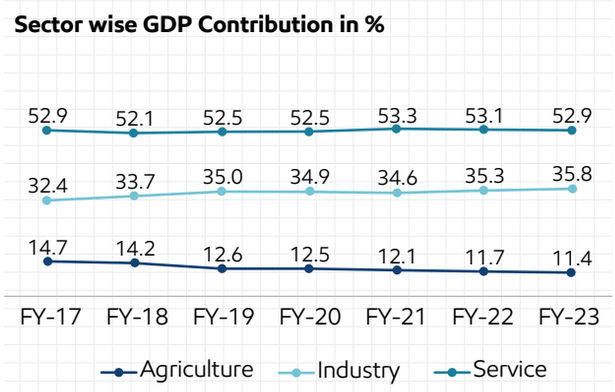
The tax collector logged revenue of Tk 165,630 crore in the July-December period of FY24, missing its target by more than Tk 23,200 crore, according to provisional data from the National Board of Revenue.

Bangladesh also runs a budget deficit, which stands at Tk 261,785 crore, which is 5.2 percent of GDP for the

fiscal year 2023–24. Almost two-thirds of public revenue is derived from indirect taxes and a third from direct taxes. Reliance on indirect taxes, especially consumption taxes, is viewed as regressive, and such taxes negatively affect income redistribution via the taxation system.

Growth Driver

The growth drivers and rates varied across different sectors and sub-sectors, showing some degree of inequality.



Source: BB

Agricultural sector

Agriculture is working as one of the driving forces of the economy of Bangladesh as a result of the adoption of favorable agricultural policies and strategies by the government. The agriculture sector, which is the most important sector in the Bangladesh economy in terms of employment, employs about 39 percent of the country's total labor force, continuously losing its position in overall GDP. The growth in the agriculture sector clocked 3.37 percent, an upward trend from last year. Any degree of growth in the agriculture sector is positive because arable land is not increasing. Rather, they are shrinking gradually. The share of the sector in GDP, according to the provisional estimate of the National Accounts Statistics, was 11.4 percent in FY23, compared to 11.7 percent in the previous fiscal year. The growth rate of agricultural crop production showed an upward trend in FY23. The main crop of the country, Boro rice, has been cultivated on a higher acreage in FY23. Among non-rice crops, the production of wheat, jute, potato, vegetables, and maize grew ample, aided by favorable market prices, low-cost finance, subsidies, mechanization of agriculture, rising cropping intensity, and increasing awareness among the farmers.

Industrial sector

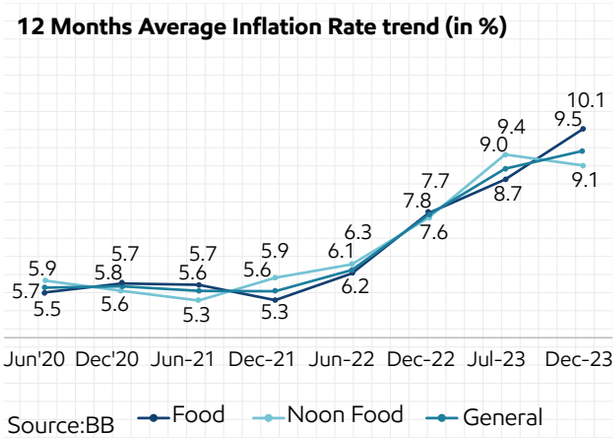
The industrial sector contributed 35.8 percent of GDP in FY23, and overall, the industry sector registered an impressive growth rate of 8.4 percent in FY23, slightly lower than 9.9 percent in FY22, though rising energy costs and supply constraints saw industrial production contract throughout the whole year of 2023. BBS started stratifying all the manufacturing productions into three categories, such as a. 'Large'; b. 'Small, Medium, and Micro'; and c. 'Cottage' scales. The growth of large-scale manufacturing production emanated from the growth in the production of textiles, tobacco, leather, and related products and beverages.

Service sector

The services sector accounts for the largest share of GDP. The service sector's growth dropped 81 basis points to 5.37 percent in the last financial year. It was 6.26 percent in FY22. The service sector's performance suffered due to slowdowns in real estate, financial and insurance activities, and accommodation and food services. Activities in the transport sector and the trade sector also slowed down. The transport and storage sector, which accounted for 7.29 percent of the GDP, witnessed a 50 basis point decline to 5.49 percent in the final estimate. Overall, it is projected that improvements in related industries, such as the industry sector, and government policy support will trickle down to the operations of the service sector, even though the developing global uncertainties could have non-trivial consequences for the sector.

Inflation

The pass-through of a sharp depreciation of the local currency accounted for half of the inflation surge seen in Bangladesh in the last calendar year. Although initially triggered by temporary cost-push factors, higher inflation has over time gotten more entrenched as second-round effects emanating from multiple sources, including rising global commodity prices, bouts of taka depreciation, and hikes in domestic fuel and energy prices, took hold. Reductions in global inflation have had no impact on inflation in Bangladesh, notwithstanding the fading of energy price shocks and their associated pass-through to inflation. The Consumer Price Index (CPI) rose 9.02 percent in FY23, the highest average inflation rate in 12 years. The price trend has continued in the current financial year of 2023–24, averaging 9.41 percent in December. Since March 2023, inflation has persisted above 9 percent. Last year witnessed the sharpest jump in consumer prices at 9.94 percent. Both food inflation and non-food inflation have continued their upward trend over the year. Point-to-point food inflation in both rural and urban areas exhibited a sharp increase in CY 2023. and encountered double-digit inflation. Higher food inflation in rural areas may hurt the rural poor and low-income people adversely because of their lower purchasing power.



Money Supply and Credit Growth

Bangladesh Bank (BB) has adopted an interest rate targeting framework, replacing the previous monetary aggregates targeting framework, starting on July 1, 2023. Under this transformative framework, BB introduced an Interest Rate Corridor (IRC), replacing the conventional reliance on reserve money, which signifies a notable departure from the previous practice. The objective lies in allowing the interbank call money rate to move closely with the policy rate. BB implements a symmetric Interest Rate Corridor (IRC) centered on the policy rate (repo rate) of 6.50 percent, consistent with international practices. The width of the IRC is fixed at ±200 basis points of the policy rate. Thus, the upper limit of the IRC, the standing lending facility (SLF) rate, is fixed at 8.50 percent, and the lower limit of the IRC, the standing deposit facility (SDF) rate, is fixed at 4.50 percent. In the new framework, the policy rate replaces the repo rate, the SLF replaces the special repo rate, and the SDF replaces the reverse repo rate.

The growth of reserve money and broad money (M2) observed an uptrend during FY23. The growth in these monetary aggregates emanated mainly from net domestic asset (NDA) growth. Besides, on an institutional basis, an upward trend was observed in the yields on government securities.

A notable growth in the NDA of BB led to a 10.5 percent rise in reserve money (RM) at the end of FY23, against the target of 14.0 percent for June 2023. This growth in the NDA of BB resulted from a rise in the government's and DMBs' borrowings from the central bank. Nonetheless, the currency-deposit ratio stood at 4.4 at the end of June 2023, which was 4.2 in March 2023, reflecting higher issuance of currency (21.8 percent) in June 2023.

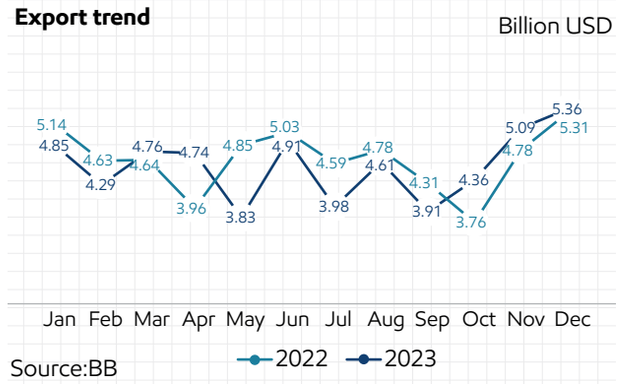
On the other hand, M2 growth accelerated to 10.5 percent at the end of FY23. FY23 observed lower-than-expected growth in net domestic assets (NDA) and marginally positive development in the growth of net foreign assets (NFA). The NFA situation has been improving slowly, although NFA growth still remained in the negative domain, mostly due to the prevailing pressure over the balance of payments (BoP). NFA growth stood at -13.0 percent at the end of June 2023, against a negative -11.9 percent programmed growth for June 2023.

Export

Earnings from merchandise shipments rose 1.99 percent to $55.78 billion in the just-concluded calendar year because of the slowdown in apparel sales in the international markets. Earnings from merchandise shipments rose marginally in 2023 owing to the persistently lower demand among western consumers amid high inflationary pressure, the dragging Russia-Ukraine war, and the outbreak of the Middle East crisis. Garments, which contribute nearly 85 percent to the national income, did not fare well, largely owing to the fall in orders and the shutdown of production in many factories following labor unrest between September and the first week of December, when the minimum wage for apparel workers was announced.

Woven garment exports fell 4.12 percent to $9.91 billion in July-December, and knitwear shipments rose 6.48 percent to $13.48 billion. Non-garment items also did not perform well in July and December. The leather and leather sector earned $523.03 million, registering 17.93 percent negative growth. Jute and jute goods exports fell 10.24 percent to $436.12 million. Home textiles' earnings plunged 38.48 percent to $369.91 million. Frozen and live fish fetched $215.13 million, down 12.68 percent. Non-leather footwear shipments increased 1.85 percent to $246.15 million.

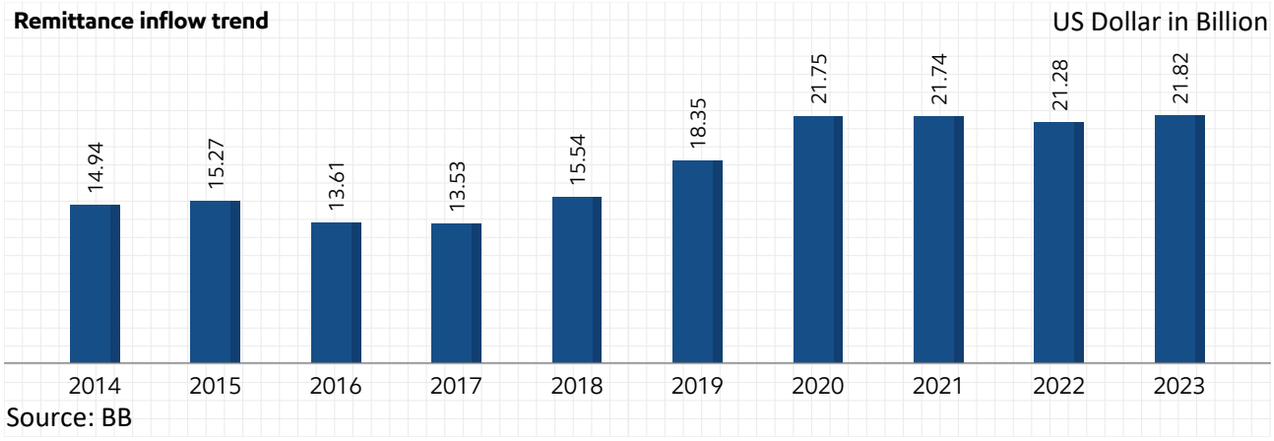
As on the western front, retailers are coming off a successful holiday season. Export data for the last 2 months shows signs of revival in garment shipments, as already seen in the export data for the current fiscal year.



Remittance

Remittances have been in the slow lane in the last couple of years. The underperformance of the remittance sector rang louder since more than 30 lakh people have gone abroad from Bangladesh in the past three years alone. However, the record outflow did not reflect the funds transferred by remitters to their beneficiaries at home. Earnings stood at $21.82 billion in 2023 and $21.28 billion in 2022. The inflows were lower despite 2.5 percent incentives from the government and more than 10 percent informal incentives available from banks.

In a World Bank research showed that in Bangladesh, a 1 percent deviation between the formal and informal exchange rates shifts 3.6 percent of remittances from the formal to the informal financial sector, the World Bank said. The growing use of hundi, an illegal cross-border transaction system, is the major reason for the lower remittance flow.

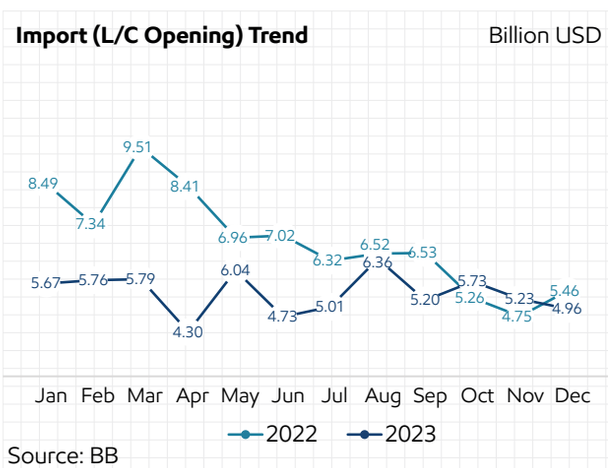


Import

The overall imports saw a sharp decline in 2023 due to the scarcity of foreign currency as well as increased oversight by the central bank. The government and the Bangladesh Bank have implemented several initiatives since April 2022 to address the rapid growth of imports and safeguard the country's foreign exchange reserves. LC opening reached a 32-month low in April due to a combination of restrictions implemented by the central bank and the ongoing dollar crisis. Import LCs worth only $4.30 billion were opened last April, while settlements amounted to $4.69 billion.

The BB imposed high LC margins on imports, particularly non-essential and luxury items. The move has led to a reduction in the trade deficit, with the country's import payments falling to $69.49 billion in FY23, down from $75.4 billion in the corresponding period of the previous year.

The opening of letters of credit (LCs) for imports fell by 21.52 percent in 2023 over 2022. The total L/C opening for merchandising goods in 2023 was $64.79 billion, compared to $82.56 billion in 2022. Average L/C opening reduced to $5.40 billion in 2023 compared to $6.88 billion in 2022

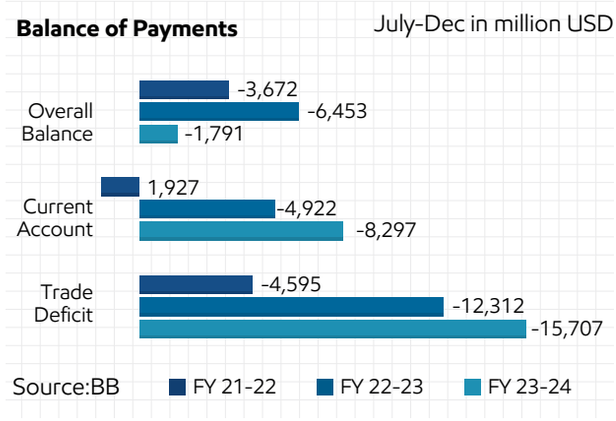


Balance of Payments

The worsening financial account and significant tightening of global monetary conditions have put significant pressure on the taka. The deficit in the trade balance narrowed in H1FY24, aided by a rapid fall in imports in the face of the depreciation pressure of BDT and BB's several policies aimed at limiting luxury and unnecessary imports along with increasing the monitoring of prices. The current account balance recorded a surplus of USD 1.93 billion during July–December of FY24 compared to a deficit of USD 4.92 billion during July–December of FY23, mainly supported by a lower trade deficit during the period.

The country's banking sector witnessed a sharp decline of $11.45 billion in short-term foreign loan inflows within the private sector. This led to the widening of the financial account deficit and an increased depletion of the foreign exchange reserve. The cumulative inflow of short-term foreign loans in the private sector amounted to $25.8 billion by the end of December 2023. This figure reflects a 31% decrease compared to the previous year's receipt of $37.25 billion.

The overall balance incurred a lower deficit of USD 3.67 billion during July–December of FY24 compared to a USD 6.45 billion deficit during July–December of FY23. Despite the surplus in current account balance, a deficit in the financial account of USD 5.39 billion resulted in this lower deficit in overall balance during the period under review. The deficit in the financial account was mainly attributed to deficits in trade credit net (USD 7.44 billion) and other net short-term loans (USD 1.32 billion).

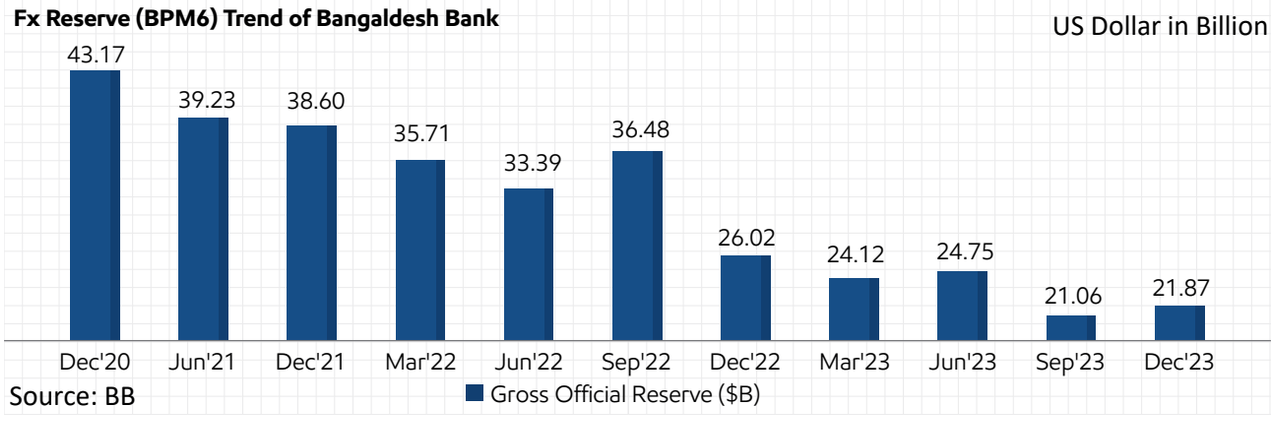


Foreign Exchange Reserve

The lower-than-expected export and remittance earnings have a direct impact on the foreign exchange reserves, which have fallen to a level enough to bring about an unprecedented cost of living crisis and a drastic fall in the value of the local currency. The forex reserve situation would not improve even if exports grew, as there has been a huge gap between exports and actual export realization in recent times. Higher import bills against moderate export and remittance earnings have caused a slide in the foreign currency reserves in Bangladesh, sending the US dollar rate to a record high amid the shortage of American greenbacks.

Despite the downward trend in opening import LCs, the central bank is continuing to pump USD into the market. In FY23, BB sold around $14 billion to the market from its forex reserves. In FY2021-22, it sold over $7 billion to banks.

Foreign exchange reserves came down to USD 21.87 billion in December 2023 from USD 26.02 billion in December 2022. The foreign exchange reserves in December 2023, where gross foreign exchange held by commercial banks was 5.56 billion, increased by 15.93 percent (y-o-y) at the end of December 2023. The foreign exchange reserves of December 2023 were sufficient to pay imports of goods for 5.2 months (cif, prospective).



Exchange Rate Movement

The year commenced with a series of controlled price adjustments and stricter regulations on foreign exchange prices and volumes. The Bangladesh Bank-backed BAFEDA-ABB model devalued the taka at periodic intervals. A de facto reduction in current account convertibility came into place with tighter export proceed surrender requirements and withholding payments on various invisibles.

To stem foreign exchange reserve losses and help restore external balance, the central bank allowed the taka to weaken by close to 20 percent over 2022–23. The operating dynamics of the exchange rate regime exhibited several mood swings. At present, the exchange rate is

different for remitters, exporters, and importers. The multiple exchange rates are blamed as one of the major factors in the fast depletion of forex reserves. This might be because remitters prefer hundi cartels to transfer money to their beneficiaries at home since informal platforms offer better rates than official platforms.

To contain the persistent foreign exchange pressure during CY23, Bangladesh Bank as well as the government took various policy measures, aided by a steady inflow of remittances and lower import payments. As part of Bangladesh Bank's plan to introduce a crawling peg as part of its strategy to gradually move to market-led exchange rates, the adoption of a crawling peg regime will limit the steep depreciation of the local currency. The currency may become stable with the tightening of money printing, but substantial money printing has led to a sharp currency depreciation.

Banking Sector:

For years now, myriad challenges have overwhelmed the banking sector—liquidity shortfalls, dollar crises, money laundering, loan scams, and defaults—and the banking sector in Bangladesh has been in a state of perpetual crisis. The banking industry in the country is currently undergoing intense instability. The recent rise of NPLs in Bangladesh—to an all-time high of Tk 156,039 crore in June 2023, from the previous highest of Tk 134,396 crore in the third quarter of 2022—is not due to purely economic reasons. This abnormal rise is not surprising given our banking sector's prevailing nature. The bank notes that the accumulation of non-performing loans heightens the threat to the stability of the financial sector. Bangladesh Bank has unveiled a roadmap aimed at addressing the prevailing issues within the country's banking sector. This comprehensive plan integrates many of the reforms advocated for within the banking industry over the years.

The roadmap comprises action plans targeting 17 key issues. Among these, five are deemed particularly significant. They include the reduction of defaulted loans, the prevention of anonymous loans and fraudulent activities, the establishment of mechanisms for appointing competent directors, the appointment of qualified independent directors, and the consolidation of weaker banks through mergers with stronger ones.

Early 2023 saw administered price adjustments, tighter foreign exchange controls, and Bangladesh Bank backing the BAFEDA-ABB model for taka devaluation. Stricter export surrender requirements and withholding invisible payments led to a de facto reduction in current account convertibility.

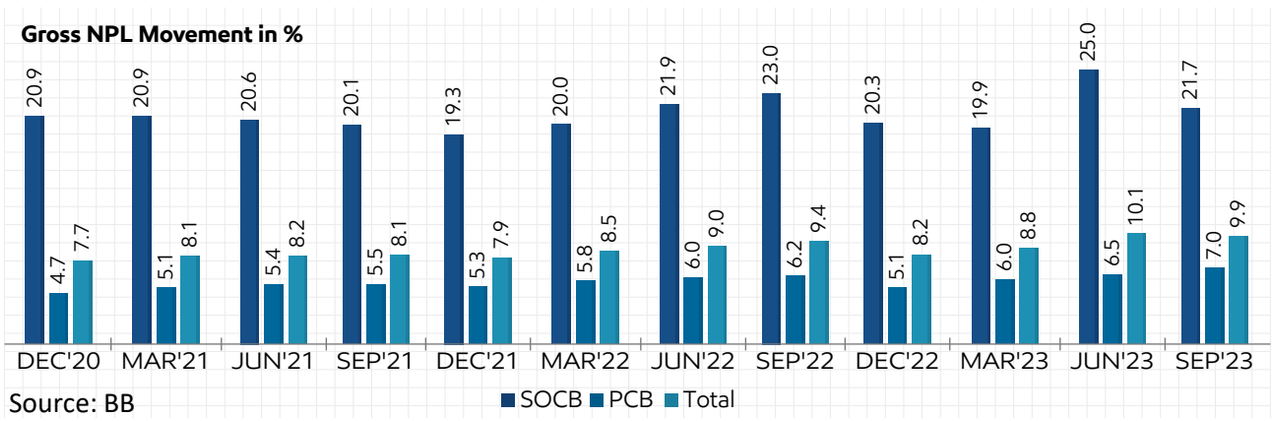
Non-performing loans (NPLs)

Non-performing loans (NPL) have been a concern for the banking sector in Bangladesh for quite some time. According to the World Bank, Bangladesh had the second-highest NPL ratio in South Asia in 2022, right after Sri Lanka. The persistence of a substantial volume of non-performing loans continues to be a matter of concern. Moreover, the lingering effects of the ongoing domestic and international economic downturn add a layer of apprehension for the months ahead.

The default loan ratio in the banking sector of Bangladesh rose to 9 percent in 2023 from 8.16 percent a year ago, owing to a slow recovery amid persisting economic stress. In December last year, non-performing loans (NPLs) at banks stood at Tk 145,633 crore, accounting for 9 percent of their total outstanding credits.

The NPL ratio is right below the systematic stress threshold for South Asian countries (10 percent) and well above the warning threshold (5 percent). Lenders face a multitude of problems arising from scams, irregular instalments, and a lack of corporate governance.

Contrary changes to the governing laws of the banking industry have failed to provide the central bank with the required ammunition to step in and aggressively resolve the crisis. NPLs have become a major concern for the economy, and the central bank unveiled a roadmap to bring them down to a reasonable level and restore good governance in the banking sector.



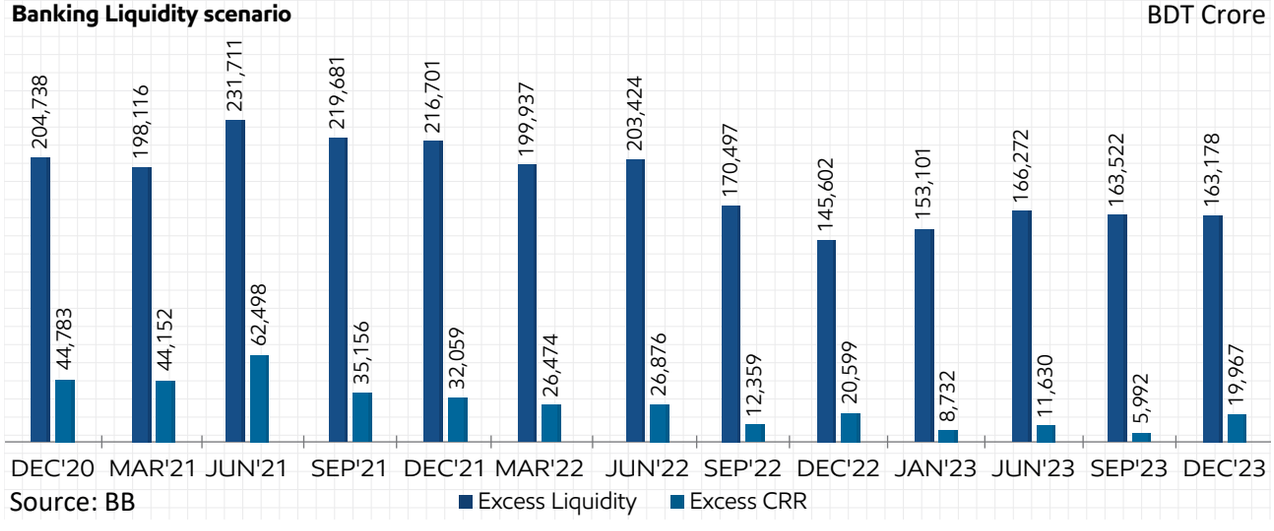
Banking Sector Liquidity Condition

The banking system in Bangladesh gets into a tighter liquidity situation as banks' cash stocks dip and cashable credits in vaults remain under heavy pressure amid a crunch. In 2023, particularly in the last quarter, the banking industry is reeling from immense liquidity shortfalls because of NPL buildup under a lenient loan-rescheduling regime and higher government borrowings from the banking system following a contractionary monetary stance to contain inflation as factors sapping the liquidity of the banks.

For the past three years, the central bank has consistently sold dollars from reserves to commercial banks. The severe dollar shortage has now put banks under liquidity stress as the central bank mopped up Tk 1.3 trillion crore from the market by selling $12 billion from the reserve in 2023. In the last quarter of 2023, amid this liquidity crisis, banks have been borrowing Tk 50,000 crore daily from the central bank through repo, which is a short-term borrowing arrangement primarily involving government securities.

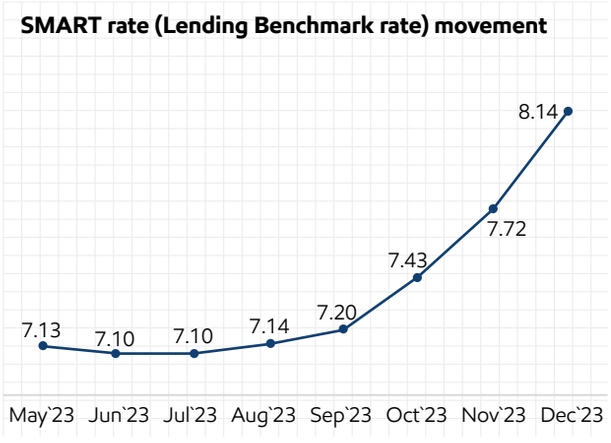
As a result, the excess liquidity and cashable funds in the banking system continue to shrink. Though BB data showed the excess liquidity in commercial banks increased to Tk 1.63 trillion in December 2023 from Tk 1.45 trillion in December 2022, industry experienced different scenarios. The crisis in the forex market, slow deposit growth, lack of trust in some shariah-based banks, higher amounts of bad loans, and slow loan recovery are the main reasons for the liquidity crisis.

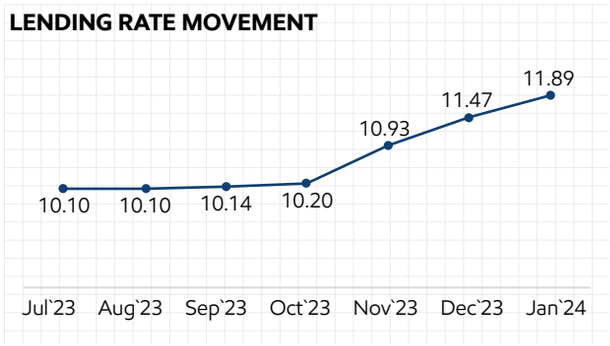
Liquidity feeding into credit-hungry banks marks a significant rise amid the major liquidity crunch facing the industry. As the buildup of pressure on the overall liquidity in the banking sector continues following the contractionary monetary stance taken by the Bangladesh Bank to combat inexorable inflation, commercial banks raise interest rates in their hunt for deposits. But the gradual increase in banks' deposit portfolios cannot alone help them navigate the existing liquidity tightness.



Interest (Profit) Rate Outlook

The central bank has raised the benchmark policy rate eight times in the past 20 months, scrapped the ceiling on the lending rate after more than three years, and introduced a new rate-setting mechanism. The SMART was launched by removing the interest rate cap in order to gradually allow market forces to determine the cost of funds and bring down demand-induced inflation. Since then, the benchmark interest rate has kept rising.





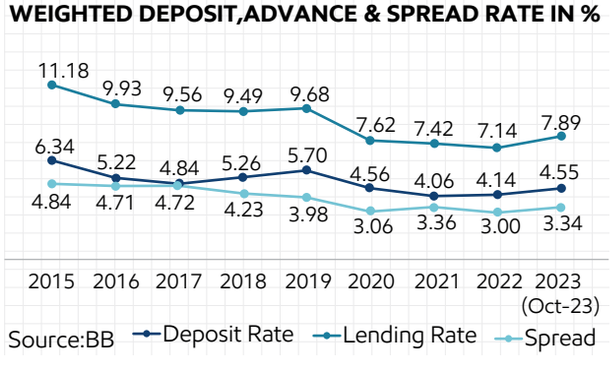
The lending rate is going up as the interest rates on government Treasury bills are on the rise. The yield of Treasury bills stands at a decade-high of more than 11 percent, which was 7 percent to 8 percent a few months ago. The Treasury bill rate has climbed since the government increased its borrowing from commercial banks after the BB suspended printing fresh money to avoid fanning inflation.

The Central Bank's interest rate targeting framework from the second half of 2023, in the form of a corridor system, seems to be working, as the effects of raising the policy rate raise the other interest rates available in the money market, including weighted average deposit and lending rates and interest rates on government Treasury bills and bonds. The rise in the policy rate raises the costs of borrowing funds, resulting in a deceleration of growth in RM and M2.

The policy rate (repo) was 8 percent, while SLF and SDF were 9.50 percent and 6.50 percent, respectively, after an upward adjustment in January 2024.

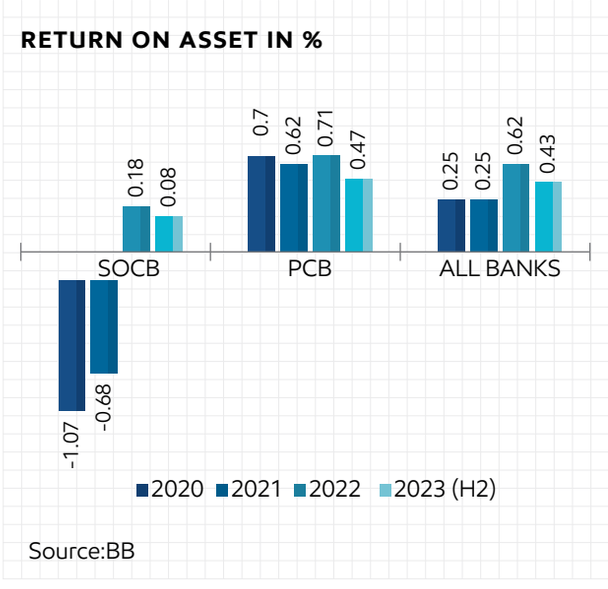
The yield of 10-year government bonds has increased to 12.05 percent, the highest in a decade, amidst tight liquidity in the market, indicating that money will turn expensive.

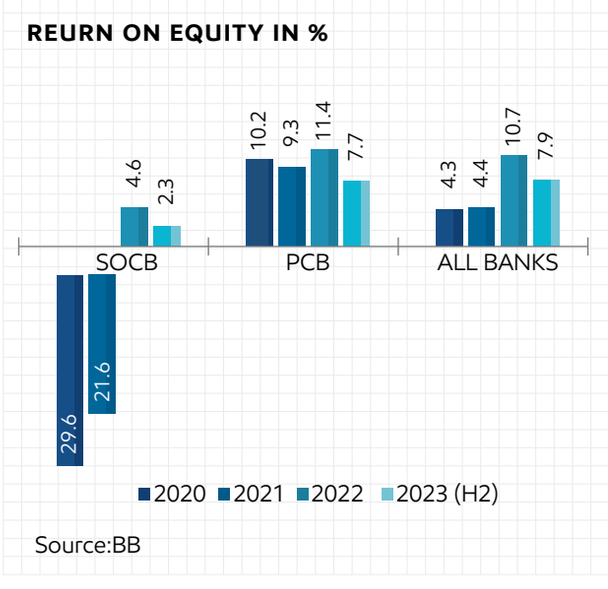
The lending rate may rise to 14 percent, reflecting a continuation of monetary tightening. This is expected to push the interest rate of the 364-day treasury bills to 13-14 percent by the end of June this year.



Banks Profitability

At the end of 2023, several private banks and state-owned banks registered handy operating profits thanks to hefty year-on-year growth in its profit from foreign exchange dealings in as well as swelling spread due to the central bank's relaxed policy lending rate cap withdrawal and credit growth in the private sector. But provisional data show a different picture. Latest BB data showed that the banking industry's profitability witnessed some moderation at the end of Q4FY23 compared to the end of Q4FY22, which was reflected by a decline in both return on assets (ROA) and return on equity (ROE) partly due to a fall in non-interest income and huge provision requirement. The final data may cast real picture.





Banking Sector outlook

Significant efforts will be required to overcome macroeconomic challenges, reduce defaulted loans, and restore discipline in the banking sector. The central bank increased policy rates to 8 percent, the ceiling of the standing lending facility to 9.50 percent, and the floor of the standing deposit facility to 6.50 percent as the BB struggles to contain the record inflation, driven by higher commodity prices in the global markets, ineffective market monitoring on the part of the government, collusion among market players, and the sharp decline in the taka's value against the US dollar. The move is aimed at raising the cost of funds for banks with a view to tightening the money supply to rein in consumer prices. The BB increased the policy rate, or repo rate, by 25 basis points to 8 percent, its eighth straight increase since the tightening cycle began in May 2022. The move is expected to increase the cost of funds.

Lately, the Bangladesh Bank introduced a currency swap guideline under which it will buy dollars from banks at the spot rate in exchange for the taka. The new arrangement aims to rebuild foreign exchange reserves and ease local currency liquidity stress. But the exchange rate volatility and its strain on the foreign currency reserves would not disappear anytime soon, as the floating US dollar rate would not be materialized soon.

The lending rate of bank loans may go beyond 13 percent on the back of the rising benchmark interest rate, increasing the cost of funds for borrowers further as the central bank's contractionary monetary policy appears to have taken hold. The tight monetary policy of the central bank might have pushed up borrowing costs.

The Six-months Moving Average Rate of Treasury bills (SMART), which is used to price the interest rate of loan products, stood at 8.68 percent in Dec'23 and would be increased further in the coming months. This signals that the lending rate is likely to move up further in the upcoming months, as the inflation rate has stayed above 9 percent since March last year and shows no sign of slowing down.

Bangladesh Bank has lowered the private sector credit growth target to 10 percent from 11 percent for the January to June period of FY24. BB has a plan to introduce a crawling peg system for the local currency to keep it stable, which would be a step toward a flexible exchange-rate regime. The taka could trade at around 115 per dollar by the end of June. The introduction of the crawling peg would allow greater stability and predictability of the exchange rate while further reflecting prevailing market forces compared to the current rate-fixing mechanism. It will allow greater capture of foreign currency flows and could bolster FX reserves that have deteriorated significantly over the past 1 to 2 years.

Higher lending rates are expected to dampen private investment activity, leading to a decrease in private sector credit growth. The potential increase in interest rates may constrain private sector credit growth, amplifying the risk of non-performing loans accumulating in the banking system. The taka may depreciate further to Tk 125–Tk 130 per US dollar at the end of December this year.

BD Economic outlook 2024

The remaining months of 2024 are likely to be a period of economic turbulence for Bangladesh. Consumers may face continued high inflation despite efforts to control it. Macroeconomic issues like balance of payments pressures, volatile exchange rates, and interest rate caps are expected to persist. Additionally, the tightening of credit flow to the private sector by the central bank may further hinder production and job creation. Consequently, demand and investment are likely to remain subdued. However, there may be a gradual decline in inflation as a result of these measures.

The central bank recently lowered the private sector credit growth target to 10 percent from 11 percent in its unveiling of monetary policy for the second half of the fiscal year. This adjustment aims to decrease the money supply to address inflationary pressure. However, the ongoing shortage of US dollars in the banking sector may persist, posing challenges for imports and impacting the economy accordingly.

Exports are expected to return to previous levels as major export destinations like Europe and the US are rebounding from the global economic slowdown and historic inflationary pressures. The government has cut the export subsidies for many sectors to reduce the pressure on Bangladesh's coffers and bring down the rates gradually since the country can't provide such subsidies once it becomes a developing nation. Exporters may see an end to the duty-free export benefit once the country moves out of the LDC category to become a developing nation in November 2026.

The acute gas crisis is significantly raising manufacturing costs for both domestically produced and exported goods. This rise in production costs is likely to translate into higher prices for consumers. Furthermore, the Bangladeshi economy faces additional challenges, as these cost increases could lead to a further slowdown in overseas sales.

The limited effect of decreasing global shocks on Bangladesh's macroeconomic stability indicates that factors beyond adverse global economic conditions

are playing a substantial role in shaping the country's economic performance.

Despite tight monetary policy, high inflation, and reduced consumption, Bangladesh's economy may see 5% growth in FY2023–24. However, several challenges loom. Overall, to address these economic challenges, Bangladesh needs to build enhanced state capacity and reorient its economic policy approach by focusing not only on price competitiveness alone but also on innovation by harnessing the new technological frontiers using skilled labor with an emphasis on fairer distribution of income. Such a reorientation of economic policy will enable the country to achieve sustainable economic growth and development.

High global commodity prices significantly pressured the current account, while wider financial account deficits worsened the situation due to tepid foreign direct investment and lower trade credit inflows. Additionally, Bangladesh Bank's efforts to maintain the taka's value through dollar sales further strained reserve buffers.

The coming months are likely to see persistent inflationary pressures, making effective control a key policy challenge. Raising the tax-to-GDP ratio, which remains among the lowest globally, presents a significant hurdle for the government. Compounding this challenge is the National Board of Revenue's (NBR) consistent shortfall in meeting government tax collection targets for the past eleven years. Additionally, ensuring an uninterrupted and affordable energy supply is crucial to maximize productivity and prevent further aggravation of inflationary woes.

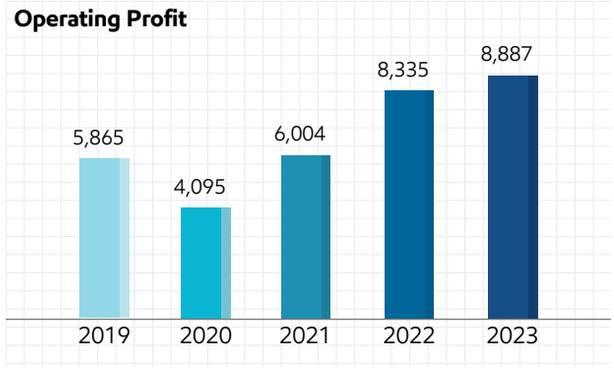
Bangladesh's GDP growth has fallen short of expectations, coinciding with a global economic slowdown. By the end of 2024, the world economy is projected to experience its weakest five-year stretch in three decades, marking a third consecutive year of declining global growth.

A General Review of the Performance of Shahjalal Islami Bank PLC

In 2023, the banking sector faced numerous significant challenges, including ongoing conflicts and economic turmoil, substantial turbulence in the foreign exchange market, and the highest inflation rate in a decade due to rising costs of essential and non-essential goods. Despite these challenges, Shahjalal Islami Bank PLC. exhibited remarkable resilience, not only weathering the storms but also achieving commendable performance. This report provides a comprehensive overview of the bank's performance, offering a detailed analysis of key financial indicators.

Operating Profit

In the year 2023, the bank recorded a surge in its operating profit, witnessing an increase of 6.63%. The operating profit soared to Taka 8,886.83 million, a notable upturn from the Taka 8,334.64 million reported in 2022. Furthermore, the net profit after taxes also exhibited substantial growth, reaching Taka 3,624.87 million in 2023 compared to Taka 3,525.06 million in the preceding year. The significant improvement in the bank's operating results for 2023 can be attributed to its outstanding performance in asset liability management, dynamic foreign exchange operations in a very crisis period, and the effective management of surplus funds.

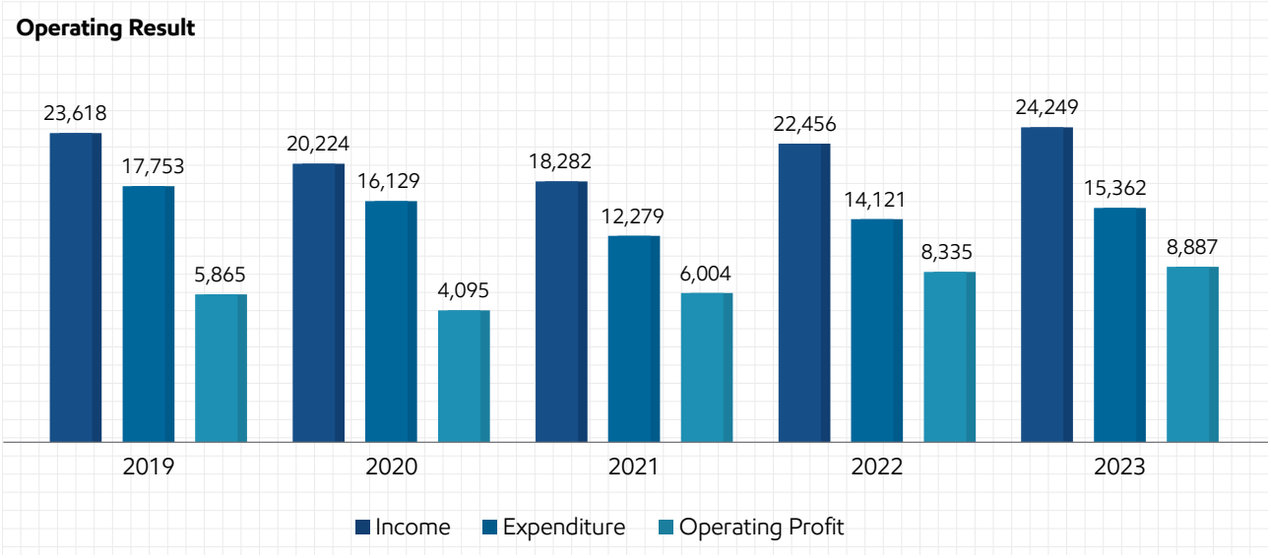


A summary of the operating results of the bank as of December 31, 2023, and December 31, 2022 is shown below:

(Amount in Million Taka)

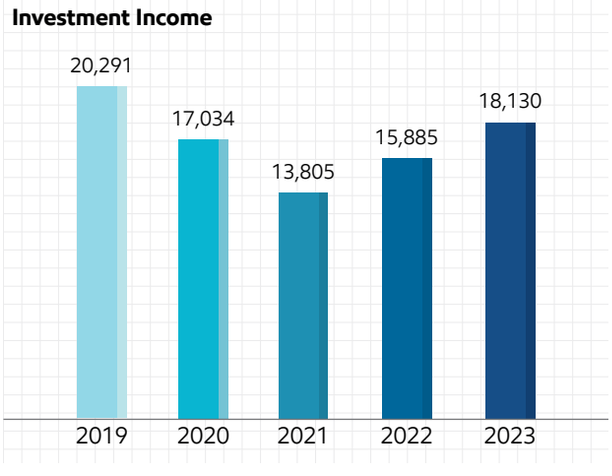
Particulars	2023	2022
Total Income	24,248.61	22,455.95
Less: Total Expenditure	15,361.78	14,121.31
Net Profit before Provision & Taxation	8,886.83	8,334.64
Less: Provision for Investment, Off Balance Sheets Items, Shares & others	1,733.58	1,108.37
Net profit before Taxation	7,153.25	7,226.28
Less: Provision for Taxation	3,528.38	3,701.22
Net Profit after Tax	3,624.87	3,525.06

The operating result of last five years:



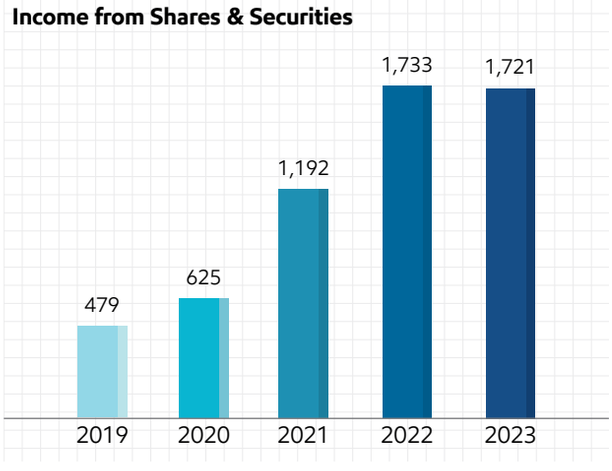
Investment Income

As of December 31, 2023, the Bank's total investment income reached BDT 18,129.79 million, marking a notable increase from the BDT 15,885.44 million recorded in 2022. This growth in investment income BDT 2,244.35 million, primarily attributed to a 1.91% rise in the investment portfolio as well as the implementation of SMART (Six-Month Moving Average Rate of Treasury Bill) in determining the profit rate of investments. The yield on investments experienced a noteworthy increase from 6.36% in 2022 to 7.14% in 2023, and it remains a significant contributor to the Bank's overall financial landscape. In 2023, investment income comprised 74.77% of the total income, a substantial increase from the 70.74% seen in 2022. The trajectory of investment income is illustrated below:



Income from investments in shares and securities

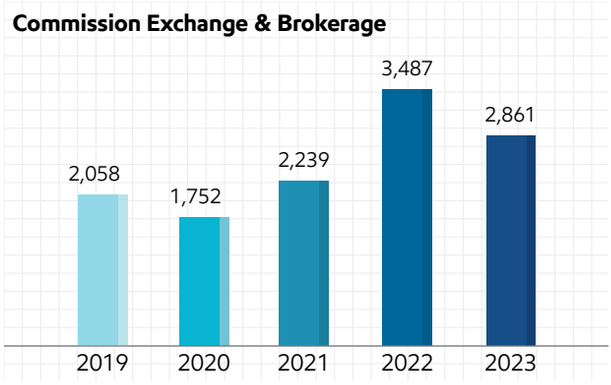
Income generated from investments in shares and securities moderately decreased to BDT 1,721.36 million in 2023 from the BDT. 1,732.56 million recorded in 2022. Registering 0.65% negative growth compared to the previous year. The income from investments in shares and securities is presented below:



Commission, Exchange, and Brokerage

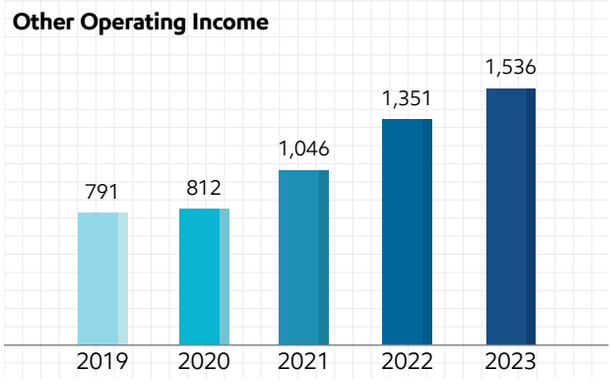
The income derived from Commission, Exchange, and Brokerage fell drastically from BDT 3,486.72 million in 2022 to BDT 2,861.08 million in 2023. This represents a decrease of 17.94% when compared to the previous year. Due to the persistent challenges posed by the

Russia-Ukraine conflict and volatility in the foreign exchange market, foreign exchange businesses experienced significant negative growth. The historical position of Commission, Exchange, and Brokerage income over the last five years is presented below:



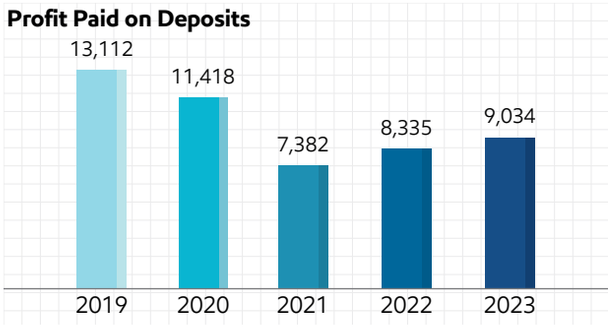
Other Operating Income

For the year 2023, Other Operating Income amounted to BDT. 1,536.38 million, a notable increase from the BDT. 1,351.23 million reported in 2022. This growth marks a substantial uptick of 13.70% compared to the previous year. The trend in Other Operating Income is illustrated below:



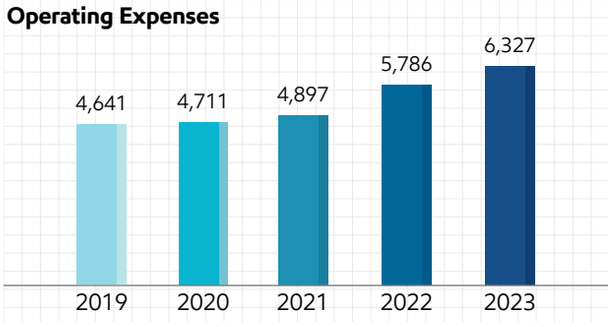
Profit Paid on Deposits

In the year 2023, the bank disbursed a total profit of BDT 9,034.42 million to Mudaraba depositors, showing a growth from BDT 8,335.13 million in 2022. This distribution amounted to 75.34% of the distributable investment income generated from the deployment of the Mudaraba Fund and represented 58.81% of the bank's total expenditure for 2023. One key contributing factor to this rise in profit on deposits is the bank's practice of periodically adjusting deposit profit rates to align with prevailing inflation rates. This approach has significantly bolstered the profit distributed on deposits. The historical data regarding profit paid on deposits for the last five years is presented below:



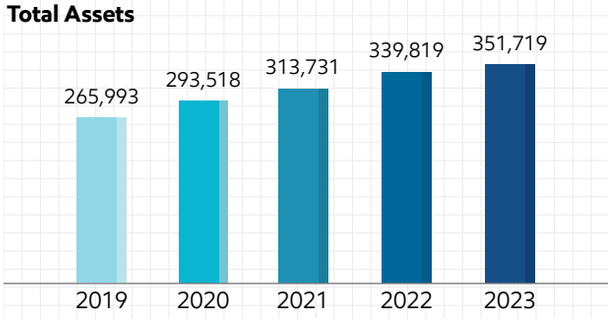
Operating Expenses

The cumulative operating expenses for the year 2023 amounted to BDT. 6,327.35 million, in contrast to BDT. 5,786.18 million reported in 2022. In the fiscal year 2023, these operating expenses constituted 41.19% of the total expenditure, marking a slight increase from the 40.97% ratio observed in 2022. Below, you will find a graphical representation illustrating the trends in operating expenses:



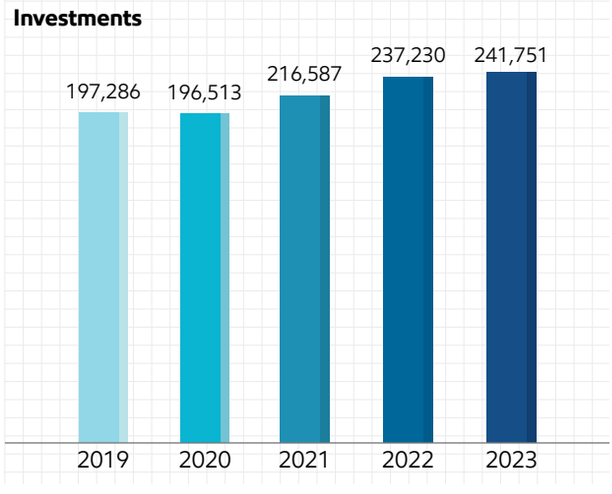
Total Assets

As of December 31, 2023, the bank's total assets amounted to BDT 351,719.34 million, a notable increase from BDT 339,818.87 million recorded on December 31, 2022. This signifies a growth of BDT 11,900.47 million, or 3.50%, compared to the previous year. This growth in total assets can be attributed to several key factors, including the expansion of investments, the increase in Cash and Bank Balance, and the growth of other assets. The following graph illustrates the growth in total assets:



Investments

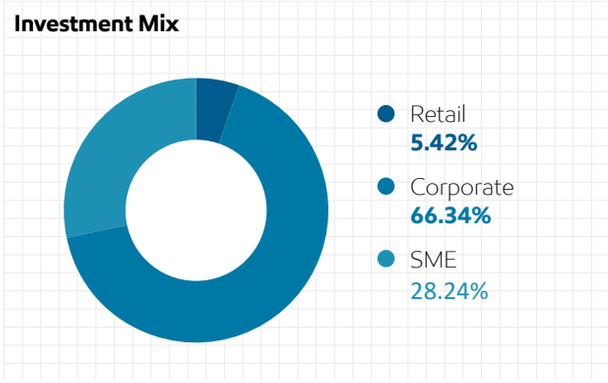
As of December 31, 2023, the bank's total investments amounted to BDT 241,750.80 million, representing a significant uptick from the BDT 237,229.98 million reported on December 31, 2022. This demonstrates an increase of BDT 4,520.82 million, equating to a 1.91% surge compared to the previous year. It's important to note that the Russia-Ukraine conflict and the global economic slowdown had a diminishing effect on market investment appetite. Consequently, SJIBPLC exercised caution in disbursing investments, resulting in a more measured pace of investment growth throughout 2023. The investment portfolio's trend over the past five years is depicted below:



In line with its diversification strategy, the bank has been actively cultivating a well-balanced portfolio encompassing corporate, retail, SME (Small and Medium-sized Enterprises), and agribusiness investments. SJIBPLC has placed particular emphasis on the retail and SME sectors, recognizing their increasing significance in fueling economic growth. In addition, the bank's strategic focus on these segments is a response to the intensifying competition within the corporate banking landscape. Below, you'll find the segment-wise investment breakdown as of December 31, 2023:

Taka in million

Sl. No.	Particulars	Total	Mix
1	Corporate	160,371	66.34%
2	SME	68,274	28.24%
3	Retail	13,106	5.42%
Total		**241,751**	**100.00%**

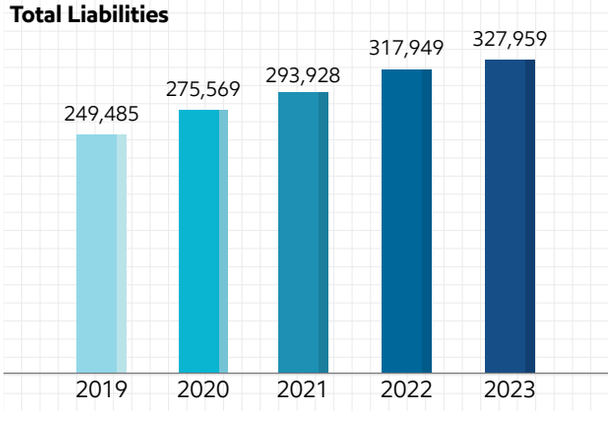


Non-performing Investments (NPI)

As of December 31, 2023, the non-performing investment rate in Bangladesh's banking sector stood at 8.16%. In contrast, SJIBPLC maintained a notably lower non-performing investment rate of 4.42%. SJIBPLC's non-performing investments (NPI) decreased to BDT 10,689.02 million by December 31, 2023, compared to BDT 11,332.83 million on December 31, 2022. This increase underscores the bank's commitment to strengthening its lending discipline and refining its recovery processes. SJIBPLC remains proactive in its efforts to identify and rectify non-performing investments, with the goal of further reducing NPIs. The bank also maintains provisions against investments that do not fall under classification to enhance the bank's financial health.

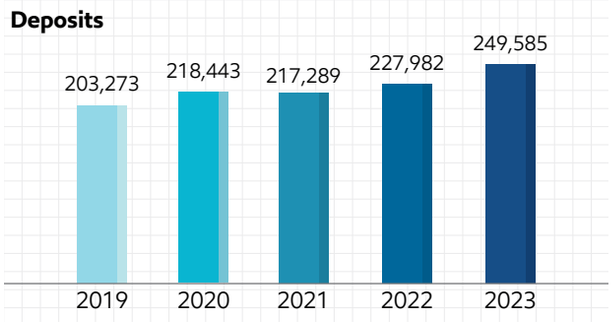
Total Liabilities

By the close of 2023, the bank's total liabilities amounted to BDT 327,959.15 million, marking a notable increase from BDT 317,948.73 million at the end of 2022. This surge represented 3.15% growth compared to the preceding year. The growth in total liabilities can be predominantly attributed to increased placements from other banks and financial institutions, deposits and other accounts, and other forms of liabilities. The trend in liability growth over the past five years is presented below:



Deposit

As of December 31, 2023, the total deposits in the bank reached BDT 249,585.02 million, showing an increase from BDT 227,982.06 million on December 31, 2022, equating to a growth of BDT 21,602.97 million. In line with the bank's strategic fund management approach, a deliberate decision was made to release certain corporate deposits and high-cost deposits. This action contributed to a more modest increase in overall total deposits. During 2023, the bank shifted its focus towards individual deposits, resulting in a significant rise in this category. SJIBPLC places a strong emphasis on deposit mobilization by introducing popular and innovative deposit products. The funds mobilized through deposits are subsequently channeled into the economy, supporting profitable and secure ventures. The accompanying graph illustrates the growth of deposits for a clear view and understanding:



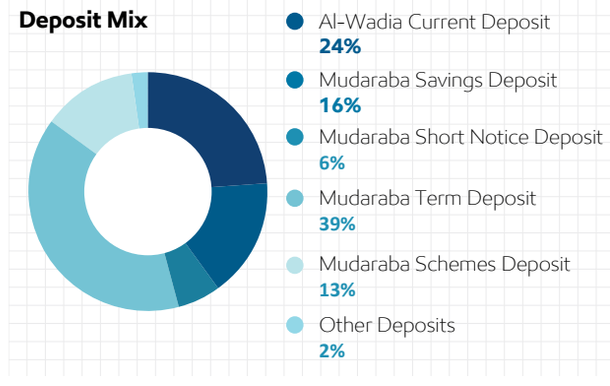
Deposit Mix

SJIBPLC prioritized attaining an optimal deposit mix, leading to a 15.73% rise in low-cost and no-cost deposits. In 2023, these deposits were at BDT. 102,557.63 million, and by 2023, they had increased to BDT. 118,685.60 million. Throughout 2023, the bank's primary focus was on rebalancing its deposit base, aiming to strengthen its portfolio of low-cost, transaction-based deposits. This strategic shift allowed SJIBPLC to marginally reduce its high-cost deposit segment while achieving a more favorable and consolidated deposit mix.

The Deposit-mix of the Bank as on 31 December 2023

Sl. No	Nature of Deposit	Taka in million	Percentage of Total Deposit
1	Al-Wadia Current Deposit & Other Accounts	60,012.47	24.05%
2	Mudaraba Savings Deposit	39,696.82	15.91%
3	Mudaraba Short Notice Deposit	14,099.09	5.65%
4	Mudaraba Term Deposit	97,867.73	39.21%
5	Mudaraba Schemes Deposit	33,031.69	13.23%
6	Other Deposits	4,877.22	1.95%
	Total	**249,585.02**	**100.00%**

Mix of deposit as of December 31, 2023

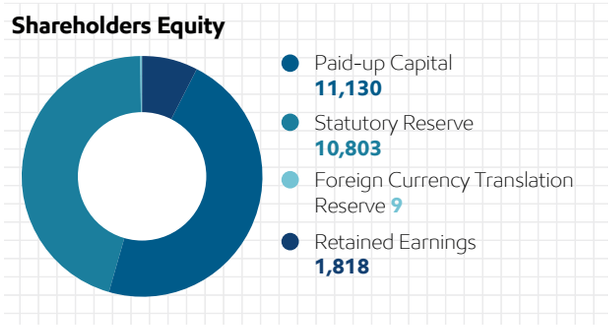


Placements from other Banks and Financial Institutions

As of December 31, 2023, the total placements from other banks and financial institutions amounted to BDT 27,511.35 million, a notable decrease from the BDT 42,036.65 million recorded on December 31, 2022. As part of its strategy, the bank lessened its dependency on borrowed funds, resulting in a negative growth of BDT 14,525.29 million.

Shareholders' Equity

By the close of 2023, the Total Shareholders' Equity reached BDT 23,760.19 million, marking a significant increase from the BDT 21,870.14 million reported in 2022, reflecting a growth of 8.64% compared to the previous year. This boost in Shareholders' Equity can be largely attributed to the increase in paid-up capital, the statutory reserve, retained earnings, and the foreign currency translation reserve. The expansion of paid-up capital was driven by the issuance of a 3% stock dividend for the year 2022. The composition of Shareholders' Equity as of December 31, 2023, is outlined below:



Regulatory Capital

In line with its risk management strategy, SJIBPLC adheres to a policy of upholding a robust capital-to-risk-weighted asset ratio. This approach ensures that the bank maintains a substantial buffer to absorb potential shocks stemming from unforeseen risks. The steadfast commitment to a strong capital foundation serves the dual purpose of safeguarding the bank's long-term solvency and facilitating sustainable business growth that maximizes value for its stakeholders.

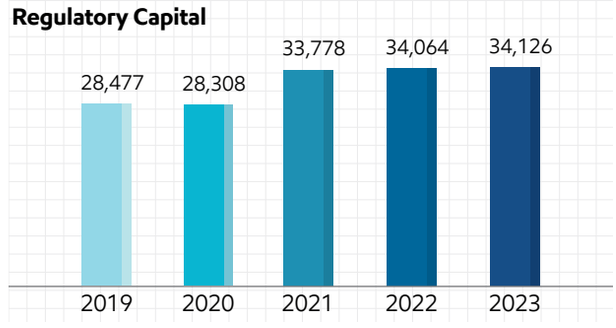
As of December 31, 2023, the Total Regulatory Capital of the bank reached BDT. 34,126.24 million, up from BDT. 34,064.48 million at the close of 2022, reflecting a growth of BDT. 61.76 million compared to the previous year. Throughout 2023, SJIBPLC consistently maintained a sound regulatory capital position, with the regulatory capital standing at 15.06%, significantly exceeding the required rate of 12.50%. The bank's strategy includes a continued focus on profit retention, bonus share issuance, and the further strengthening of its capital adequacy position by issuing Mudaraba Subordinated Bonds in order to enhance its capital base.

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

(Amount in million Taka)

Particulars	2023 BDT. In Million	2022 BDT. In Million
Regulatory Capital:		
1. Tier-1 (Going-Concern Capital)	28,735.65	26,846.54
2. Tier-2 (Gone-Concern Capital)	5,390.59	7,217.94
Total Regulatory Capital (1+2)	**34,126.24**	**34,064.48**
Total Risk Weighted Assets (RWA)	**226,626.82**	**236,937.49**
Capital to Risk Weighted Assets Ratio (CRAR)	**15.06%**	**14.38%**
Tier-I Capital to RWA	12.68%	11.33%
Tier-II Capital to RWA	2.38%	3.05%
Minimum Capital Requirement (MCR)	**28,328.35**	**29,617.19**

Five years' trend of regulatory capital is given below:



Net Asset Value (NAV) per Share

Shahjalal Islami Bank PLC. exhibits a net asset value (NAV) per share of BDT 21.35, significantly surpassing the face value of its shares. This substantial difference underscores the bank's ability to generate added value for its shareholders. Consequently, investor confidence in the bank continues to grow steadily, leading to increased investments in the bank's shares. The trend in NAV over the past five years is depicted below:

Year	Net Asset Value (NAV)
2023	21.35
2022	19.65
2021	18.33
2020	17.44
2019	16.84

Dividend

The Bank's Board of Directors has proposed cash dividend of 14% for the year 2023. Over the past few years, the Board has consistently declared dividends to shareholders at attractive rates. Below are the dividend rates declared by the bank since 2019:

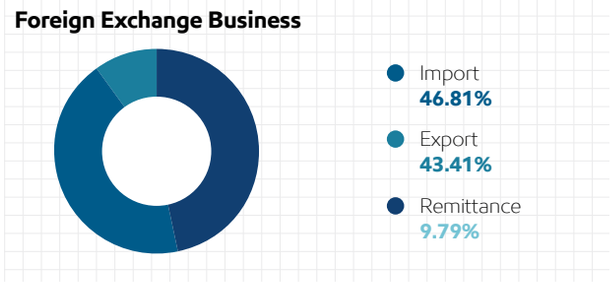
Year	Dividend (%)
2023 (proposed)	14 (Cash)
2022	15 (12 Cash & 3 Stock)
2021	15 (10 Cash & 5 Stock)
2020	12 (7 Cash & 5 Stock)
2019	10 (5 Cash & 5 Stock)

Foreign Exchange Business

In 2023, the total foreign exchange transactions facilitated by the bank reached BDT 570,260 million, marking a slight inscrease of BDT 36,151 million, equivalent to a 6.77% growth compared to the previous year's figure of BDT 534,109 million. Due to the market turbulence stemming from global conflicts, the bank remained firm in its commitment to prioritizing foreign exchange operations, which in turn resulted in a sustainable condition in business volume. The specifics of the foreign exchange activities are provided below:

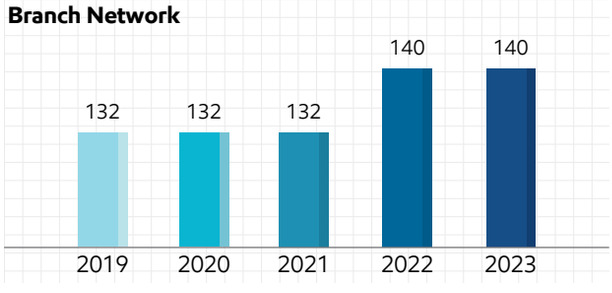
Particulars	2023	
	Amount in Million Taka	Composition
Import	266,912	46.81%
Export	247,526	43.41%
Foreign Remittance	55,822	9.79%
Total	**570,260**	**100.00%**

Mix of Foreign Exchange Business in 2023



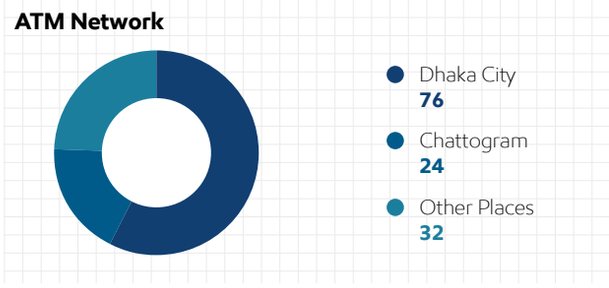
Branch Network

The bank currently maintains a presence through a network comprising 140 branches and 4 sub-branches across the country. In a concerted effort to expand its reach, the bank has successfully inaugurated 3 sub-branches during the year 2023. Additionally, the bank is engaged in an ongoing evaluation of its existing branch performance, with a focus on fortifying the operations of the branches. This strategy includes the reduction of loss-making branches, resulting in a decrease in their number in 2023. The evolution of the branch network over the past five years is outlined below:



Automated Teller Machine (ATM) Network

The bank's ATM network has grown to include 132 of its own ATMs and 3,320 shared ones, up from 129 and 3,203, respectively, in 2022. These ATMs provide customers with a range of services, from cash withdrawals to balance inquiries, mini statements, mobile recharges, and bKash cash withdrawals. Notably, a significant volume of cash transactions take place through the bank's ATMs nationwide. The bank is dedicated to continually expanding and enhancing its ATM network. Visual representations of the geographical distribution of these ATMs are available in the accompanying graph.



Correspondent Relationship

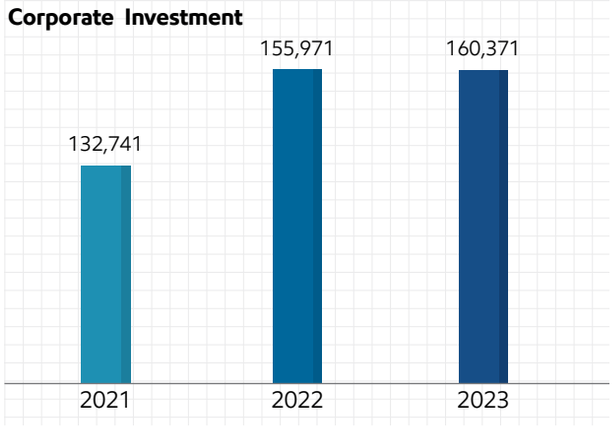
Shahjalal Islami Bank has forged robust correspondent relationships with prominent foreign banks worldwide. As of December 31, 2023, the bank maintained partnerships with a total of 433 correspondent banks spanning across 55 countries. These relationships are a key asset in facilitating international trade transactions. To support these connections, the bank holds 35 Nostro accounts in 9 major currencies, which are held with reputable international banks located in crucial global financial hubs. These Nostro accounts play a pivotal role in ensuring efficient international financial operations. Additionally, the bank benefits from ample credit lines extended by its correspondent banks, providing added confirmation to Letters of Credit and further streamlining international trade processes.

Corporate Banking

Shahjalal Islami Bank PLC. recognizes the diverse needs of its customers and understands the importance of tailoring solutions to ensure the prosperity of their businesses. To address the domestic and international requirements of corporate entities, the bank offers an extensive range of corporate finance products. These offerings encompass traditional working capital finance, project finance, and customized financing services. The bank's product covers everything from short-term financing to long-term investments, designed to support business expansion. Dedicated relationship

managers are on hand to provide a variety of facilities to aid in various business activities.

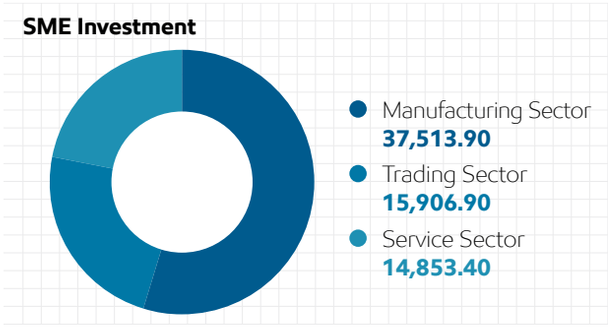
As of December 31, 2023, the total outstanding corporate investments of the bank amounted to BDT 160,371 million, marking a substantial increase of BDT 4,400 million from the 2022 figure of BDT 155,971 million. The ongoing Russia-Ukraine conflict placed significant strain on the bank's corporate clients and their supply chains, necessitating additional support. Consequently, the bank increased its corporate investments during the year under review. Furthermore, the bank actively participated in the government's announced stimulus packages for the corporate sector and disbursed a substantial amount of these packages to its corporate clientele. The trajectory of corporate investments over the past three years is detailed below:



SME Banking

Small and Medium Enterprises (SMEs) serve as the driving force behind global economic growth, innovation, and employment, and this is true for Bangladesh as well. This sector plays a pivotal role in stabilizing commercial activities and directly contributes to the grassroots development of the nation. SJIBPLC is deeply committed to recognizing the SME sector's potential as a significant market and believes it is a key catalyst for economic growth. From its inception, the bank has actively supported the SME sector by providing financing. The strengthening of the SME Division underscores our dedication to fortifying SME financing, thereby integrating grassroots entrepreneurs into the broader economic landscape.

In 2023, the SME investment portfolio amounted to BDT 68,274 million. However, it's worth noting that overall business activity and investment demand faced a slowdown due to ongoing global conflicts and the upcoming national election in Bangladesh. As a result, the growth of SMEs was relatively subdued during the year.

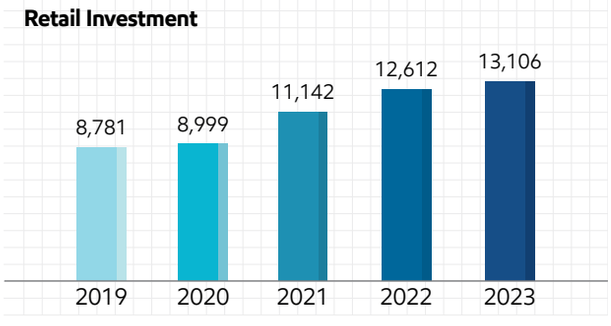


Retail Banking

The bank upholds a commitment to improving the living standards of a diverse range of individuals, encompassing various social classes and professions. To respond to consumer needs promptly, it has established a specialized Retail Investment Department that offers a variety of tailored investment products.

These offerings include house-building investments to facilitate new flat purchases, household durables investments for acquiring household goods, education investments for higher studies, marriage investments to provide financial assistance during weddings, and car investments for vehicle purchases. Moreover, the bank features a Semi-Pacca Housing Investment Scheme specifically designed to address the unique requirements of middle- and lower-income individuals in society.

The bank's retail investment portfolio demonstrated growth, increasing from BDT 12,612 million in 2022 to BDT 13,106 million in 2023, reflecting a substantial growth of 3.91%. In the future, the bank will maintain its focus on expanding the retail portfolio to better cater to the needs of Bangladesh's middle- and lower-middle-class population. The diagram below illustrates the position of retail investments over the past five years.

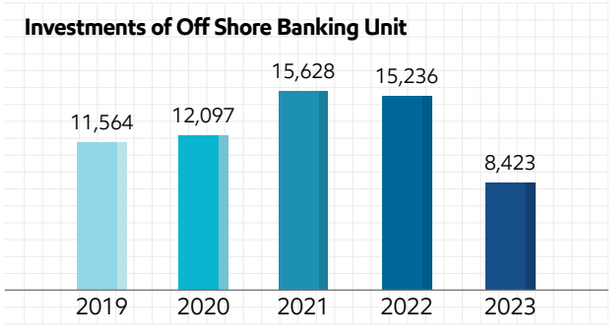


Offshore Banking Unit

Shahjalal Islami Bank PLC. operates its Offshore Banking Unit (OBU) as a distinct and regulated business entity, strictly adhering to the regulations and guidelines

established by Bangladesh Bank. Through effective communication, competitive pricing, and an unwavering commitment to exceptional customer service, SJIBPLC has swiftly attracted a significant customer base, establishing a robust and rewarding presence.

As of December 31, 2023, the total investments held by the Offshore Banking Unit amounted to BDT 8,423.31 million. This figure reflects a substantial decrease of BDT 6,812.45 million, translating to a negative growth rate of 44.71% when compared to the previous year's investment of BDT 15,235.76 million. The investment portfolio trend of the OBU is presented below:



Agent Banking

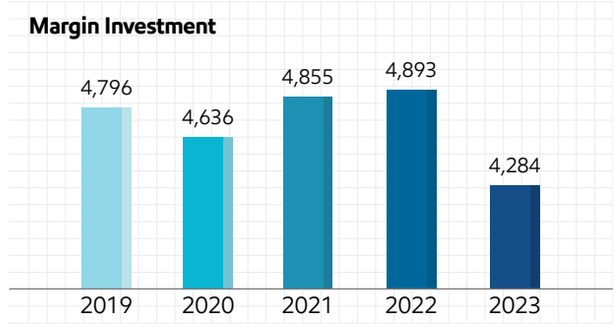
Shahjalal Islami Bank is committed to expanding its banking services across the country through Agent Banking, thereby extending its range of products and services to customers. The bank's Agent Banking structure offers secure technology and real-time banking capabilities, ensuring that customers can enjoy prompt, real-time transactions.

Notably, the Agent Banking System is seamlessly integrated with the Core Banking System, granting customers the advantage of instant SMS notifications and system-generated money receipts for each transaction. This service is geared towards removing the limitations of time and distance for customers. SJIBPLC provides comprehensive banking services at customers' doorsteps, simplifying processes such as remittances, deposits, and cash withdrawals. This initiative ensures that even individuals in remote areas of the country have access to structured and secure banking facilities. Currently, the bank operates 119 Agent Banking outlets, serving 33,611 accounts across various categories, with a total deposit balance of BDT. 616.06 million as of December 31, 2023.

Shahjalal Islami Bank Securities Limited

Shahjalal Islami Bank Securities Limited (SJIBSL) is a subsidiary company of Shahjalal Islami Bank PLC. It was established as a public limited company under the Companies Act of 1994 and commenced its operations on May 25, 2011. The core objective of this company is to engage in the business of stock brokering and dealing, share and securities transactions, and other services outlined in its Memorandum and Articles of Association. SJIBSL holds corporate memberships with both the Dhaka Stock Exchange PLC. and the Chittagong Stock Exchange PLC.

Shahjalal Islami Bank PLC. retains ownership of 91.79% of the shares of Shahjalal Islami Bank Securities Limited. In the year 2023, SJIBSL reported a total operating income of BDT. 350.83 million, showing a decrease from BDT. 577.08 million in 2022, resulting in a negative growth rate of 39.21%. The outstanding margin investments amounted to BDT. 4,283.92 million in December 2023, compared to BDT. 4,892.95 million in December 2022. The trend in margin investments over the past five years is detailed below:



Risk Management

SJIBPLC maintains a comprehensive risk management policy that addresses all the risks it manages while ensuring compliance with regulatory requirements. The Board is ultimately responsible for establishing and overseeing the bank's risk management framework. These risk mitigation efforts encompass strategic, financial, and operational aspects, reinforcing the bank's operations, reducing the potential for unexpected losses, and enhancing volatility management.

a) Investment (Credit) Risk Management

Investment (credit) risk is the potential loss resulting from a customer or counterparty failing to meet their financial or contractual obligations. This risk can stem from direct investment activities, commitments, and contingencies. The investment risk management function establishes and enforces policies, sanctions, monitoring procedures, and controls at the business unit level. Investment exposures are aggregated across business units and subject to regular monitoring. Effective investment risk management relies on fostering an appropriate investment risk management

culture. The Board of Directors, directly or through the Risk Management Committee of the Board, reviews and approves the bank's annual investment risk appetite and periodically reviews the investment policy manual. Responsible officials continuously monitor and manage investment risk.

b) Foreign Exchange Risk Management

Foreign exchange risk arises from transactions involving foreign currencies, where adverse exchange rate fluctuations may lead to earnings losses. SJIBPLC adheres to a comprehensive foreign exchange risk management policy, in accordance with Bangladesh Bank's guidelines, to minimize various risks associated with foreign exchange transactions. The Treasury Division's Foreign Exchange Desk engages in need-based foreign exchange activities with counterpart banks. The Treasury Back Office handles fund transfers and transaction entries in the books, and the Mid Office verifies deals. All foreign exchange assets and liabilities are revalued at market rates as per the Bangladesh Bank's directives. Nostro accounts are reconciled monthly, with outstanding entries beyond 30 days reviewed for settlement.

c) Asset Liability Risk Management

Asset Liability Management addresses liquidity and interest rate risks due to maturity mismatches between assets and liabilities. The Asset Liability Management Committee (ALCO), led by senior executives and the managing director, is responsible for managing asset liability risk. The bank has a comprehensive Asset Liability Management policy in line with Bangladesh Bank's guidelines. SJIBPLC complies with all applicable rules, regulations, and guidelines for asset liability risk management and follows industry best practices.

d) Money Laundering Risk Management

Money laundering risk entails reputation loss and penalties incurred due to negligence in preventing money laundering. SJIBPLC takes preventive measures against money laundering and terrorist financing in accordance with the amended Money Laundering Prevention Act 2012, the amended Anti-Terrorism Act 2013, and Bangladesh Bank's guidelines. The bank employs risk-sensitive customer due-diligence measures, monitors business relationships, and complies with regulations. The bank's committee on anti-money laundering, headed by the Deputy Managing Director as Chief Anti-Money Laundering Compliance Officer, oversees and ensures compliance on anti-money laundering matters.

e) Internal Control & Compliance Risk Management

The banking industry's complexity necessitates a robust internal control system to identify weaknesses and take corrective actions. SJIBPLC has segregated its Internal Control and Compliance Division into three separate units: Audit, Monitoring, and Compliance, following Bangladesh Bank's guidelines, to ensure an efficient and effective internal control system.

f) Information and Communication Technology Security Risk Management

Information and Communication Technology (ICT) risk involves business risk associated with ICT use, ownership, operation, influence, and adoption. Managing ICT risk entails identifying factors that could damage or disclose data, evaluating them in terms of data value and countermeasure cost, and implementing cost-effective risk mitigation solutions. SJIBPLC has an ICT risk management policy in place and conducts regular internal IT audits and security training.

g) Liquidity Risk Management

Liquidity risk is the risk that the bank may not be able to meet its financial obligations when they are due. The bank maintains sufficient liquid assets and adheres to various liquidity management limits. The Treasury Division, responsible for liquidity risk management, assesses liquidity needs based on historical requirements, current liquidity position, and other factors to ensure the bank's liquidity is adequate.

Future Prospects/Outlook

Considering macroeconomic and geopolitical factors, the banking sector faces profitability challenges due to exchange rate volatility, low benchmark rates, and limited financing opportunities resulting from global events such as wars and crises in different parts of the world, as well as the ongoing uncertainty in the global economy. SJIBPLC plans to focus on building and maintaining a quality investment portfolio, improving customer service quality, and cost rationalization through automation and product innovations.

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 on providing value-added services through operational efficiency and technological improvements. The effectiveness of the bank's risk management systems,

the acquisition of low-cost or no-cost deposits, rationalization of operating expenses, strengthening of the capital base, and fostering 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. Our goal is to enhance our domestic and global image and progress from strength to strength.

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

To navigate the evolving landscape and fortify its position, SJIBPLC has positioned itself to implement a series of strategic initiatives:



Enhance Export-Oriented Relationships

Forge stronger ties with existing export-oriented clients and cultivate new relationships with export-focused customers. This will bolster the inflow of foreign currency, including remittances.



Deposit Retention and Growth

Implement year-round deposit campaigns to retain existing deposits and attract new ones. This proactive approach aims to counterbalance potential challenges posed by rising inflation and increased spending on foreign currency.



Asset Quality Enhancement

Prioritize vigilant monitoring of both classified and unclassified investments. This focus on improving asset quality and enhancing recovery, even from written-off investments, is instrumental in safeguarding the bank's financial stability.



Operational Efficiency

Continuously analyze the bank's business processes to optimize costs and boost overall profitability. This process-driven approach ensures streamlined operations and increased cost-effectiveness.



Employee Productivity and Compliance

Place paramount emphasis on employee productivity, profitability, and unwavering compliance with regulations. A highly motivated and informed workforce is central to the bank's success.



SME and Retail Banking Expansion

Recognizing the growth potential and low concentration risk in SME and retail banking, SJIBPLC will fortify its presence in these sectors.



Corporate Banking Evolution

Evolve corporate banking to align with evolving customer demands and market dynamics. Flexibility and adaptability are key to meeting the diverse needs of corporate clients.



Technological Advancement

Embrace cutting-edge technology to remain competitive in the banking sector. Technological innovation enhances customer experiences and operational efficiency.

Capital Base Strengthening

The bank will enhance its capital base by issuing Mudaraba Subordinated Bonds, bolstering its financial resilience and capacity.

Research and Product Innovation

Prioritize research and innovation in product development to address the ever-evolving competitive landscape in existing and emerging markets.

Green Finance and Social Integration

SJIBPLC is committed to promoting Green Finance and social integration through Corporate Social Responsibility (CSR) and Financial Inclusion initiatives. These endeavors align with the United Nations' Sustainable Development Goals (SDGs) and contribute to sustainable growth and social well-being.

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, SJIBPLC 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.

SJIBPLC 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, SJIBPLC offers a competitive compensation package and a healthy, secure, and forward-thinking work environment. The bank is committed to taking care of its employees and building trust and relationships over time. As a result, SJIBPLC 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 SJIBPLC 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. SJIBPLC 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

Shahjalal Islami Bank PLC. operates as a responsible and law-abiding corporate entity, demonstrating a strong commitment to fulfilling its tax obligations, which include timely payments of corporate taxes, withholding tax, and VAT, all of which are promptly remitted to the government's treasury. In the year 2023, the bank earmarked a substantial amount of BDT 3,828.87 million for corporate tax, representing a notable increase from BDT 3,653.74 million in the previous year 2022. During the year 2023, SJIBPLC made significant contributions to the government's treasury, amounting to BDT. 9,857.50 million, covering a spectrum of taxes including source tax, salary tax, VAT, excise duty, and other related taxes, including VAT on various services. The bank's intermediation

process efficiently mobilized resources totaling BDT 249,585.02 million from surplus economic units and effectively deployed BDT 241,750.80 million. Over the years, the bank has actively created a multitude of both direct and indirect employment opportunities, further underscoring its unwavering dedication to the nation's development and progress.

Brand Positioning and Differentiation

Shahjalal Islami Bank PLC, established on April 1, 2001, as an Islamic Shariah-based commercial bank, has positioned itself uniquely in the banking landscape. It stands out by offering exceptional customer service and innovative products and services that adhere to shariah guidelines. The bank not only creates value for its shareholders but also extends support to the underprivileged through Corporate Social Responsibility (CSR) and Zakat initiatives.

From the outset, the bank has established itself as a leading third-generation Islami bank, with a strong focus on asset quality, shariah compliance, social welfare, CSR activities, and technology-driven automated banking solutions. In its 23-year journey, SJIBPLC has expanded its physical, digital, and virtual channels and platforms, boasting 140 branches, 4 sub-branches, 119 agent outlets, 132 proprietary ATMs, 3,320 shared ATMs, and app-based banking services. These efforts have solidified the bank's position as the most attractive and distinctive institution in the banking sector, enhancing its brand value significantly.

Prioritizing Customer Rights

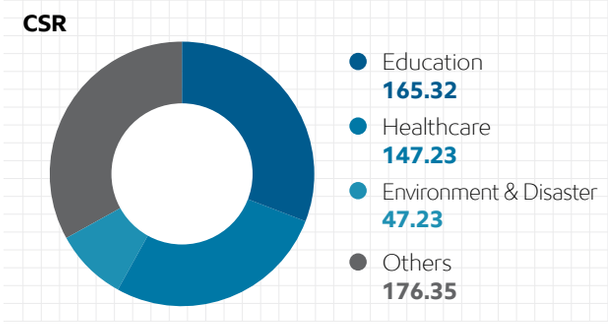
SJIBPLC places the rights of its customers at the forefront of its operations. The bank doesn't gauge its performance solely by profit figures but rather by the quality of modern services provided to customers. It firmly believes that customer perceptions and satisfaction determine an organization's success or failure. Therefore, the bank is unwavering in safeguarding its customers' rights across all its business activities.

Commitment to Corporate Governance

The bank adheres to a set of robust corporate governance practices aligned with industry best practices and regulatory requirements set forth by the Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank. Transparency, accountability, and good governance are integral to every facet of the bank's operations. The details of the Corporate Governance Report are comprehensively outlined in this Annual Report.

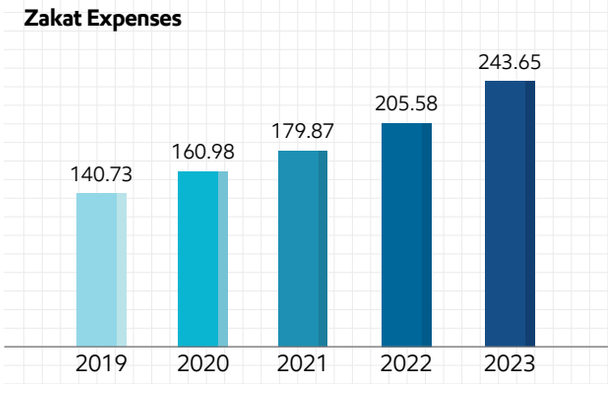
Corporate Social Responsibility (CSR)

Shahjalal Islami Bank PLC. allocates a significant portion of its annual profit to fund CSR initiatives in various areas, including education, healthcare, disaster management, environmental sustainability, empowerment, and human resource development. The bank prioritizes social and public welfare over mere profit maximization. In 2023, CSR expenses amounted to BDT 536.13 million, marking a notable increase from BDT 325.36 million in 2022. The bank's sector-wise CSR contributions are outlined below:



Zakat

Shahjalal Islami Bank PLC., as a Shariah-based Islamic bank, adheres to the rules of Islamic Shariah and pays zakat accordingly. The primary purpose of zakat is to discourage the accumulation of wealth among certain individuals in society and to promote a more equitable distribution of wealth. The bank pays zakat at a rate of 2.58% of the closing balance of the statutory reserve, general reserve, and retained earnings from the previous year. Zakat is reflected in the profit and loss account of the bank in accordance with the "Guidelines for Islamic Banking" issued by the Bangladesh Bank through BRPD Circular No. 15 dated November 9, 2009. Zakat funds are distributed to underprivileged individuals as per Shariah principles. In 2023, the bank paid BDT 243.65 million as Zakat, compared to BDT 205.58 million in 2022. The Zakat expenses for the last five years are provided below:



Green Banking

Shahjalal Islami Bank PLC. 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 2023 by disbursing a significant amount of green finance. As of December 31, 2023, the total outstanding amount of green finance was BDT 265.35 million, and the bank has been consistently increasing its green financing year on year.

Financial Inclusion

Financial inclusion is increasingly recognized as a vital tool by policymakers worldwide for fostering inclusive and sustainable economic development. Acknowledging this significance, SJIBPLC has been actively pursuing innovative initiatives to promote financial inclusion. The bank has diligently worked to extend formal banking services to marginalized segments of society through affordable digital financial services. Initiatives include opening No-Frill Accounts (NFAs) for various groups, such as farmers, garment workers, and individuals with disabilities. Additionally, school banking facilities are available for students under 18 years old, enabling them to open accounts with a minimum deposit of BDT 100 through their parents or legal guardians. Furthermore, SJIBPLC is collaborating with initiatives like banking for street children, working mothers, and Agent Banking. Agent Banking, in particular, is destined to emerge as a crucial tool for financial inclusion, offering tailored financial products to underserved populations, especially those in remote areas.

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 2023 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, 2023.

Maintaining Proper Books of Account

Shahjalal Islami Bank PLC. always maintains proper books of account for its financial transactions, including in 2023. The external auditor, M/s. Hoda Vasi Chowdhury & 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 PLC. 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 PLC. has been rated by Emerging Credit Rating Limited (ECRL). ECRL performed the rating surveillance based on audited financial statements of December 31, 2023 and other relevant information and the report was issued on April 29, 2024. They rated 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 as well as the Guidelines on External Audit of Banks issued by BRPD in 2016. M/s Hoda Vasi Chowdhury & Co., Chartered Accountants, was the auditor of the bank for the year 2023. As 2023 was their second year of auditing the bank, the firm is therefore eligible for reappointment as auditor for the year 2024.

However, an external auditor can conduct statutory audit in maximum 6 (six) number of Banks and NBFIs altogether in a financial year according to the maximum limit set in the DBI-3 Circular Letter No. 01 dated 28th November 2023 of Bangladesh Bank. Since the existing auditor M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants is a leading audit firm specially for Banks and NBFIs audit in Bangladesh, they have several prior commitments in conducting audit of foreign bank branch offices. Hence, despite their willingness to continue as statutory auditors for the third consecutive year 2024, they expressed their intention for retirement from Shahjalal Islami Bank PLC. with a view to comply with the Bangladesh Bank Instruction.

Section 210 of the Companies Act of 1994 empowers shareholders to appoint the auditor and set their remuneration. In view of this, a number of eligible audit firms expressed their intention to be appointed as external auditor of the bank for the year 2024. Considering the competency and competitiveness, the board hence recommends appointing M/s Aziz Halim Khair Choudhury, Chartered Accountants, as the auditor of the bank for the year 2024, subject to the approval of the shareholders at the upcoming Annual General Meeting.

Vote of Thanks

The Board of Directors extends its deepest gratitude to Almighty Allah (SWT) for bestowing blessings and enabling the Bank to achieve significant growth and progress throughout the year 2023.

On behalf of the Board, we extend sincere thanks to the Ministry of Finance, Bangladesh Bank, Bangladesh Securities & Exchange Commission, and other esteemed government agencies for their invaluable assistance, guidance, support, and cooperation, which have been instrumental in the Bank's successful operations. We are also grateful for the ongoing collaboration and support provided by our esteemed foreign correspondents worldwide.

We, the members of the Board of Shahjalal Islami Bank PLC., take this opportunity to express our heartfelt gratitude and extend sincere thanks to our valued shareholders, customers, depositors, investment clients, and well-wishers. Your unflagging trust and confidence form the solid foundation of our success.

Finally, we express our deepest appreciation and sincere thanks to all officials of the bank for their tireless efforts, dedication, and commitment, which are the true driving force behind the bank's achievements.

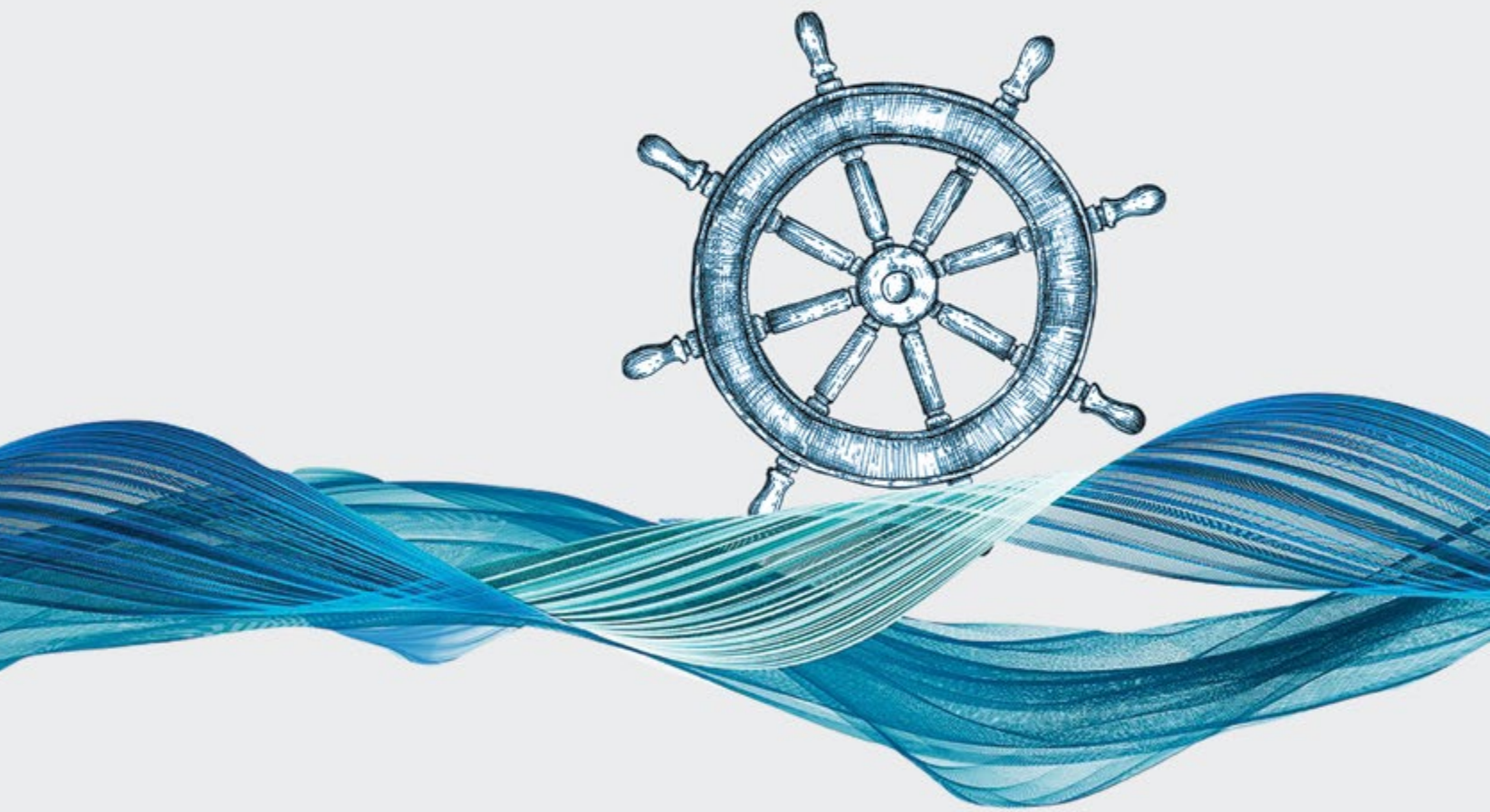
We pray to Allah (SWT) to continue granting us the courage, dedication, patience, and fortitude to navigate the future and operate the bank to the highest standards for the continued benefit of all stakeholders.

Ameen.
On behalf of the Board of Directors



A.K. Azad
Chairman

MANAGEMENT REVIEW AND ANALYSIS



SENIOR MANAGEMENT

Managing Director	:	Mr. Mosleh Uddin Ahmed
Additional Managing Director	:	Mr. Abdul Aziz Mr. S.M. Mainuddin Chowdhury Mr. Mian Quamrul Hasan Chowdhury Mr. M Akhter Hossain
Deputy Managing Director	:	Mr. Imtiaz Uddin Ahmed Mr. Rashed Sarwar Mr. M. M. Saiful Islam Mr. Mustafa Husain
Senior Executive Vice President	:	Mr. Md. Saidur Rahman Mr. F. M. Nawaz Ali Mr. Mohammed Ashfaqul Hoque FCA, FCS Mr. Md. Shamsuddoha Ms. Rumana Kutubuddin Mr. Md. Abul Bashar Mr. Md. Jafar Sadeq FCA Mr. Md. Amzad Hossain Mr. Tariqul Islam Mr. Md. Enamul Haque Mr. S.M. Kowsar
Executive Vice President	:	Mr. Mahmud Hussain Mr. Mahmudul Shamim Talukder Mr. S. M. Rashedul Karim Mr. Md. Ashraful Azim FCA 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. Mohammed Abu Shayem Mr. Mosleh Uddin Ahmed Mr. Md. Mazharul Haque Engr. Md. Zahidul Islam Mr. Md. Iftekhar Shahid Mr. Md. Abdul Khaleque Mr. Md. Arifur Rahman

Senior Vice President	:	Mr. M. Imam Hossain Gazi Mr. Md. Nawshad Abbas Mr. Mohammed Eskander Alam Mr. Chowdhury Golam Rahman Mr. Md. Firoz Kabir Mr. Shaikh Wahidul Hossain 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 Mr. Mohammad Shajedul Alam Mr. Shamsul Arifin Ferdose Mr. A.H.M. Shahrier Mr. Sheikh Azmul Islam Mr. Munzer Rahman Mr. Mokammel Hossain Mr. Md. Wahidul Islam Mr. Mizanur Rahman Mr. Iftekhar Husain
Vice President	:	Ms. Sultana Parvin Mr. Md. Abdulla Al Mahmud Siddiqui Mr. Muhammad Asiful Haque Mr. Md. Moshiur Rahman Mr. Md. Noor-A-Alam Hossain Mr. Md. Tazuddin Mollah Mr. Md. Ziaur Rahman Mr. Md. Jaynal Abedin Khan Safari Ms. Sultana Husnoon Nada Mr. Sabeth Bin Zamir 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. Md. Yeasin Molla Mr. Mohammed Anwarul Azim Mr. Ahamed Rashid Mr. Abdullah-Al-Mamun Mr. Mohammad Shahabuddin Mazumder Mr. Abdul Kader Ms. Farjana Afroze

COMMITTEE 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. Imtiaz Uddin Ahmed	Deputy Managing Director
	Mr. M. M. Saiful Islam	Deputy Managing Director
	Mr. Mustafa Hossain	Deputy Managing Director
	Mr. Mohammed Ashfaqul Hoque FCA, FCS	Senior Executive Vice President
	Mr. Md. Jafar Sadeq FCA	Senior Executive Vice President
Asset Liability Management Committee (ALCO) :	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. Imtiaz Uddin Ahmed	Deputy Managing Director
	Mr. M. M. Saiful Islam	Deputy Managing Director
	Mr. Mohammed Ashfaqul Hoque FCA, FCS	Senior Executive Vice President
	Mr. Md. Jafar Sadeq FCA	Senior Executive Vice Presidents
	Mr. Abdur Rahim	Senior Vice President
	Mr. Mohammad Shariful Haider	Senior Vice President
	Mr. Md. Fakrul Islam	Senior Assistant Vice President
	Mr. Md. Chaliqur Rahman	Senior Assistant Vice President
Executive Risk Management Committee (ERMC) :	Mr. Mian Quamrul Hasan Chowdhury	Additional Managing Director
	Mr. M Akhter Hossain	Additional Managing Director & COO
	Mr. Imtiaz Uddin Ahmed	Deputy Managing Director
	Mr. M. M. Saiful Islam	Deputy Managing Director & CRO
	Mr. Mohammed Ashfaqul Hoque FCA, FCS	Senior Executive Vice President
	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	Senior Executive Vice President
	Mr. Asadul Islam 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
	Mr. Mohammad Shariful Haider	Senior Vice President
	Mr. Iftekhar Husain	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 & COO
		Mr. Imtiaz Uddin Ahmed	Deputy Managing Director
		Mr. M. M. Saiful Islam	Deputy Managing Director & CRO
		Mr. Mohammed Ashfaqul Hoque FCA, FCS	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	Senior Executive Vice President
		Mr. Mohammed Abu Shayem	Executive Vice President
		Mr. Md. Abdur Rahim	Senior Vice President
		Mr. Mohammad Abdul Majid	Senior Vice President
		Mr. Mohammad Shariful Haider	Senior Vice President
		Mr. Iftekhar Husain	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. Imtiaz Uddin Ahmed	Deputy Managing Director
		Mr. M. M. Saiful Islam	Deputy Managing Director & CRO
		Mr. Mohammed Ashfaqul Hoque FCA, FCS	Senior Executive Vice President
		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	Senior Executive Vice President
		Mr. Mahmudul Shamim Talukder	Executive Vice President
		Mr. Mohammed Abu Shayem	Executive Vice President
		Mr. Mohammad Towfiqul Islam	Executive Vice President
		Mr. Md. Abdur Rahim	Senior Vice President
		Mr. Mohammad Abdul Majid	Senior Vice President
		Mr. Md. Riad Hossain	Senior Assistant 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. Imtiaz Uddin Ahmed	Deputy Managing Director
		Mr. M. M. Saiful Islam	Deputy Managing Director & CRO
		Ms. Rumana Kutubuddin	Senior Executive Vice President
		Mr. Md. Amzad Hossain	Senior Executive Vice President
		Mr. Mohammed Abu Shayem	Executive Vice President

Central Compliance Committee (CCC)	:	Mr. M Akhter Hossain	Additional Managing Director
		Mr. Mian Quamrul Hasan Chowdhury	Additional Managing Director
		Mr. Imtiaz Uddin Ahmed	Deputy Managing Director
		Mr. Mohammed Ashfaqul Hoque FCA, FCS	Senior Executive Vice President
		Mr. Tariqul Islam	Senior Executive Vice President
		Mr. Md. Asadul Islam 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. Iftekhar Husain	Senior Vice President
		Mr. Zahid Hasan	Vice President
		Mr. Md. Riad Hossain	Senior Assistant Vice President
Procurement Committee (PC)	:	Mr. M Akhter Hossain	Additional Managing Director & COO
		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
Shariah Inspection Report Review Committee (SIRRC)	:	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 & COO
		Mr. Imtiaz Uddin Ahmed	Deputy Managing Director
		Mr. M. M. Saiful Islam	Deputy Managing Director & CRO
		Mr. Md. Jafar Sadeq FCA	Senior Executive Vice President & CFO
		Mr. Md. Farid Uddin	Senior Assistant Vice President
Investment Risk Management Committee (IRMC)	:	Mr. Imtiaz Uddin Ahmed	Deputy Managing Director
		Mr. M. M. Saiful Islam	Deputy Managing Director & CRO
		Mr. Mohammed Ashfaqul Hoque FCA, FCS	Senior Executive Vice President
		Ms. Rumana Kutubuddin	Senior Executive Vice President
		Mr. Md. Amzad Hossain	Senior Executive Vice President
		Mr. Tariqul Islam	Senior Executive Vice President
		Mr. Md. Khalid Hussain	Executive Vice Presidents
		Mr. Mohammad Towfiqul Islam	Executive Vice Presidents
		Mr. Mohammed Abu Shayem	Executive Vice President
		Engr. Md. Zahidul Islam	Executive Vice Presidents
		Mr. Md. Mokter Hossain	Senior Vice President
		Mr. Abdur Rahim	Senior Vice President
		Mr. Abul Bashar Md. Zafry	Senior Vice President
		Mr. Mohammad Shariful Haider	Senior Vice President
		Mr. Sahabub Alam	Assistant Vice President

SENIOR MANAGEMENT TEAM



STANDING FROM LEFT TO RIGHT

- Mr. Mohammed Ashfaqul Hoque FCA
- Mr. Imtiaz Uddin Ahmed
- Mr. Mian Quamrul Hasan Chowdhury
- Mr. Abdul Aziz
- Mr. Mosleh Uddin Ahmed
- Mr. S. M. Mainuddin Chowdhury
- Mr. M Akhter Hossain
- Mr. M. M. Saiful Islam
- Mr. Md. Jafar Sadeq FCA

ASSET LIABILITY MANAGEMENT COMMITTEE



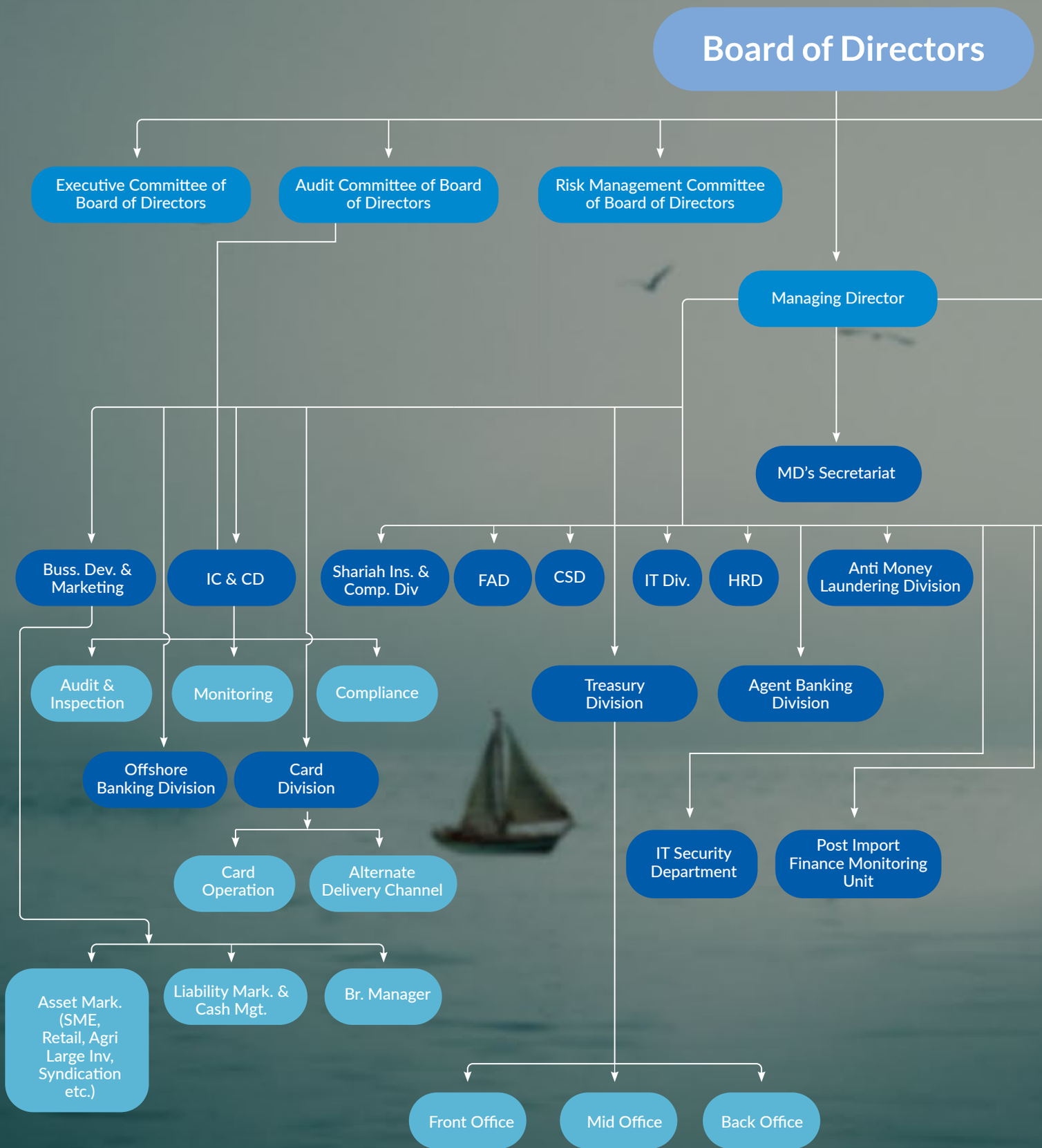
SITTING FROM LEFT TO RIGHT

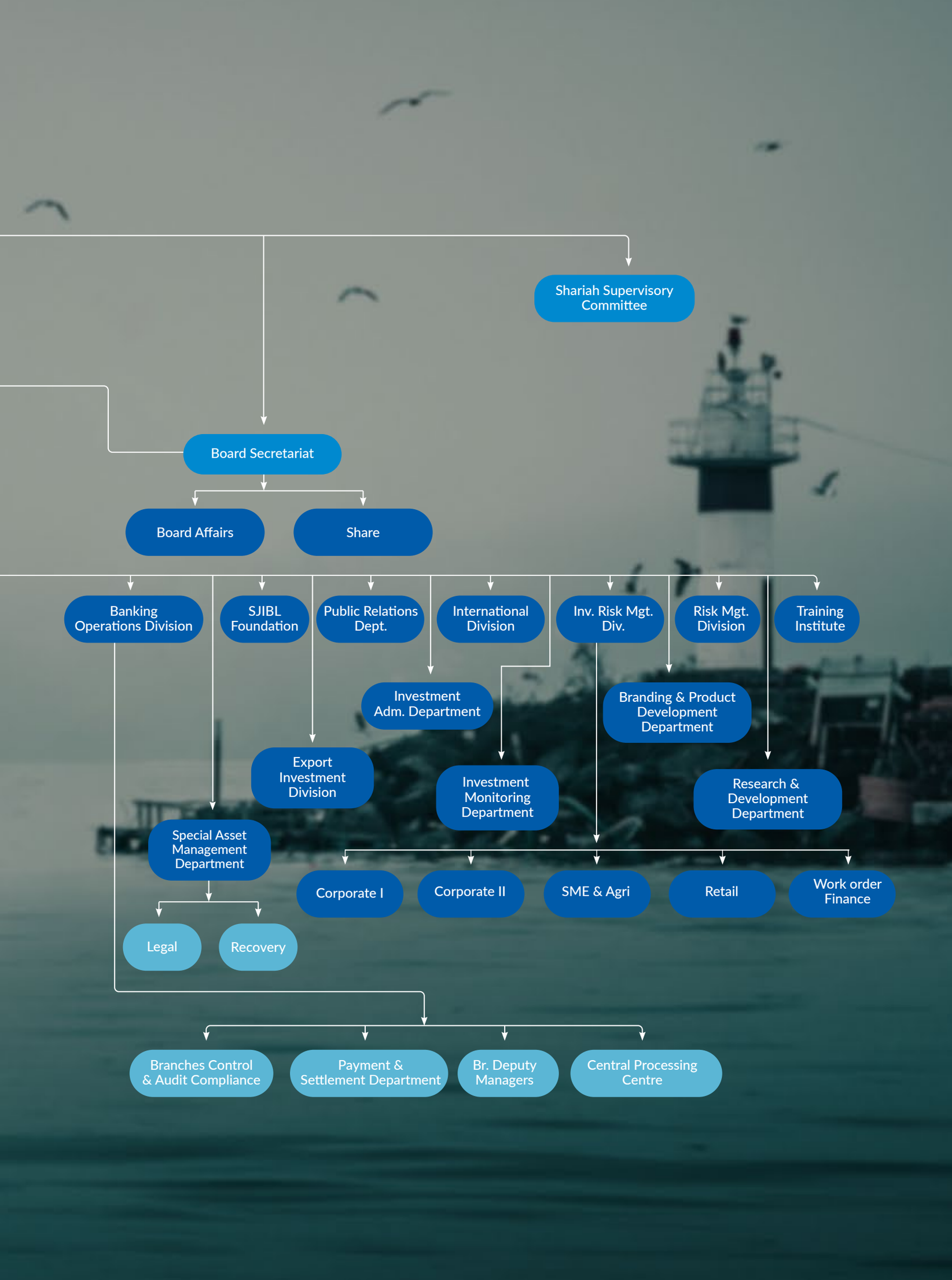
- Mr. Mian Quamrul Hasan Chowdhury
- Mr. Abdul Aziz
- Mr. Mosleh Uddin Ahmed
- Mr. M Akhter Hossain
- Mr. Imtiaz Uddin Ahmed
- Mr. M. M. Saiful Islam

STANDING FROM LEFT TO RIGHT

- Mr. Md. Fakrul Islam
- Mr. Md. Chaliqur Rahman
- Mr. Mohammed Ashfaqul Hoque FCA, FCS
- Mr. Md. Jafar Sadeq FCA
- Mr. Jahangir Javed
- Mr. Md. Abdur Rahim

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

OTHER BANKING SERVICES:

- ATM Services
- Remittance Services
- Locker Services
- Online Banking
- SMS Push-Pull
- SJIBPLC 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 ACCOUNTS:

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

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

Corporate Finance

Shahjalal Islami Bank PLC. is committed to fostering a standard investment culture and adhering to industry best practices. Our strategic focus is on becoming one of the leading banks renowned for professionalism in corporate banking within Bangladesh. To achieve this goal, our Investment Risk Management Division (IRMD), also known as the Corporate Finance Division (Corporate Risk Management in Conventional Banking), is responsible for overseeing the management of investment risks. Operating within the guidelines and regulations defined by Bangladesh Bank, we have established robust investment risk management policies to ensure prudent risk management practices.

SJIBPLC recognizes that investment risks are dynamic and can manifest in diverse forms over time and across cultures. Therefore, we regularly update our Investment Risk Management Policy to adapt to evolving market conditions and ensure its effective implementation.

Furthermore, our IRMD diligently monitors compliance with regulatory guidelines issued periodically. These proactive measures enable us to enhance our investment risk management functions, mitigate potential losses from defaulting borrowers, and contribute to the overall stability of the financial system.

In addition, our Corporate Finance Division offers tailored financial solutions to corporate clients, analyzing their unique business and financial requirements. We provide a comprehensive range of financial products and services, including working capital finance, project finance, export finance, trade finance, and work order finance, among others. This personalized approach enables us to meet the diverse needs of our corporate clients and support their growth and development.

The Corporate Finance Division is organized into distinct units, each strategically assigned to specific branches, ensuring the delivery of effective and personalized investment solutions. In the crucial phase of customer onboarding, where future investment risks are anticipated, the corporate division conducts a thorough evaluation of customers' financial health to assess their eligibility for investment during the underwriting process. Furthermore, a comprehensive analysis is undertaken to scrutinize market and industry risks, along with other environmental and social factors linked to the customer's investment application. This holistic approach ensures the proactive management of potential risks throughout the onboarding process and across the investment lifecycle.

In the challenging economic landscape of 2023, our strategic focus was on achieving our goals through enhanced capital efficiency, rigorous control over the cost of funds, and the implementation of a robust investment monitoring procedure. Despite the unfavorable investment environment, the bank successfully maintained investment revenue at a commendable level. Within the Corporate Finance division, our dedicated efforts were centered on developing new corporate relationships and enriching existing ones through continuous engagement. Our relationship officers collaborated closely with relevant departments within the bank to address the specific needs of our clients. Leveraging our strong track record in financing and advising corporations on various financial requirements, cash management, and global trade services, we emphasized industry segmentation based on specialization. This approach aimed to cultivate a robust customer-centric and analytic culture within the Corporate Banking function, further enhancing our ability to meet the diverse needs of our clients.

Export Investment Division

Export Finance:

The export sector serves as a cornerstone of Bangladesh's economy, contributing significantly to industrialization, employment generation, income growth, and foreign currency reserves. In the fiscal year 2022-2023, the nation's total exports amounted to USD 55.55 billion, with Ready-Made Garments (RMG) exports reaching USD 46.991 billion, constituting approximately 84.59% of the country's export earnings. Bangladesh's RMG sector is highly regarded by international brands due to its reputation for

reliable product quality, swift delivery times, and cost-effectiveness, making it a preferred sourcing destination in the global market.

Financing the export sector, particularly the RMG export industry, is indeed lucrative for banks as it generates substantial fee-based income. Today, the RMG export sector stands as a multibillion-dollar manufacturing and export powerhouse in Bangladesh. The overall impact of the ready-made garment export industry has been transformative, contributing significantly to the country's social and economic development.

Shahjalal Islami Bank PLC. deeply acknowledges the invaluable contribution of its export-oriented customers to the bank's steady and sustainable growth. Our esteemed clientele includes front-ranking large-to-medium 100% export-oriented businesses such as RMG, textiles (spinning & weaving), dyeing, washing, accessories, leather & footwear, and other non-traditional exporters. These customers have placed their trust and confidence in us, banking with us with full satisfaction.

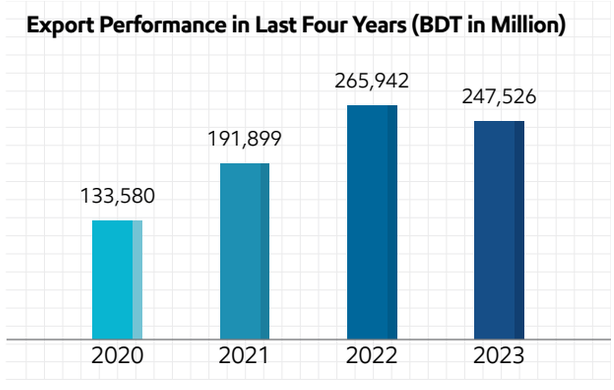
All export-oriented customers, regardless of their nature and portfolio, are esteemed as corporate clients and are served by our Export Investment Division (EID). Our efficient Export Investment Team conducts thorough needs assessments and offers comprehensive business solutions tailored to our customers' requirements.

The Export Investment Division nurtures strong relationships with customers in collaboration with branches, processes investment proposals, and proficiently manages portfolios. Furthermore, the division supports branches in enhancing export business, improving operational efficiency, ensuring compliance, and providing ongoing guidance and support. Our Export Investment Team also facilitates solution delivery, including assistance with offshore financing through the Offshore Banking Unit (OBU) and various refinancing programs provided by Bangladesh Bank.

Shahjalal Islami Bank PLC. recognizes the diverse needs of its customers and is aware of the importance of tailored solutions for business success. Hence, our product portfolio spans from short-term financing for daily operations to long-term investments for expansion, complemented by a range of facilities to support various business activities. While some products may be common in nature, what sets us apart is the exceptional service offered to export clients by our dedicated Export Investment Team. Optimizing portfolio yield is a key focus in export financing, which has significantly contributed to the growth of the bank's non-funded revenue.

Key Highlights of 2023

- In 2023, Export Investment Division developed new corporate relationships with renowned RMG customers and enhanced the existing ones through continuous engagements.
- As of December 31, 2023, total RMG sector investment was Tk. 39,378.27s million, which was 16.29% of the total investment portfolio of the bank.
- Total Cotton & Textiles Sector investment was Tk. 26,633.43 million in 2023, which was 11.02% of the total investment portfolio of the bank.
- In 2023, total exports were Tk. 2,47,525.76 million, which was 3.65% of total country exports.



Plans for 2024:

In spite of the inherent challenges in financing the export sector, characterized by evolving industry dynamics, changing regulations, and shifting circumstances, we remain poised to tackle any obstacles. Our future plans are centered around quality investments, expanding our business with a diversified portfolio that includes non-traditional exporters, retaining high-performing customers, and exploring new and promising ones. Our focus remains on providing superior-quality customer services, ensuring sustainable profitability, fostering improved relationship management, and maintaining strict regulatory compliance.

Work Order Finance

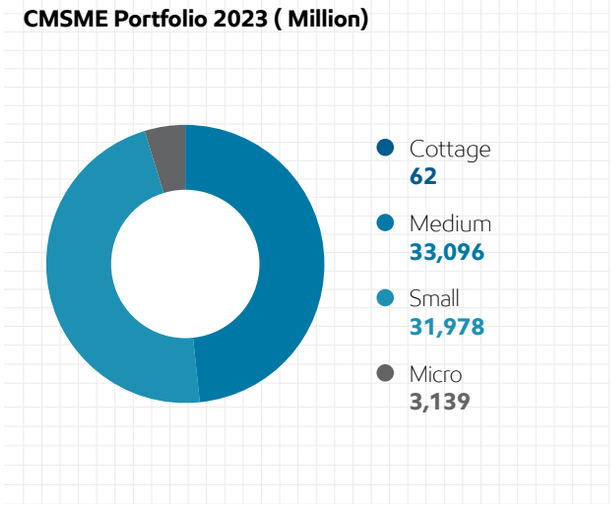
Aligned with the nation's ambition to achieve upper-middle-income status by 2031, the government has taken up significant public-sector ventures to realize this

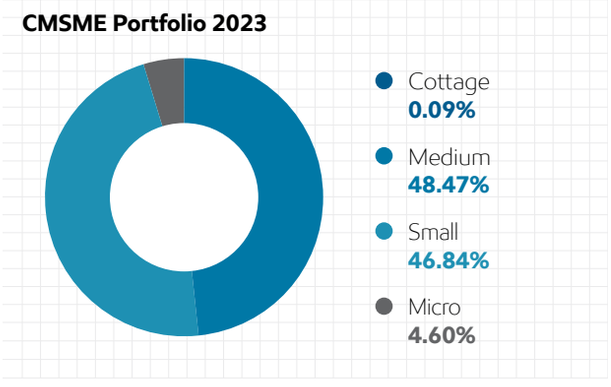
goal. Bangladesh presently benefits from a demographic dividend, boasting a large pool of young and energetic workforces. Several mega-infrastructure projects, such as the Metrorail, Padma Bridge, Deep Sea Port, and Matarbari Power Plant, have already been initiated, and some of them have already been completed.

Shahjalal Islami Bank PLC. stands as a key contributor to these government initiatives. To support this sector, SJIBPLC has developed a range of tailored products to meet its specific demands. The bank has extended work-order financing facilities to various clients engaged in public development projects, financing ventures across government sectors like Dhaka Airport, Metro Rail, national highways, railway lines, the power sector, and urban development initiatives. As of December 31, 2023, the total exposure against work orders stood at Tk. 45,517.20 million, comprising Tk. 14,097.50 million in funded exposure and Tk. 31,419.70 million in non-funded exposure.

CMSME and Agri Investment

Small and Medium Enterprises (SMEs) play a significant role in shaping Bangladesh's economic landscape, particularly through their contribution to job creation. With their ability to quickly adapt to market needs and operate on a local level, SMEs serve as vital sources of employment, especially in rural and semi-urban regions. Moreover, SMEs contribute to economic diversification by engaging across various sectors such as agriculture, manufacturing, services, and technology. This diversification helps mitigate the risks associated with sector-specific downturns and external shocks, thereby enhancing overall economic stability. SMEs are also known for their innovation, as they can swiftly respond to market changes and technological advancements. Their agility fosters an environment conducive to developing new products, services, and business models. Additionally, SMEs empower local entrepreneurs by offering relatively lower barriers to entry, allowing aspiring business owners to enter the market, test their ideas, and contribute to economic growth. This democratization of entrepreneurship is crucial in a developing economy like Bangladesh, where fostering a culture of innovation and enterprise is essential for sustained progress.



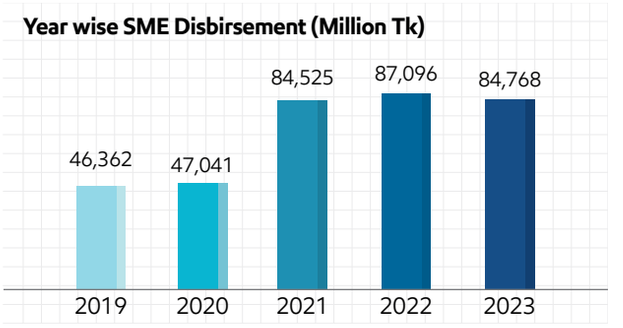


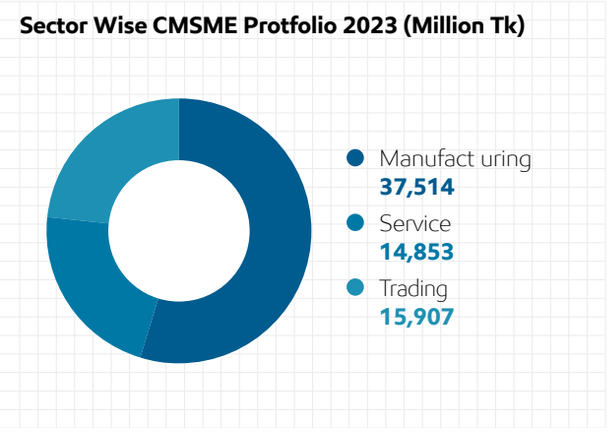
Endeavors throughout 2023

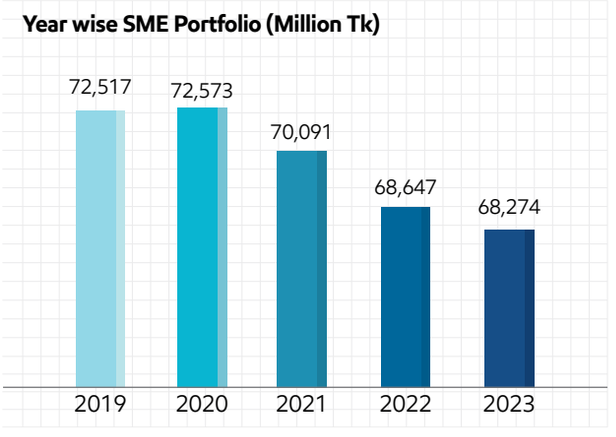
Recognizing the significant impact CMSMEs have on the economic well-being of a cross-section of the population, the bank has made this sector a priority in its pursuit of portfolio expansion.

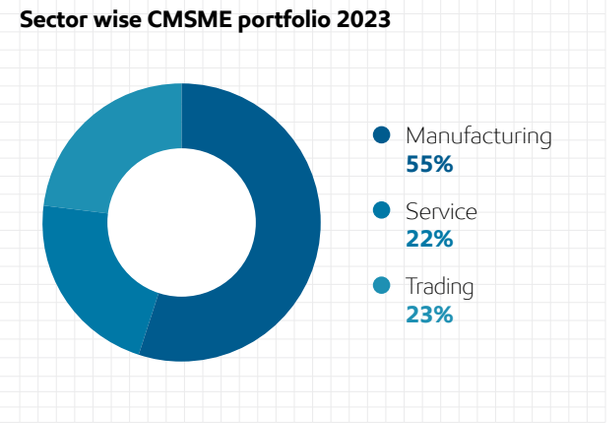
- The bank received a total of 6278 investment proposals from branches valued at Tk 3025 crore.
- Rural branches with an SME investment concentration above 80% of their port-folio size are treated as SME-focused branches.
- As directed by Bangladesh Bank and with an intention to extend all-out support to startups, we formulated the Startup Investment Policy of our bank this year, and our honorable board of directors has already approved the policy.
- 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.









Strategic Focus for 2024

In formulating a comprehensive plan to finance SMEs in 2024, we would consider a multifaceted strategy that addresses the unique challenges and opportunities in the evolving economic landscape.

Tailored Financial Products:

Develop customized financial products that cater specifically to the diverse needs of SMEs in different sectors.

Capacity Building and Financial Literacy:

Implement programs to enhance the financial literacy of SME owners, providing them with the knowledge and skills needed to manage finances effectively. Additionally, offer capacity-building initiatives to strengthen their business acumen and operational capabilities.

Collaboration with Government Initiatives:

Align the bank's SME financing strategy with government policies and initiatives that promote entrepreneurship and SME development.

Environmental and Social Responsibility:

Integrate environmental, social, and governance (ESG) considerations into the financing framework.

Networking and Collaboration:

Establish networks and partnerships with industry associations, business chambers, and other stakeholders.

Monitoring and Evaluation:

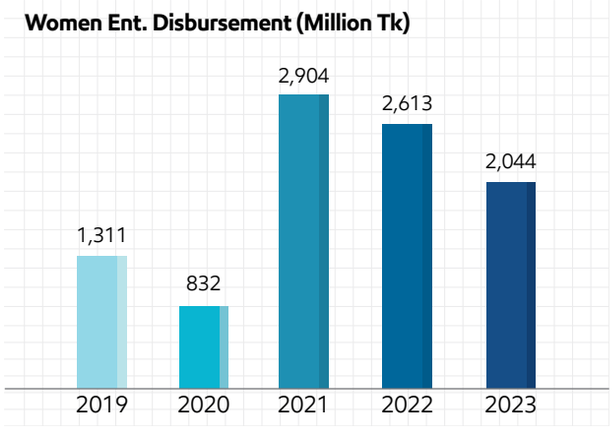
Implement a robust monitoring and evaluation system to assess the impact of SME financing initiatives regularly.

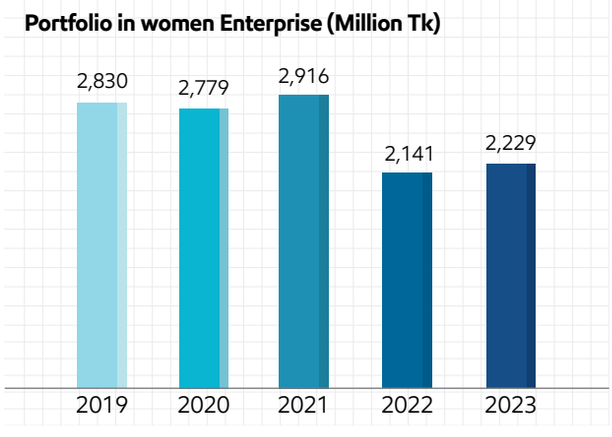
Adaptability to Global Trends:

Stay abreast of global economic trends, technological advancements, and financial industry best practices.

CMSME Women Entrepreneurs

Women entrepreneurs play a crucial role in Bangladesh's economic growth. Their financial empowerment contributes to poverty reduction, gender equality, and overall economic development. Access to finance enables women to start and expand businesses, fostering innovation and job creation. Additionally, it promotes women's economic independence by challenging traditional gender roles and empowering communities. In Bangladesh, supporting women entrepreneurs financially is key to unlocking their potential as catalysts for sustainable development.





- To fulfill the policy of the Bangladesh Bank regarding financing women entrepreneurs, SJIBPLC 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, SJIBPLC provides a Refinance Facility from Bangladesh Bank at a lower profit rate.
- To simplify the investment application process for CMSME entrepreneurs, including women entrepreneurs, SJIBPLC has created a simplified investment application form in Bengali to reduce difficulties in meeting documentation requirements.
- To extend investment facilities to new women entrepreneurs, SJIBPLC 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, SJIBPLC 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, SJIBPLC also allows investments under the Credit Guarantee Scheme.
- To improve entrepreneurship skills, SJIBPLC arranges day-long workshops for CMSME women entrepreneurs to listen to their opinions and requirements and provide solutions.

Different Refinance scheme of Bangladesh Bank

SJIBPLC is playing a vital role in implementing the refinance schemes initiated by the Bangladesh Bank. We are acting as intermediaries between the central bank and potential borrowers, facilitating the disbursement of funds and ensuring that they reach eligible recipients. We assess the creditworthiness of applicants, manage documentation, and conduct risk assessments to mitigate potential financial risks. Additionally, we monitor the utilization of funds, ensure compliance with regulatory standards, and report to the Bangladesh Bank. Throughout the process, we provide customer support, guiding applicants and addressing any queries or concerns. Overall, SJIBPLC is instrumental in translating the objectives of refinance

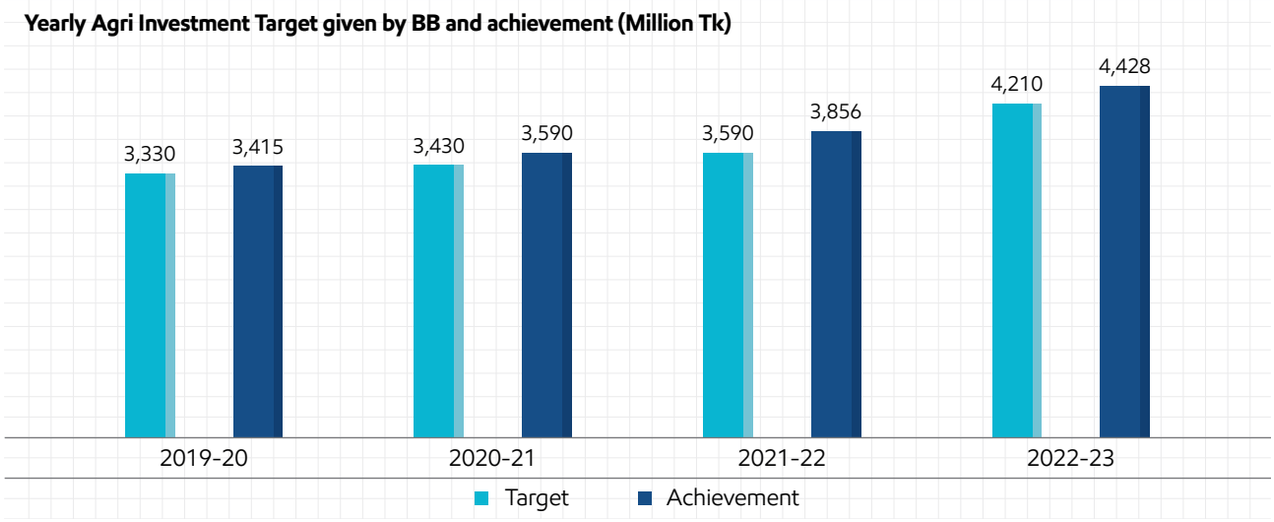
schemes into effective economic stimulation. At present, we are managing the following refinance schemes:

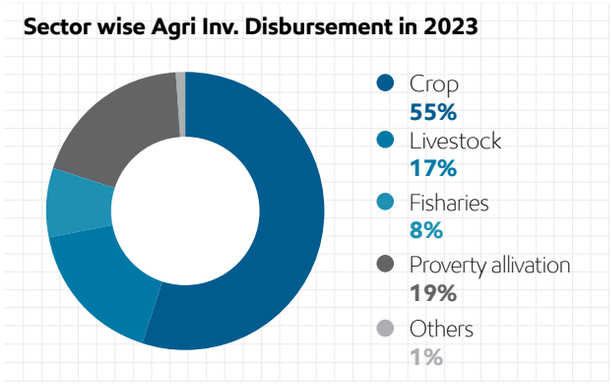
(Figure in Million Taka)

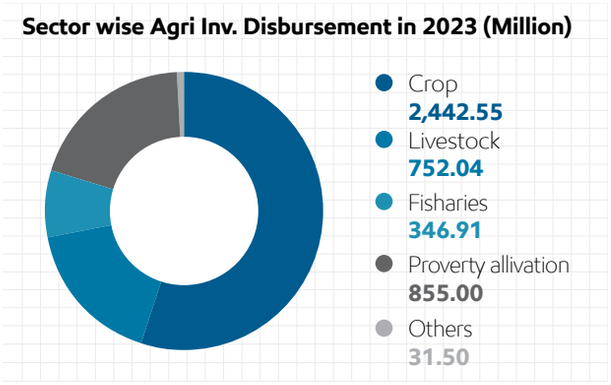
SL	Name of the Scheme	Target	Achievement	Percentages
1	SME Foundation Refinance Scheme	50.00	42.10	84.20%
2	Covid-19 FSF SME Stimulus Package-01	6,000.00	6,000.00	100.00%
3	Covid-19 FSF SME Stimulus Package-02	6,000.00	6,000.00	100.00%
4	Covid-19 FSF SME Stimulus Package-03	6,000.00	3,125.90	52.10%
5	Small Enterprise Refinance Scheme for Women	28.80	28.80	100.00%
6	IsDB	25.50	25.50	100.00%
7	CECRFP	1,434.60	1,434.60	100.00%
8	25000 Cr Refinance Scheme	311.90	311.90	100.00%
9	25000 Cr Pre-finance Scheme	5,516.80	526.90	9.55%
10	Tk 500 Crore Refinance Schemes for Tk 10/50/100 Account Holders	20.00	7.90	39.50%
11	Covid-19 FSF Agri Stimulus Package -01	600.00	600.00	100.00%
12	Covid-19 FSF Agri Stimulus Package -02	600.00	600.00	100.00%
13	Ensuring Food Safety Under Agriculture Refinance Scheme	680.00	392.80	57.76%
14	Tk 1000 Crore for increasing production of wheat and maize	100.00	11.50	11.50%
15	MFI Refinance Scheme-01	600.00	600.00	100.00%
16	MFI Refinance Scheme-02	600.00	150.00	25.00%
17	MFI Refinance Scheme-03	600.00	30.00	5.00%
Total		**29,167.60**	**19,887.90**	**68.18%**

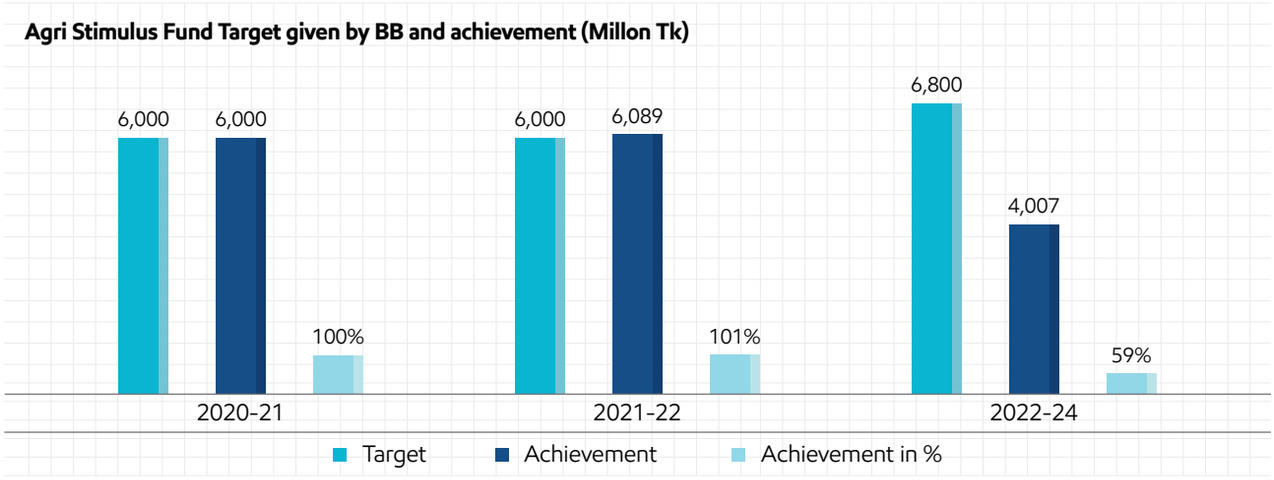
Agricultural Investment

Agriculture finance in Bangladesh is vital for several reasons. Firstly, it helps enhance food security by supporting farmers in investing in better seeds, fertilizers, and technology, ultimately increasing crop yields. Secondly, it fosters rural development by providing farmers with the capital needed to modernize their farming practices and improve overall productivity. Additionally, agricultural finance contributes to poverty alleviation by empowering smallholder farmers and creating employment opportunities in rural areas. Lastly, it plays a crucial role in the country's economy, as agriculture is a significant sector, and financial support ensures its sustained growth, contributing to overall economic stability in Bangladesh.









Retail investment

Shahjalal Islami Bank has emerged as a trusted entity in Bangladesh's Islamic banking sector, with a growing focus on the consumer segment through a diverse array of Islamic retail investment products and services.

Recognizing individuals as the cornerstone of the economy, the bank acknowledges their desire to enhance their standard of living. Retail investments offer a popular avenue for individuals seeking immediate financial solutions to meet their needs, thereby expanding their purchasing power. Bangladesh, with its substantial population, presents a promising market for retail investment products.

With a widespread presence and robust network across the country, Shahjalal Islami Bank is well-positioned to cater to a diverse customer base in the retail segment. While offering a range of basic banking products, the bank continues to explore avenues for product development and differentiation to enhance long-term customer relationships. To this end, the bank emphasizes automation and product diversification in its retail investment offerings, particularly targeting small-ticket personal investments, especially among salaried individuals.

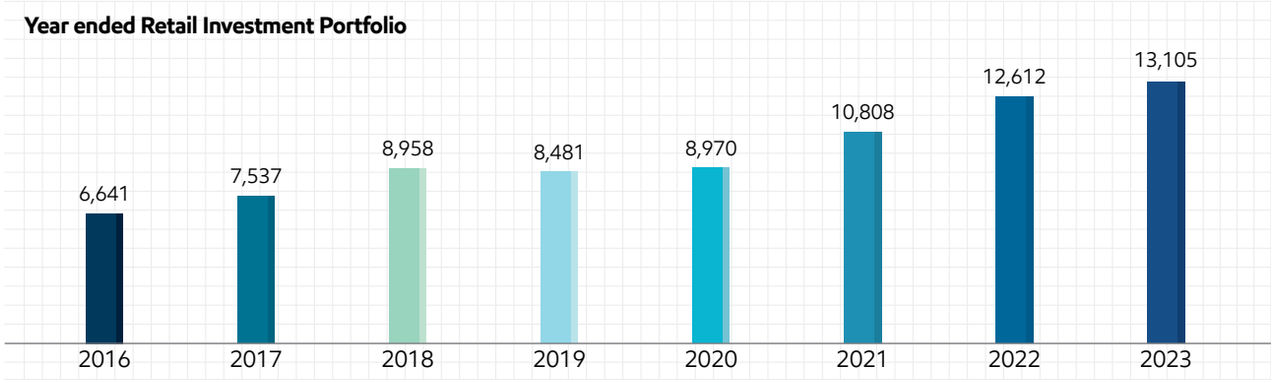
However, in 2023, the demand for retail investments experienced a downturn amid sluggish consumption resulting from escalating inflation and challenging economic conditions. This led to a slowdown in consumer investment growth, reflected in a decrease in disbursements compared to previous years, although the bank's retail portfolio remained substantial, surpassing 13,105 Million Taka.

Key initiatives in 2023:

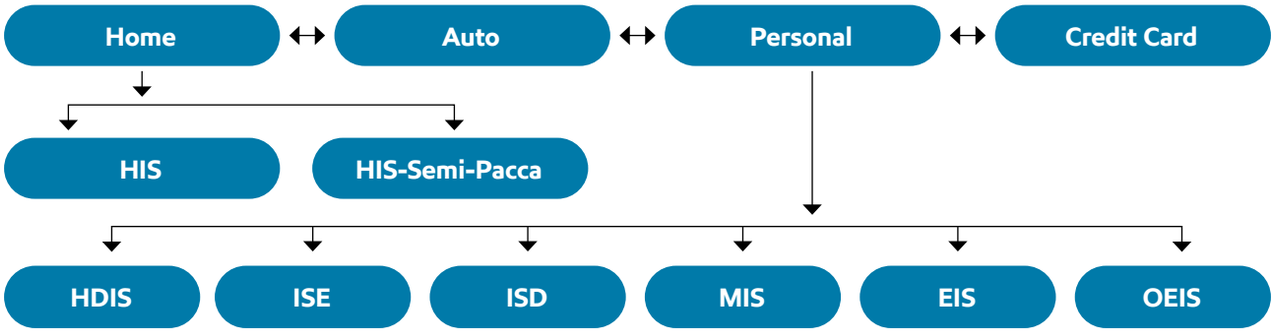
To meet the multi-faceted customer needs and to acquire a good market share in the mixed situation of the current economy, SJIBPLC took the following steps:

- Updating the retail investment policy to meet the stiff market competition.
- Reducing turn-around time for quick disposal.
- Cross-selling campaign to induct new customers.
- Initiation of an automation system in the approval process.
- Arrangement of training courses for the employees to increase their competency in retail investment and procurement of business.

Performance indicator over the years:



Product outlook:



Looking forward to 2024

- Initiative to include a wide variety of customers across the country.
- Exploring untapped markets outside the metropolitan area.
- Increase payroll banking services to expand retail investment among the em-ployees of the concerned institutions.
- A campaign on housing investment to increase share wallet.
- Inclusion of more technology-driven services in the arena of retail invest-ment.
- Research for introducing new shariah-compliant retail investment products.

Investment Monitoring Division

NPI Monitoring as a part of NPI Management

Effectively managing non-performing investments from the bank's perspective requires a methodical, proactive, and committed approach. Our corporate culture, risk appetite, internal procedures, and external factors all play a crucial role in handling non-performing investment flows and maintaining lending quality. The volume of non-performing investments and their impact on profitability and economic growth directly correlate with how we manage each phase of the process.

Ultimately, management bears responsibility for internal systems that ensure sound investment decisions, effective monitoring, and the management of problematic investment accounts post-occurrence. Loss provisioning and vigilant supervision are essential for achieving these objectives. The classification of an investment account as bad or loss is influenced by factors such as the design of legal frameworks like the

Negotiable Instruments Act 1881 and Artho Rin Adalot Ain 2003, as well as the performance of recovery agents at both branch and head office levels. Various factors, including compliance with Basel III standards, robust investment risk management practices, and measures to reduce the value of nonperforming investments, can help mitigate the quantity of nonperforming investments both presently and in the future.

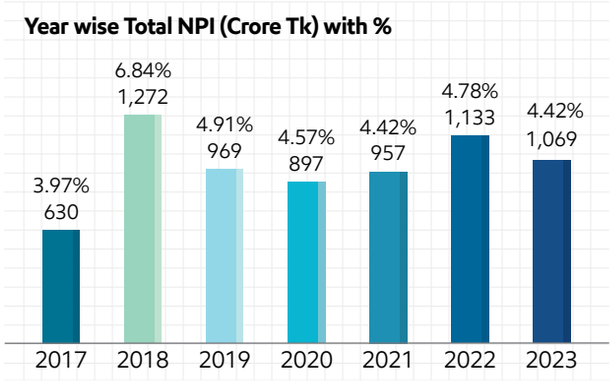
Key Initiative taken in 2023

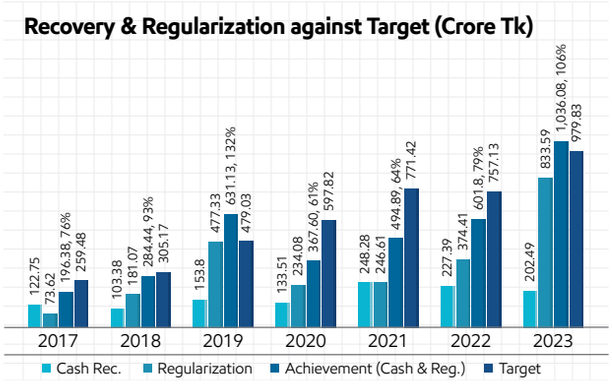
Managing Non-performing Investments (NPI) during the turbulent events of 2023 presented an unparalleled challenge for SJIBPLC Management. The post-pandemic economy, coupled with the unpredictable pressures stemming from conflicts like the Russian-Ukraine war and the Israel-Palestinian conflict, created a volatile environment. Despite these challenges, SJIBPLC's management took decisive and innovative actions to navigate through these turbulent times. These proactive measures included enhanced monitoring processes, strategic decision-making, and closer collaboration with stakeholders. As a result of these efforts, SJIBPLC successfully decreased the classification rate from 4.78% to 4.42%, showcasing their resilience and adaptability in the face of adversity.

- Fixing up target well ahead before beginning of the year both at Head Office and Branch level.
- Perpetual and periodic supervision and monitoring of recovery drives, its strategies and change of strategies in consequent of failure of earlier one.
- Increase frequency of communications
- Engaging maximum parties starting from client intake point to asset repairing personnel
- Target based segmentation of NPIs
- Assigning specific responsibilities to separate teams
- Focusing on immediate remedies setting aside the long term action plan
- Prioritizing NPI reduction over profit maximization
- Offering motivation to the NPI clients e.g. insignificant portion of profit waiver, flexible mode of repayment and withdrawal of legal action etc
- Announcement of reward to the personnel engaged with recovery initiative
- Increase connectivity through virtual meetings bringing all the Branches under the umbrella of same discussion platform

As a result of the strategies implemented to address Non-Performing Investments (NPI), SJIBPLC successfully maintained its Classification Rate (CL rate) below 5%, marking a decline from the previous year, 2022.

By consistently reviewing stress accounts, promptly identifying Non-Performing Investments (NPIs), and engaging in comprehensive actions with clients showing signs of weakness, the bank management has achieved a satisfactory recovery, as illustrated below:





Future Outlook

SJIBPLC management adheres to the proverb 'prevention is better than cure,' and accord-ingly, the management has emphasized the following initiatives, which are more strin-gent than ever before:

01. Firstly, the selection of a good client is a fundamental prerequisite for achieving the highest level of accuracy, and the adoption of the most modern and latest knowledge and techniques is crucial. Both the Board of Directors and the man-agement exercise immense caution in this regard. Policies and guidelines will be modified and improved to cope with the ever-changing commerce and economy.

02. Once an investment client is onboard, the highest level of diligence will be ap-plied to identify and address any potential risks, even before the client proac-tively acts to mitigate the risk, minimizing financial loss to the minimum level.

Plan for 2024 and beyond:

Non-performing investments (NPIs) can significantly impact a bank's profitability. SJIBL, while boasting a relatively low NPI ratio below 5%, recognizes the importance of proactively addressing this issue. A multifaceted approach is proposed, focusing on prevention, recovery, and transparency.

Prevention:

Stricter regulations:

Implement strong corporate governance and prudent lending practices to minimize NPI accumulation.

Proactive strategies:

Employ risk evaluation and vigilant monitoring to ensure timely NPI recovery.

Early detection:

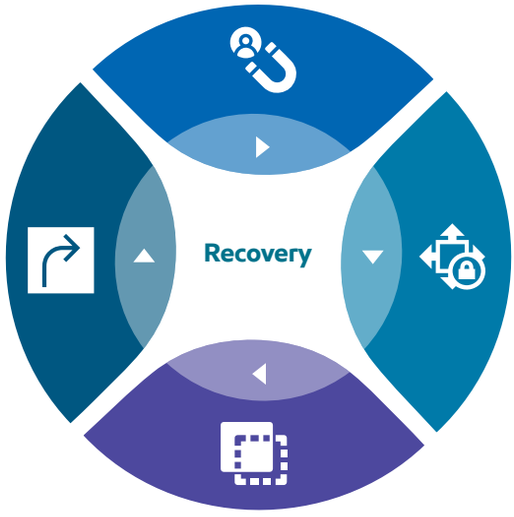
Conduct comprehensive legal, physical, and monetary monitoring to identify and address emerging NPIs promptly.

Client engagement:

Prioritize dialogue with investment clients to negotiate mutually beneficial solutions, including adjusting profit rates or initiating legal proceedings for collateral seizure.

External involvement:

Utilize debt collection agencies when necessary.



Enhanced security:

Secure existing investments with additional collateral, corporate guarantees, or personal guarantees at the earliest sign of trouble.

Transparency:

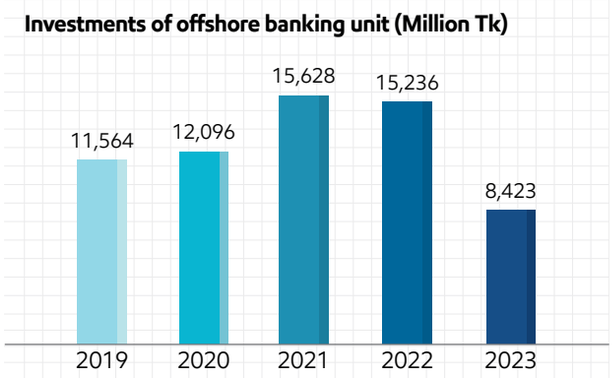
Ensure clear and open communication regarding NPIs to maintain stakeholder trust.

SJIBPLC recognizes the importance of a comprehensive NPI management strategy. By diligently implementing the proposed prevention, recovery, and transparency measures, the bank aims to achieve a successful NPI recovery, ultimately serving as a catalyst for profitability revitalization.

Offshore Banking Unit

Offshore Banking stands as a distinctive solution for global banks to conduct international banking business. The term "offshore" holds a specific significance in the financial realm, representing the dedicated area of a bank facilitating the seamless operation of international business. This involves extending investment facilities to foreign companies and accepting deposits from sources residing outside the home country of the unit. Since 2008, our bank has been delivering Offshore Banking services with a focus on exceptional customer service.

As of December 31, 2023, the total investment of our OBU amounted to Tk 8,423.31 million. This reflects a decrease of Tk 6,812.45 million (44.71%) compared to the previous year's Tk 15,235.76 million. This reduction was a strategic measure to mitigate the ongoing foreign currency crisis. The investment portfolio trend of the OBU is presented below:



Financial Highlights of 2023

- At the end of 2023, the outstanding investment of OBU stood at USD 76.58 million (equivalent to BDT 8,423.31 million).
- During the same period, OBU discounted 1,600 import bills totaling USD 87.02 million and 418 export bills totaling USD 15.69 million. Additionally, OBU disbursed long-term financing amounting to USD 0.60 million.
- Furthermore, OBU advised 485 Letters of Credit (L/Cs) and certified 501 Export Declarations (EXPs). It conducted exports totaling USD 2.83 million across 509 bills and imports totaling USD 1.03 million across 13 contracts.

Future Strategies

Increase deposits under International Banking (IB) accounts.

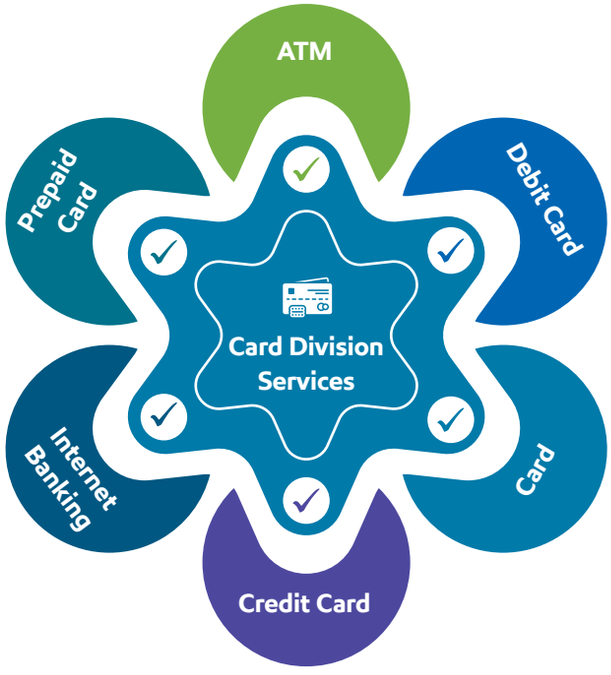
Diversify borrowing and lending sources to mitigate concentration risk.

- Achieve cost competitiveness.
- Enhance business relations with fully foreign-owned enterprises in EPZs, PEPZs, EZs & Hi-tech parks.
- Enhance compliance across all aspects of OBU's operations.
- Increase investments to reach USD 100.00 million.

Card Division

In the financial industry, digital transactions such as card business have emerged as crucial players in recent times. The growth of this sector within the country's financial landscape has accelerated by at least five years due to the pandemic, with a significant increase in dependency on digital platforms. Shahjalal Islami Bank's Card Division has actively sought to capitalize on this opportunity and has achieved considerable success.

Overview of Card Division Services

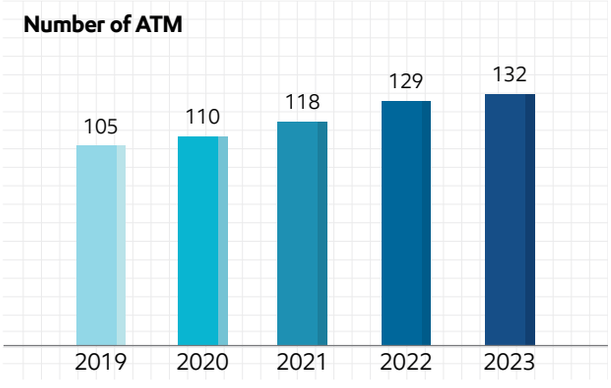


ATM Service:

The bank has placed a strong emphasis on alternative delivery channels to facilitate round-the-clock transactions for our customers. In addition to providing access to over 3,320 shared ATMs, the bank has installed 132s of its own ATMs across the country, with this number steadily increasing over time.

Number of ATM

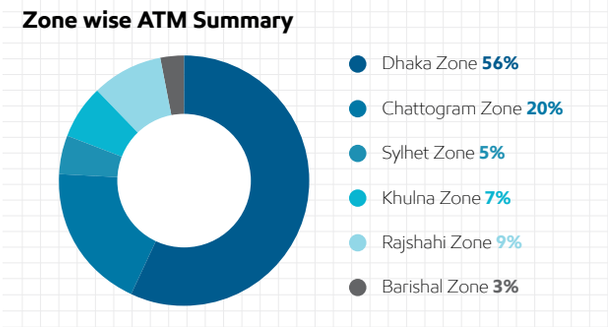
Year	No. of ATM
2019	105
2020	110
2021	118
2022	129
2023	132



Zone wise ATM status:

Zone wise ATM Summary

Zone	No. of ATM
Dhaka Zone	74
Chattogram Zone	26
Sylhet Zone	7
Khulna Zone	9
Rajshahi Zone	12
Barishal Zone	4
Total	**132**



ATM Transactions Summary:

Transaction Summary @ SJIBPLC ATM

Year	No of ATM	ONUS (SJIBPLC 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
2023	132	1,106,319	10,730	622,168	6,337	1,728,487	17,067

SJIBPLC Card Products

Debit Card

- General Debit Card
- Priority Banking Debit Card
- Money Spinning Debit Card
- Payroll Banking Debit Card
- School Banking Debit Card

Credit Card

- Platinum Credit Card
- Gold Credit Card
- Classic Credit Card

Prepaid Card

- International Prepaid Card
- Gift Card (Local)

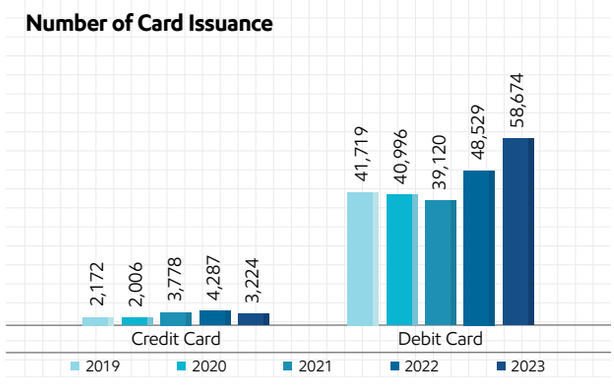


SJIBPLC Debit Card:

Shahjalal Islami Bank has introduced an EMV chip-based debit card, which enhances security measures for its customers. Additionally, the bank ensures further security by sending transaction alerts to customers via SMS and email for every transaction. This two-factor authentication (2FA) adds an extra layer of security for online (e-commerce) transactions.

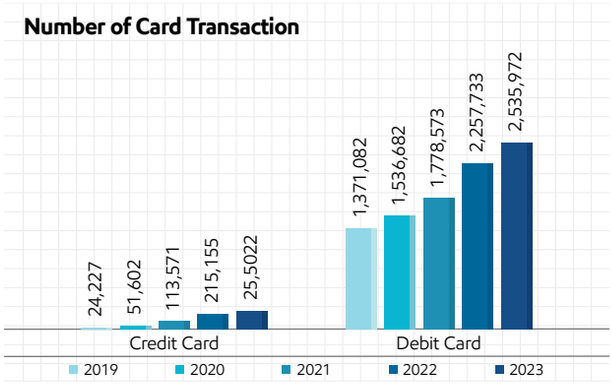
Number of Card Issuance

Year	Debit Card	Credit Card
2019	41,719	2,172
2020	40,996	2,006
2021	39,120	3,778
2022	48,529	4,287
2023	58,674	3,224



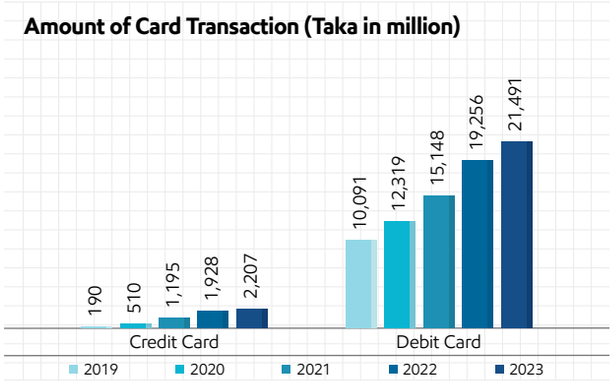
Number of Card Transaction

Year	Debit Card	Credit Card
2019	1,371,082	24,227
2020	1,536,682	51,602
2021	1,778,573	113,571
2022	2,257,733	215,155
2023	2,535,972	255,022



Amount of Card Transaction (Amount in Million BDT)

Year	Debit Card	Credit Card
2019	10,091	190
2020	12,319	510
2021	15,148	1,195
2022	19,256	1,928
2023	21,491	2,207



Shariah based SJIBPLC Credit Card:

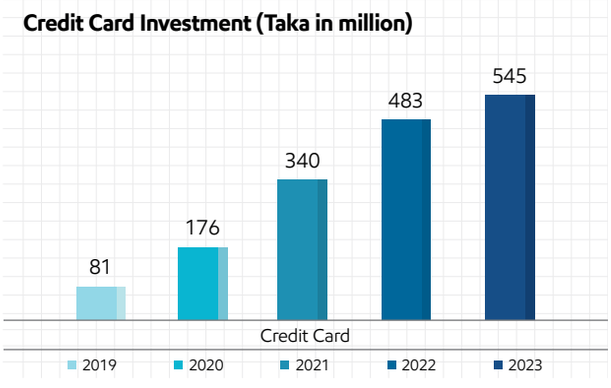
The Bank introduced a Shariah-based EMV Chip-compliant Islamic Credit Card in 2019. SJIBPLC's credit card operates under the "Wakalah" concept, where the Bank applies an advocacy fee/commission on every card transaction from the cardholder. Under this process, the Bank provides a Quard facility to a cardholder, who preserves that amount with the Bank as "Amanat." When needed, the cardholder charges their card to purchase goods and services. Upon the cardholder's request, the Bank pays the transacted amount to the respective providers and charges a fee from the cardholders, known as the 'Uzrat of Wakalah.'

The Bank ensures enhanced security measures by sending transaction alerts to customers via SMS and email for every transaction. This two-factor authentication (2FA) provides an extra layer of security for online (e-commerce) transactions.

The bank issues credit cards in three categories: Platinum, Gold, and Classic. Platinum cardholders enjoy exclusive privileges such as access to the Balaka executive lounge at Hazrat Shahjalal International Airport. Furthermore, Platinum cardholders are entitled to the Priority Pass service, which grants them access to over 1500 international airport lounges. SJIBPLC credit cards also offer an EMI facility with a 0% profit rate at selected merchants.

Credit Card Investment (Amount in Million BDT)

Year	Credit Card Investment
2019	81
2020	176
2021	340
2022	483
2023	545



SJIBPLC Prepaid Card:

SJIBPLC Visa Prepaid Cards are globally accepted at all Visa-labeled merchant outlets, ATMs, and other relevant locations worldwide. These cards are reloadable and issued under two categories: the International Prepaid Card and the Gift Card (Local). Obtaining a Visa Prepaid card is hassle-free, and no credit check is required, making it accessible to a wide range of customers.

Internet Banking:

Internet Banking (IB) is a sophisticated system designed to empower our customers with seamless access to their accounts and comprehensive information on our diverse range of banking products and services. Through our user-friendly web and mobile platforms, customers can execute various banking transactions without the need to physically visit a branch. Our Internet Banking services are strategically developed to offer customers the convenience of accessing their account details anytime, day or night, from any location with internet connectivity. At SJIBL, we are committed to providing our customers with a secure and efficient

banking experience that aligns with their evolving needs and preferences.



Key Initiative in 2023:

In 2023, SJIBPLC introduced NFC (Near Field Communication), revolutionizing contactless payments. With contactless Debit, Credit, and Prepaid cards, customers can tap at terminals for hassle-free transactions up to BDT 5,000, enhancing convenience and efficiency.

Shahjalal Islami Bank introduces Green PIN, a paperless Credit/ Debit/Prepaid activation and PIN generation system for all cardholders. This innovative approach allows cardholders to securely activate their cards and choose their PIN, offering greater control and flexibility.

Bangla QR revolutionizes digital payments with its QR-based solution, enabling seamless transactions across diverse apps. Merchants use a single QR code for various payments, while customers enjoy easy scanning and payment entry, boosting efficiency and convenience.

EMI, Discount, BOGO, Cashback and Ramadan partner(s):

In our commitment to enhance customer satisfaction and offer a wide array of benefits, we have forged partnerships with numerous discount and EMI providers nationwide. In 2023, we successfully onboarded 10 partners for EMI facilities and 16 partners for discount offerings. Moreover, we extended Buy One Get One (BOGO) offers, Cashback incentives, and introduced special Ramadan promotions for our esteemed cardholders. We are dedicated to continuously expanding our network of partners, aiming to provide even more enticing deals and advantages to our valued customers.

0% EMI Partner(s) in 2023

Sl No.	Merchant Name	MoU Date
1	APPLE EMPIRE BD	17/01/2023
2	GALAXY POINT	05/02/2023
3	EXCELLENT AUTOS LTD.	01/03/2023
4	VLCC HEALTHCARE (BD)	02/04/2023
5	RANGS INDUSTRIES LIMITED	03/04/2023
6	RYANS IT LIMITED	04/04/2023
7	GITANJALI JEWELLERS	26/04/2023
8	ROYAL DIAMOND	14/06/2023
9	HATIM FURNITURE	16/07/2023
10	SOFT TECH INNOVATION LIMITED (aamarPay)	01/11/2023

Discount Partner(s) in 2023

Sl No.	Merchant Name	MoU Date
1	DREAM SQUARE RESORT	25/01/2023
2	DESHBIDESHE BY UTSHOB GROUP	12/03/2023
3	NABILA BOUTIQUES LIMITED	29/03/2023
4	VLCC HEALTHCARE	02/04/2023
5	GITANJALI JEWELLERS	26/04/2023
6	STARDUST BANGLADESH	27/04/2023
7	ROYAL DIAMOND	14/06/2023
8	SIGNATURE BY KHAZANA	06/08/2023
9	SARAH RESORT LTD.	17/08/2023
10	FORTIS DOWNTOWN RESORT	17/08/2023
11	DERA RESORT MANIKGONJ	30/08/2023
12	DERA RESORT COX'S BAZAR	30/08/2023
13	ELENGA RESORT LIMITED	20/09/2023
14	ZAYNAX HEALTH	20/09/2023
15	LAKESHORE HEIGHTS	12/11/2023
16	GREEN MALL	18/12/2023

Buy One & Get One Partners (BOGO) in 2023

Sl No.	Merchant Name	MoU Date
1	THE WESTIN DHAKA	19/07/2023
2	RADISSON BLU DHAKA WATER GARDEN	25/10/2023

Cashback Partner(s) in 2023

Sl No.	Merchant Name	Cashback Period
1	AGORA	15th March to 25th April 2023
2	SHWAPNO	15th March to 25th April 2023
3	MEENA BAZAR	15th March to 25th April 2023
4	DAILY SHOPPING	15th March to 25th April 2023
5	UNIMART	15th March to 25th April 2023
6	KHULSHI MART CTG.	15th March to 25th April 2023
7	AARONG	22nd March 2023 to Day before Eid-ul-Fitr 2023

Ramadan Partners in 2023

Sl No.	Merchant Name	MoU Date	Offer
1	HOTEL SARINA	19.03.2023	B1G1
2	THE WAY DHAKA	20.03.2023	B1G1
3	INNOTEL BUSINESS BOUTIQUE HOTEL	20.03.2023	B1G3
4	PLATINUM GRAND	21.03.2023	B1G1
5	PLATINUM RESIDENCE	21.03.2023	B1G1
6	GALESIA HOTEL & RESORT LTD	21.03.2023	B1G1
7	GRAND ORIENTAL HOTEL	21.03.2023	B1G1
8	HOTEL SWEET DREAMS	21.03.2023	B1G1
9	SHINEPUKUR SUITES	21.03.2023	B1G1
10	FARS HOTEL & RESORTS	21.03.2023	B1G1
11	BENGAL BLUBERRY	21.03.2023	B1G2
12	SIX SEASONS HOTEL	21.03.2023	IFTAR- B1G3 SEHRI- B1G1
13	HANSA - A PREMIUM RESIDENCE	22.03.2023	B1G1
14	WHITE PALACE HOTEL	22.03.2023	B1G1
15	MARINO ROYAL HOTEL	22.03.2023	B1G1
16	HOTEL BENGAL CANARY PARK	22.03.2023	B1G2 IFTAR CUM DINNER B1G1 SEHRI
17	ABACUS	23.03.2023	B1G1
18	BEST WESTERN LA VINCI HOTEL	23.03.2023	B1G1
19	AFTER HOURS RESIDENCE	23.03.2023	B1G1
20	BEST WESTERN PLUS MAPLE LEAF	23.03.2023	B1G1
21	GOLDEN TULIP	23.03.2023	B1G1
22	GRACE 21	23.03.2023	B1G1

24/7 seamless Contact Center

In our pursuit of becoming the preferred choice for customers, we are diligently expanding the coverage of SJIBPLC Cards across emerging sectors, prioritizing security and convenience. The Card Division has undertaken a series of initiatives to meet the increasing demand for various digital banking services.

In order to ensure round-the-clock seamless and convenient support for Card, ATM, and Internet Banking services, our "SJIBPLC Call Center" is staffed with dedicated and highly skilled Support Executives available 365 days a year. To further streamline customer service, we have introduced the Call Center Short Code 16302, enabling customers to easily access assistance whenever needed.



International Division

The International Division of Shahjalal Islami Bank PLC. plays a crucial role in ensuring the seamless and dynamic operation of the Bank's international trade business. The division supervises international trade-related transactions, fosters correspondent relationships globally and locally, and aims to mitigate various risks associated with foreign trade, yielding higher income for the Bank. The International Division of the Bank has been earning a commendable reputation at home and abroad, taking the lead in the trade services arena within the banking industry.

As the globe was gradually rebounding from a pandemic, the conflict between Russia-Ukraine and Israel-Hamas emerged. This led to a global surge in commodity and fuel costs. Which causes Bangladesh to experience a foreign exchange crunch from the start of the year. However, despite the decrease in the country's foreign exchange reserve, we are grateful that our inflow from NRB remittances has notably increased and that we are also able to maintain good volume from exports. This increase enabled us to meet all our import commitments on time.

As reported in the news media, some foreign banks have suspended or limited credit lines to Bangladeshi banks ever since the announcement of a one-step downgrade of Bangladesh's credit rating amid volatility in the foreign exchange market. Even in such a delicate situation, with the active efforts of the International Division, the Bank has been able to keep its relationships with foreign banks intact. Additionally, we are getting requests from our correspondents to route more business through them.

Shahjalal Islami Bank offers the finest international trade service through its 19 Authorized Dealer (AD) Branches, 2 Centralized Trade Processing Centres (CPC) and 1 Offshore Banking Unit (OBU) under the supervision of the International Division. The International Division, backed by its committed, proficient, and energetic team, oversees and facilitates international trade transactions for AD Branches, CPCs, and OBU including services to NRBs and their near and dears living across the country.

Trade Service:

The Trade Service Unit of the International Division offers guidance and assistance to ensure that ADs can navigate foreign trade and foreign exchange operations seamlessly. This unit actively maintains liaison with Bangladesh Bank and other regulatory bodies. Crucially, the Trade Service Unit oversees the Foreign Trade and Foreign Exchange activities of ADs, CPCs, and OBU.

It is also tasked with submitting periodic statements and returns related to foreign trade and foreign exchange transactions, overseeing such submissions via various web portals of Bangladesh Bank. To enhance efficiency, the Division, in collaboration with the Bank's IT Division, has effectively developed the FC Return Software, ensuring timely and accurate reporting of data to Bangladesh Bank. This system ensures the timely and precise submission of data to Bangladesh Bank. Besides, the International Division, in partnership with the IT Division, developed an automated system to ensure timely and precise reporting of LC and other FX transactions to the Bangladesh Bank.

Furthermore, the division hosts a forum for trade professionals, known as the SJIBPLC AD Forum. This unit prepares working papers for the forum's quarterly meetings. Throughout the year, the Division conducted a range of workshops and training sessions, involving bank officers/executives and esteemed clients alike.

Financial Institutions:

The Financial Institutions unit spans a vast range, supporting the bank's trade operations via 433 correspondent relationships spanning 55 countries globally. The Bank adeptly nurtures these relationships

worldwide to streamline international trade activities. Additionally, the Bnk maintains 35 Nostro accounts in nine major foreign currencies with reputed international and regional banks, encompassing key global financial hubs. Furthermore, the Bank benefits from ample credit facilities from Correspondent Banks, by adding their confirmation to Letter of Credits, availing buyer's credit, and providing fresh funded facility for offshore banking operations.

Owing to the increasing intricacies of AML/CFT compliance and the trend of De-risking, global correspondent relationships are dwindling. However, despite these challenges, the bank successfully established new ties with a good number of correspondents in 2023.

Through adept negotiations with our international counterparts, the Financial Institutions unit remains steadfast in ensuring ample credit lines to cater to the escalating demands of international trade. By the close of 2023, the line of credit had surged to a more than adequate amount, reflecting our commitment to facilitating global trade growth.

SWIFT Operation:

The Bank became a member of SWIFT in 2004 to ensure smooth, reliable, and secured financial transactions for its retail and corporate customers. The SWIFT unit within the division consistently endeavors to adopt evolving technologies and applications within the SWIFT framework. This effort is aimed at improving the speed of transmitting messages related to trade services and payment settlements initiated by banks with 23 branches/units.

We have implemented KYC Registry, Security Attestation, Universal Confirmation, RMA Evolution, Mandatory Security Upgradation and PCS. We have migrated our SWIFT System to ISO20022.The division has integrated the "Payment Controls Service (PCS)" provided by SWIFT. This service enables real-time, in-flight monitoring of the payments we initiate, offering enhanced visibility into the status and details of the transmitted payments. A bank can track the status and location of payments in real-time through SWIFT's "Basic Tracker," which provides increased visibility into the payment journey, allowing for better management and transparency throughout the cross-border payment process.

NRB Remittance Service:

In line with the growing trend of the cross-border payment industry, the division is committed to technology adoption and customer centricity. The Division is expanding its services to include all types of inward and outward remittances in addition to the initial focus on wage-earner remittances. By ensuring the efficient and secure transfer of remittances, we hope to contribute to the economic development of the country.

The Bank has established relationships with leading global MTOs in the money transfer industry, including Western Union, MoneyGram, Xpress Money, Ria Financial Services, and National Exchange Company SRL, among other prominent regional money transfer companies.

During 2023, the NRB Remittance Service unit made new drawing arrangements with HelloPaisa International Money Transfer, KMB Money Transfer, Federal Exchange, Japan Remit Finance Company, Aman Exchange, Amal Money Transfer, bKash (MFS), Small World, and Mama Money Proprietary Limited.

The Division is actively advancing its efforts globally to engage with Money Transfer Operators (MTOs). This initiative aims to ensure that Non-Resident Bangladeshis (NRBs) from diverse countries can benefit from our expansive remittance network.

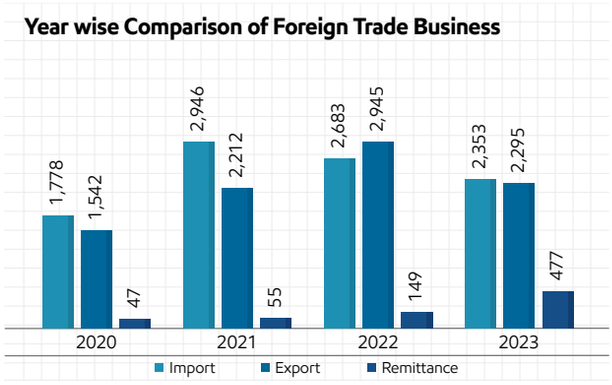
The Division has successfully integrated the Remittance Management System with the bank's Core Banking System, ensuring accurate and quick distribution of remittances.

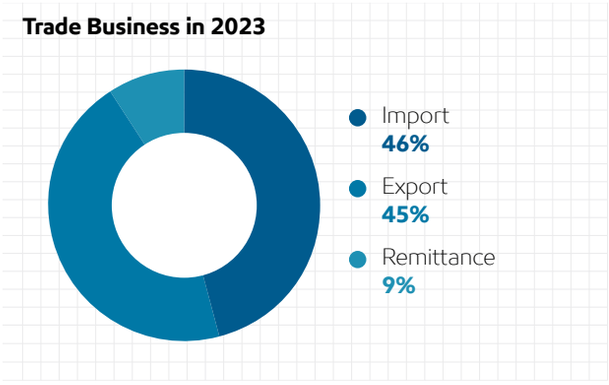
International Business Performance:

Total Foreign Trade Business handled during the year 2023 was USD 5,125 million, as against USD 5,777 million in 2022, registering around 9% negative growth. The reason for such negative growth was not unexpected, as 2022 was an unusual year on the business side globally, compounded by the impact of the previous two years of international trade deficits caused by the severe pandemic. The particulars of foreign exchange business are given below:

Figure in Million USD

SL	Items	2023	2022	2021	2020
1	Import Business	2,353	2,683	2,946	1,778
2	Export Business	2,295	2,945	2,212	1,542
3	Inward Foreign Remittance	477	149	55	47
Total		**5,125**	**5,777**	**5,213**	**3,367**





Foreign Trade Business position compared to the industry:

Figure in Million USD

SL	Items	2023		2022	
		Country	SJIBPLC	Country	SJIBPLC
1	Import	65,228	2,353	82,557	2,683
2	Export	55,788	2,295	54,695	2,945
3	Inward Foreign Remittance	21,981	477	21,285	149

Key Initiatives taken in 2023

The International Division, with crucial support from the IT Division, has under-taken the following significant developments that have established a distinctive identity for the bank within the industry:

- Bulk Data Process for reporting of foreign trade transactions to various online monitoring systems of Bangladesh Bank.
- SWIFT Migration to ISO 20022.
- Upgrade to the SWIFT RMA Portal.

Credit line facilities have been established with Dubai Islamic Bank, Bank of Khartum, and Bank SinoPac Company Limited.

NRB remittance drawing arrangements were established with nine different money transfer companies.

Strategy/plan for 2024

To bolster support for our importers, the Bank remains committed to amplifying the credit lines extended by Financial Institutions (FIs) and Development Finan-cial Institutions (DFIs) on a global scale.

To stay abreast of evolving regulations and industry best practices in internation-al trade, the Bank will consistently organize tailored workshops and seminars for trade experts.

To prioritize adherence to all regulatory, internal, and international guidelines within trade services.

To centralize foreign trade operations, ensuring uniformity and mitigating asso-ciated risks in international transactions.

To implement an automated Management Information System (MIS) specifically tailored for Foreign Trade and Foreign Exchange operations.

Enhancing Digital Transformation as a tool for facing "Global Economic Uncertainty and US Dollar Crisis" Challenge

In response to the global economic uncertainty prevalent in 2023, the banking industry, including SJIBPLC, adopted various strategies to navigate these challenges. Among these strategies, SJIBPLC prioritized enhancing digital transformation to effectively address these global uncertainties and position itself to provide a seamless and convenient digital banking experience to its customers.

Key Initiatives in 2023:

In 2023, SJIBPLC IT Division initiated several key projects aimed at enhancing the overall customer experience. Some of these initiatives include:

Remittance Management System upgrade: The IT Division, in collaboration with the Remittance Unit, upgraded its in-house "Remittance Management System" to attract more remittances from NRBs and address the industry-wide US dollar crisis. The upgrade enables automatic distribution of incoming remittances to any bank account in the country, utilizing data from remittance houses. Additionally, the Division established API integration with three new remittance houses to optimize remittance inflows and provide efficient services to customers.

Robust MIS for Data Driven Decision Making: In the age of big data, artificial intelligence, and machine learning, a robust Management Information System (MIS) is essential for data-driven decision-making. To enable more accurate decisions, the IT Division has enhanced its MIS and introduced new modules such as Bank Guarantee Information, Investment Account Information, Classification Status, IBTA Reconciliation Information, Non-Banking Asset Information, and Torn and Soiled Notes Information, among others.

Core Banking Software Upgrade and SMART Rate Implementation: Core Banking Software (CBS) serves as the foundation of the bank's ICT operations. This year, the IT Division upgraded the CBS version, inc+orporating extended features to enhance service, security, and efficiency. Alongside the CBS version migration, the division implemented "SMART Rate" and "Account Inoperative and Dormant Process Automation" in accordance with recent circulars from Bangladesh Bank. Additionally, NIKASH software was introduced for BEFTN service during this period.

International Standardization of ICT Environment: The Bank has recently achieved the Payment Card Industry Data Security Standard (PCI DSS) certification. During this year, the bank also underwent a surveillance audit for ISO 27001. The bank's adoption of these standards shows its commitment to information system standards and security procedures, as well as its willingness to adopt best practices. The standards require the bank to continually review and improve its information security systems, processes, and practices.

Enhancement on Digital Banking Channels: The Bank has introduced the Bangla-QR Service through its existing Mobile Application, SJIBL NET. This allows customers to pay bills at merchants displaying Bangla-QR codes at their payment counters. Additionally, the bank has implemented the Green PIN feature for its cardholders. With this feature, cardholders can change their card PIN from anywhere without visiting a branch or contacting the bank, ensuring proper ICT security measures.

Internal Process Automation: IT Division has implemented a number of projects for better efficiency and smoother operation of the Bank. Mentionable such projects include Risk Register System, NID Verification Automation for CIB, End Service Benefit Automation, Salary Acknowledgment Module etc.

ICT Security Systems: The IT Division has achieved several security enhancements for the bank's ICT infrastructure. These include implementing "Server Security Solution" and "Endpoint Security with XDR" for servers and workstations. Additionally, a "Jump Server" was introduced to boost SWIFT transaction security. A new DMZ firewall was also deployed in 2023. Furthermore, to enhance business continuity, a Far Disaster Recovery Site (DRS) was established in Jashore, a different seismic zone, during the same year.

The Bank adopts a comprehensive security approach, investing in People, Process, and Technology. Through skilled employee recruitment, process optimization, and advanced technology deployment, it minimizes risk and ensures efficient operations. This approach enables the bank to stay ahead of evolving cyber threats while maintaining security and efficiency.

Future Plans for 2024:

In anticipation of the looming global economic uncertainty and inflation, the IT Division is strategically planning to implement several cost-effective projects.

This includes the deployment of open-source software as a replacement for high-cost proprietary software. Additionally, the division aims to develop solutions for digital banking channels utilizing its in-house resources, thus optimizing efficiency and minimizing expenditure.

Moreover, prioritizing the safety and security of our customers' sensitive information, the bank is taking proactive measures to reinforce its cybersecurity defenses against the escalating threat of cyberattacks. This comprehensive effort entails frequent security assessments, timely software upgrades, and the integration of cutting-edge security technologies. Our ultimate objective is to instill confidence in our customers, assuring them that their valuable data is safeguarded by state-of-the-art security measures.

Banking Operations Division

The Banking Operations Division (BOD) has been established with the mandate to oversee, regulate, and coordinate the operational functions of the bank's branches, as well as the relevant departments and units at the head office. This division works closely with all other divisions and departments to ensure seamless coordination and effective management of operational affairs and aspects. Since its inception, the Division has been responsible for maintaining liaison with regulatory bodies.

Throughout 2023, the Banking Operations Division focused on optimizing resources to facilitate prompt customer service and operational efficiency across the bank.

Key Achievements of 2023:

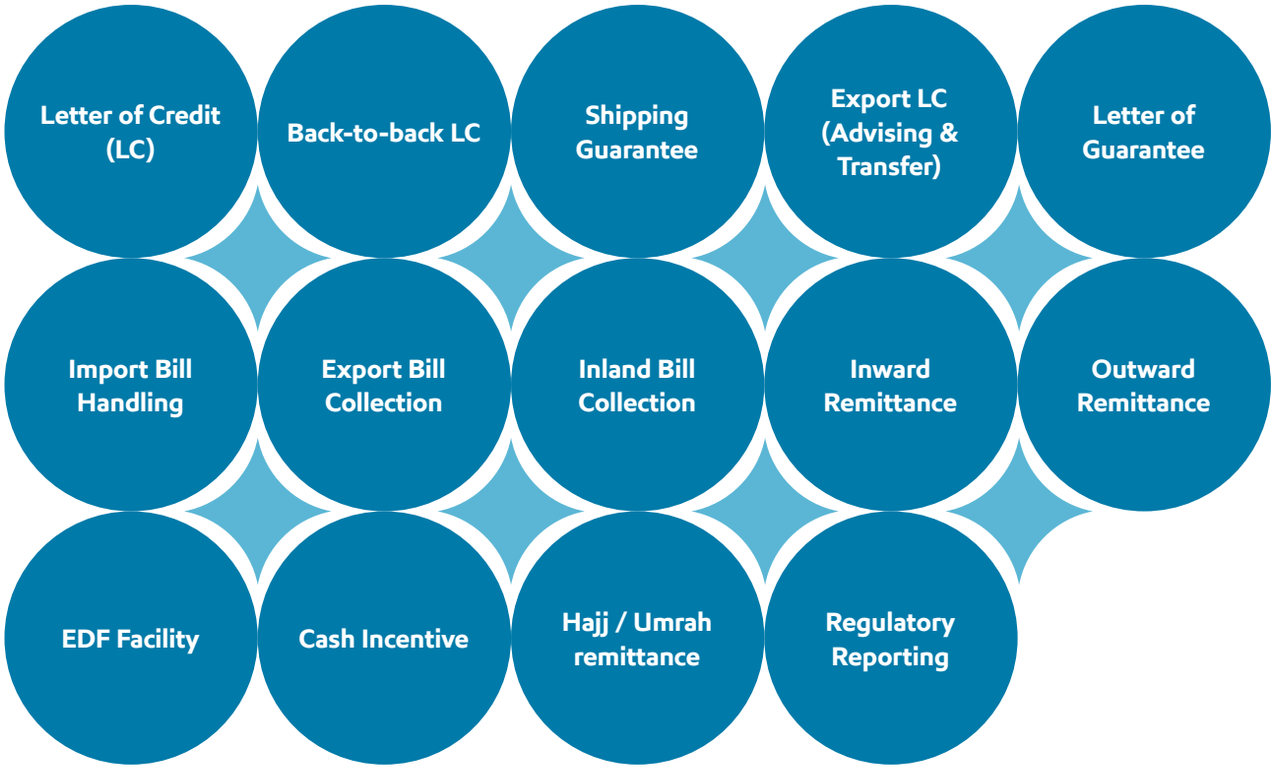
- Introduced an e-registrar of non-issue notes (mutilated, torn, soiled, and claimed) for all the branches of SJIBPLC.
- Introduced the "Automated Challan System (ACS)" toward the issuance of government Treasury challans at SJIBPLC and earned Tk. 1,20,25,552.49 as commission against collecting government revenues of total Tk. 1202,55,52,489.09 through ACS.
- Ensured and continuously monitored the branches to keep up-to-date information about the customers in the Core Banking Solutions, which is a prerequisite for proper customer service.
- Ensured timely submission of the annual reporting of FATCA to Internal Revenue Services under the U.S. government in 2023.

Future Plans for 2024:

- 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 a system to collect tax acknowledge slips and receipts through the web or apps for deducting tax at the source of the customer.
- It is planned to introduce the opening of term deposits and scheme accounts through "e-Accounts.".
- It is planned to introduce "Assisted Mode" for opening Mudaraba Savings Accounts through the "e-KYC" System, where the account opening form will be generated automatically.
- It is planned to introduce a payment method in a digital manner to the bearer over the counter without a cheque, using SJIBPLC NET.
- In order to ensure more efficient cash and client services at branches, BOD has a future plan to introduce the 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 teller.

Central Processing Centre (CPC)

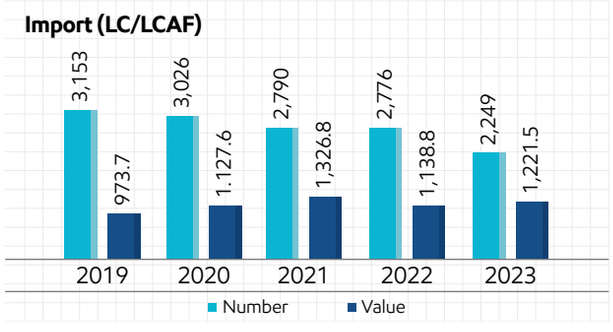
The Central Processing Centre (CPC) facilitates the international trade of non-AD branches, which is one of the fundamental accomplishments of the Bank. With an aim to convey international trade services to the doorsteps of our clients in non-AD branch-es, the management of the bank has formed the Central Processing Centre (CPC-Dhaka) at the corporate head office and the Central Processing Centre (CPC-CTG) at the zonal office in Chattogram on January 1, 2013 and September 1, 2020, respectively. We have trade specialists who are professional and seasoned to make sure that all trade finance requirements are taken care of with precision and proficiency. Our team of specialists goes the extra mile to ensure that our customers` experience with the below-mentioned services is nothing but exceptional.

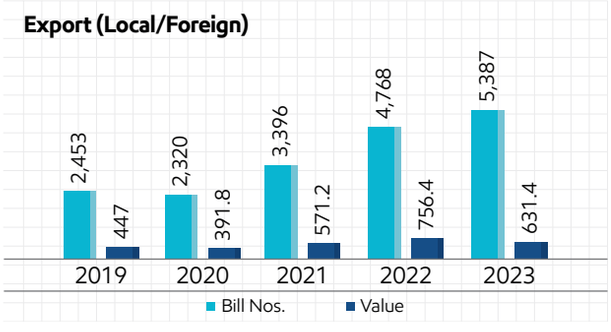


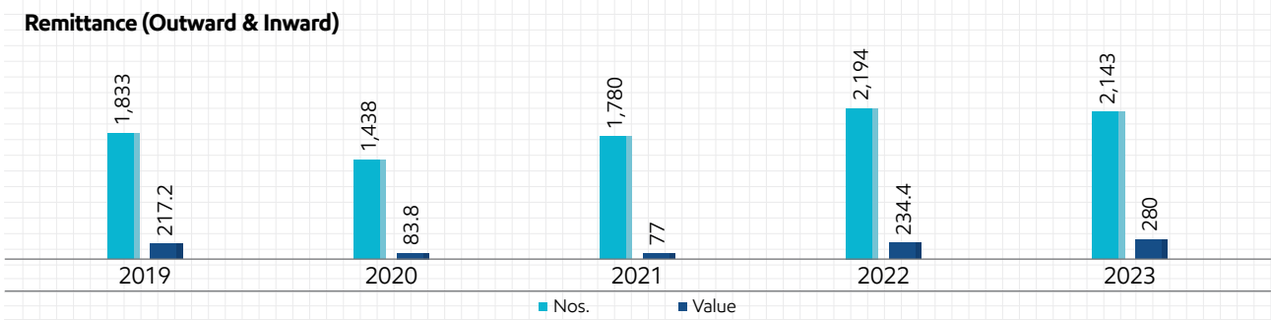
Activities of CPC-Dhaka during the years in Statistics:

Figure in USD (Lac)

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
2023	2249	1221.5	5387	631.4	2143	280



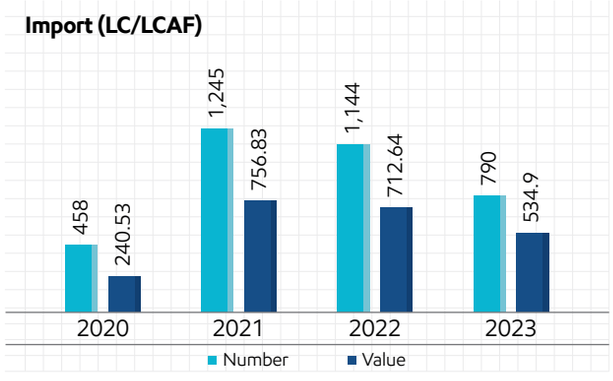


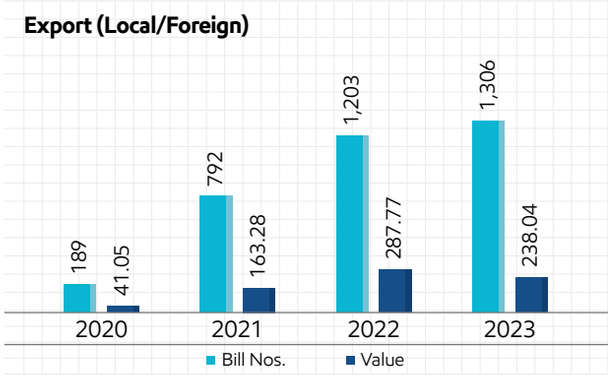


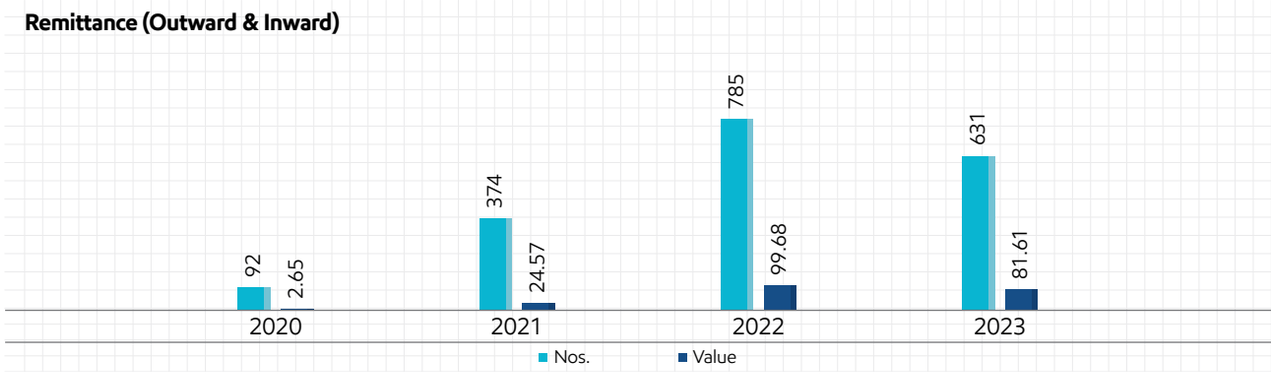
Activities of CPC-CTG during the years in Statistics:

Figure in USD (Lac)

Year	Import (LC/LCAF)		Export (Local/Foreign)		Remittance (Outward & Inward)	
	Number	Value	Bill Nos.	Value	Nos.	Value
Sept, 2020-Dec, 2020	458	240.53	189	41.05	92	2.65
2021	1245	756.83	792	163.28	374	24.57
2022	1144	712.64	1203	287.77	785	99.68
2023	790	534.90	1306	238.04	631	81.61







Initiatives:

Given the significant role international trade plays in the development and growth of the country, CPC remains deeply committed to staying informed about the rapidly evolving landscape of trade activities. Our primary focus revolves around providing the best services while adhering to the highest level of compliance standards. The overarching theme at CPC is to ensure excellence in every aspect of our trade services.

Our dedicated team members at CPC are diligently taking proactive measures to address emerging issues and challenges. We are continuously developing innovative tools and techniques to effectively manage trade service activities, ensuring seamless operations and superior service delivery to our valued clients.

Future Plan

- We aim to achieve faster and more efficient process implementation, resulting in reduced turnaround times, enhanced control, and expedited decision-making processes.
- Our objective is to offer full centralization of trade services for both Authorized Dealer (AD) and non-Authorized Dealer (non-AD) branches, ensuring streamlined operations and comprehensive support across all branches.

Shahjalal Islami Bank PLC. started its journey in 2001 with its commitment to the prin-ciples of Islamic Sharaih and avoiding Riba (interest) from all of its operations, and it promised to promote Shariah-based welfare banking as opposed to interest-based bank-ing. 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 activi-ties by following the guidelines of the regulatory authorities and internationally recog-nized Shariah standards, as well as the guidelines and instructions of the Shariah Super-visory Committee (SSC).

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

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

Muraquibs conduct Shariah audit functions throughout the year. The objective of a Shariah audit is to examine the status of 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 of 2023:

Alhamdulillah, the division completed the year successfully by taking a number of initiatives. A few of them are mentioned below:

- Conducted a risk-based Shariah audit at 140 branches and three investment-related divisions at the head office of the bank.
- Arranged five meetings of the Shariah Supervisory Committee to review and confer decisions on the issues referred to by the board of directors and management of the bank.
- Arranged a number of Shariah awareness programs for the clients at the branches of the bank to educate and motivate the clients to cooperate with Shariah-compliant investment operations.
- Designed and prepared the Product Program Guidelines (PPG) of the Musharaka Inland Documentary Bill (MIDB) instead of the discounting method to ensure better Shariah compliance.
- Reviewed the Shariah compliance status of the branches and divisions of the bank, convening four meetings of the Shariah Inspection Report Review Committee in the presence of and chaired by the Managing Director.
- Developed and launched the "Auto-generation of Shariah documentation for investment" software to ensure Shariah compliance in investment operations.
- The division arranged training programs to enhance Shariah knowledge and awareness among the employees.

Plan for the year 2024:

To ensure the 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 2024 are given below:

- Arranging six meetings of the Shariah Supervisory Committee, two meetings of the Shariah Sub-committee, and six meetings of the Shariah Inspection Report Review Committee to review and confer decisions on the issues referred by the board of directors and management of the bank.
- Helping in integrating the features of the Musharaka Foreign Documentary Bill (MFDB) in the CBS to ensure better Shariah compliance.
- Arranging product-based training for officials to improve the extent of Shariah compliance in the investment operations of the bank.
- Arranging an "Exchange of Views Program" to be attended by the higher officials of the bank to enhance awareness regarding Shariah compliance.
- Taking the necessary steps to obtain membership in the IFSB (Islamic Financial Services Board) and the 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.
- Developing diversified Islamic banking products to cater to the varied needs of the client.
- Establishing a Shariah Research Cell for conducting research on Shariah issues, including product development, providing Shariah opinion, translating and writing books on Islamic banking, etc.

Anti-Money Laundering Division

Money Laundering and Terrorist Financing (ML&TF) pose significant risks to banks. Banks that serve as channels for ML&TF face significant complications in efficiently managing their assets, liabilities, and operations. The adverse consequences of ML&TF are reputational, operational, legal, and financial risks for banks. The banking sector is currently experiencing more challenges than before due to the adverse economic consequences of the Russian-Ukraine War, inflation, sanctions, and economic crises in many countries around the world. Complying with the regulatory requirement, SJIBPLC has formed a strong Central Compliance Committee (CCC), and with the guidance of the committee, a comprehensive AML/CFT compliance program has been established by the Anti-Money Laundering Division (AMLD) to mitigate the ML&TF risks of the Bank. The AMLD is directly supervised by the Additional Managing Director and Chief Anti-Money Laundering Compliance Officer (CAMLCO) of the Bank. The division comprises five units to ensure its smooth functioning, which are as follows:



Activities around the year- 2023:

SJIBPLC remains firm in its commitment to combat Money Laundering and Terrorist Financing (ML&TF) through the bank. To strengthen the bank's Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Compliance Program, the Anti-Money Laundering Department (AMLD) performed the following functions, among others:

Compliance Activities:

SL	Compliance Issues	Number
01	Comply the BFIU queries	712
02	Submission of CTR to BFIU after validation	2,95,108
03	Submission of A/C as SAR/ STR to BFIU	146
04	Review of Correspondent Bank Relationship	122
05	Review of Exchange House Relationship	18
06	Compliance on Audit/ Inspection (AML/CFT Portion)	196
07	AML/CFT related training/ working to Bank Officials	2,821
08	Issued AML/CFT circulars	20
09	AML/CFT Awareness Program	33
10	AMLD officials attended at Branch's quarterly AML/CFT meeting (In-person/virtually)	280

The Focal Persons at AMLD guided 140 business units of the bank to enhance the effectiveness of the AML/CFT compliance program.

Reviewed and updated following guidelines, policies, and procedures:

- Money Laundering and Terrorist Financing Risk Management Guidelines.
- Guidelines for the Prevention of Trade Based Money Launder-ing.
- AML/CFT Risk Register

Bank is utilizing several Automated Solutions to mitigate TBML risk, such as

- Seaseacher of Lloyd's List of Intelligence, UK for Vessel and Container Tracking,
- S3 Compliance of LEADS, BD for Sanction Name Screening,

- Accuity Online Compliance, UK for PEPs and Adverse Media Screen-ing,
- Global Trade Tracker (GTT) of Zen Innovations AG, Switzerland, for Price Verification.
- Transaction Screening Service (TSS) of SWIFT, Belgium, for Sanction Payment Screening.
- Hawkerbd.com, from Hawker Limited, is for monitoring Adverse Media News.

Assigned 140 General Banking Compliance Officers (GBCO) at the branches of the Bank with specific duties and responsibilities.

Conducted four meetings of the Central Compliance Committee (CCC) and im-plemented the decisions of the meetings.

Plan for the year 2024:

In addition to the existing AML/CFT activities, the Bank has planned to develop and implement the following policies, procedures, and controls, among others:

- Develop an "AML/CFT Policy for Correspondent Banking Relationship " to mit-igate the risks of the Bank.
- Subscribe to a comprehensive AML/CFT solution to enhance the effectiveness of the AML/CFT Compliance Program of the Bank.
- Organize a BAMLCO Conference and several regional AML/CFT conferences covering all branches of the Bank.
- Appoint AML Compliance Officers at different divisions in the Bank to im-prove AML/CFT controls at the head office level.
- Observe "AML/CFT Awareness Week" as a special program to build up AML/CFT awareness among all stakeholders of the Bank.

Agent Banking

Opportunities for Agent Banking

Shahjalal Islami Bank may be able to reduce expenses and quickly grow both its branch network and revenue with the use of agent banking. The availability of beneficial and fairly affordable financial services and products, such as loans, payments, and savings, that meet clients' requirements in a trustworthy and environmentally responsible manner is referred to as "agent banking." With the help of an agent, customers may do real-time financial transactions, monitor the status of their checks and transactions, and get instant access to their money.

According to data from the Bangladesh Bank as of September 2023, 20.68 million accounts were opened through the agent banking channel, with a male contribution of 49.05% and a female contribution of 49.74%. The total deposit was BDT 352,007.62 million, of which 79.03% came from rural areas and 21.07% came from urban areas, which occurred within 21,448 agent locations.

Agent banking provides financial access that facilitates day-to-day living and helps families and companies plan for everything from long-term goals to unanticipated emergencies. In order to start and expand businesses, invest in their own or their children's health or education, manage risk, and bounce back from financial losses, account holders are more likely to employ supplemental financial services like investment coverage. All of these actions can improve their overall quality of life. It facilitates timely payments to financial institutions for the following:

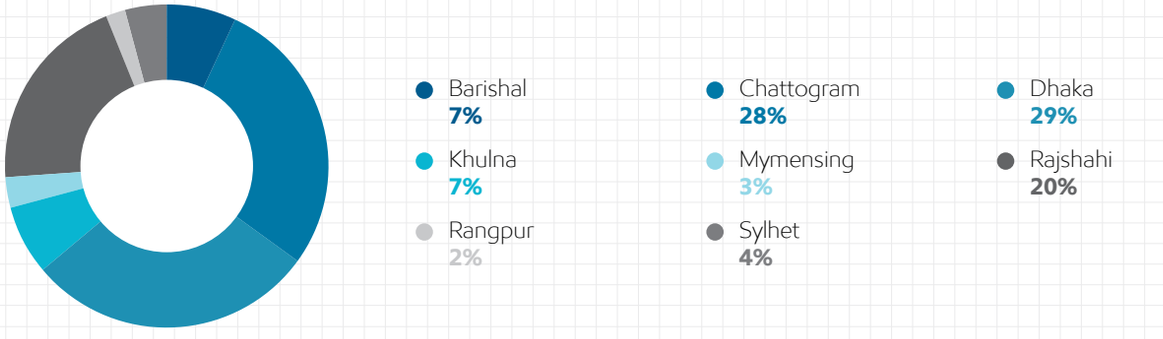


SJIBPLC Agent Banking Performance

Geographical Coverage

SL	Division Name	Number of Outlets	District Coverage
1	Barishal	8	43
2	Chattogram	33	
3	Dhaka	34	
4	Khulna	9	
5	Mymensingh	4	**Upazilla Coverage**
6	Rajshahi	24	96
7	Rangpur	2	
8	Sylhet	5	
Total		**119**	

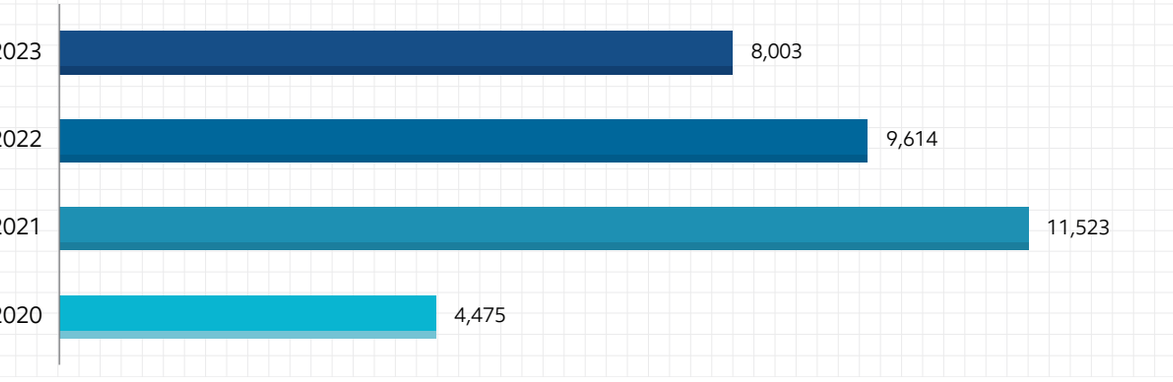
Outlet Coverage



KYC PERFORMANCE GROWTH

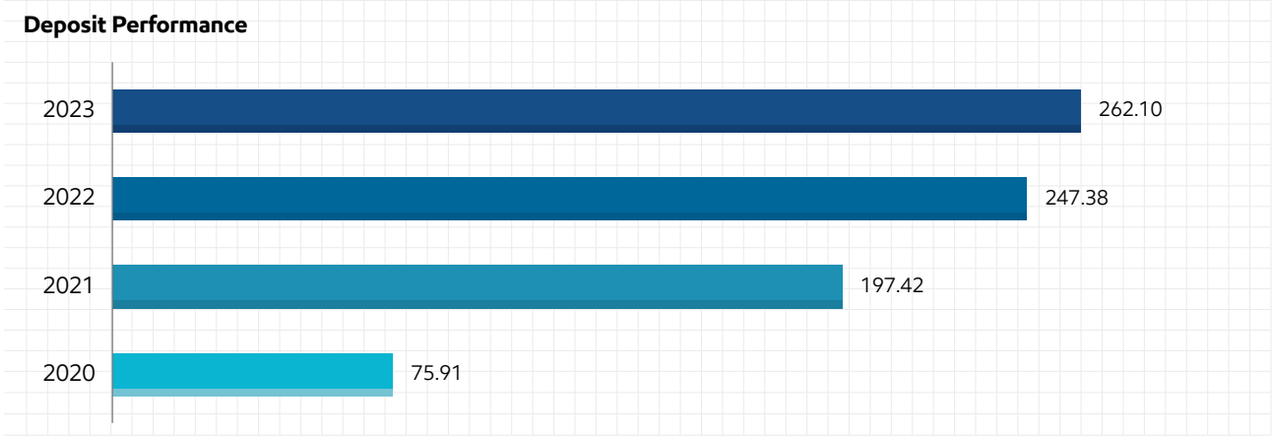
Particulars	Year-2020	Year-2021	Year-2022	Year-2023
Mudaraba Savings deposit	3368	8858	6894	6075
Al Wadiah current deposit	160	273	173	73
Mudaraba Term Deposit Receipt	209	454	815	700
Scheme Deposit	738	1938	1732	1155
Total	**4475**	**11523**	**9614**	**8003**

KYC Performance Growth



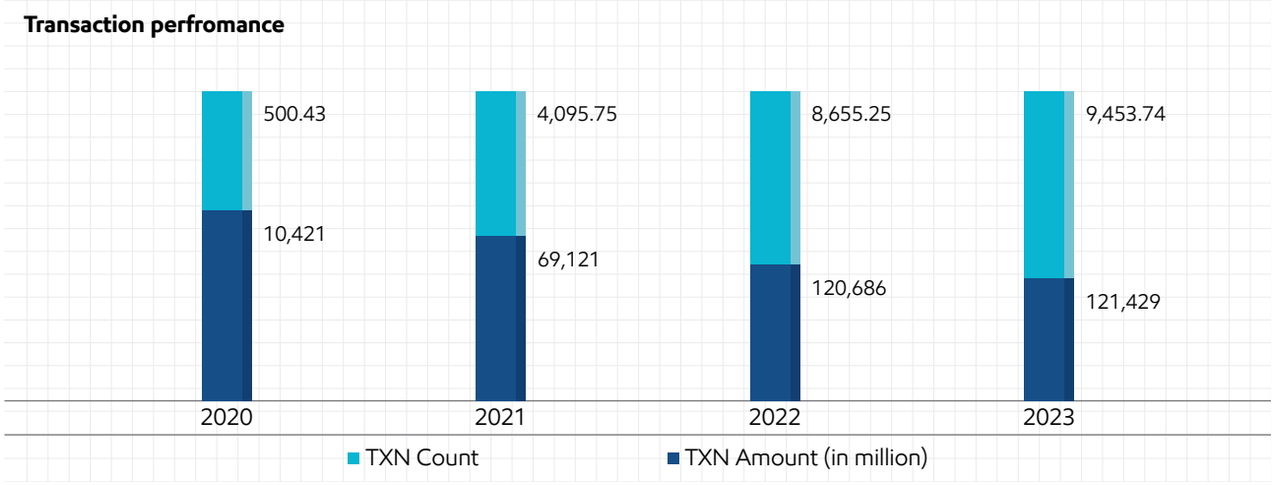
DEPOSIT PERFORMANCE GROWTH (Amount in Millions)

Account Name	Year-2020	Year-2021	Year-2022	Year 2023
Mudaraba Savings deposit	30.31	94.59	80.30	88.72
Al Wadiah current deposit	3.36	6.13	8.52	27.19
Mudaraba Term Deposit Receipt	33.00	64.55	124.98	130.81
Scheme Deposit	9.24	32.17	33.57	15.79
Total	**75.91**	**197.42**	**247.38**	**262.10**



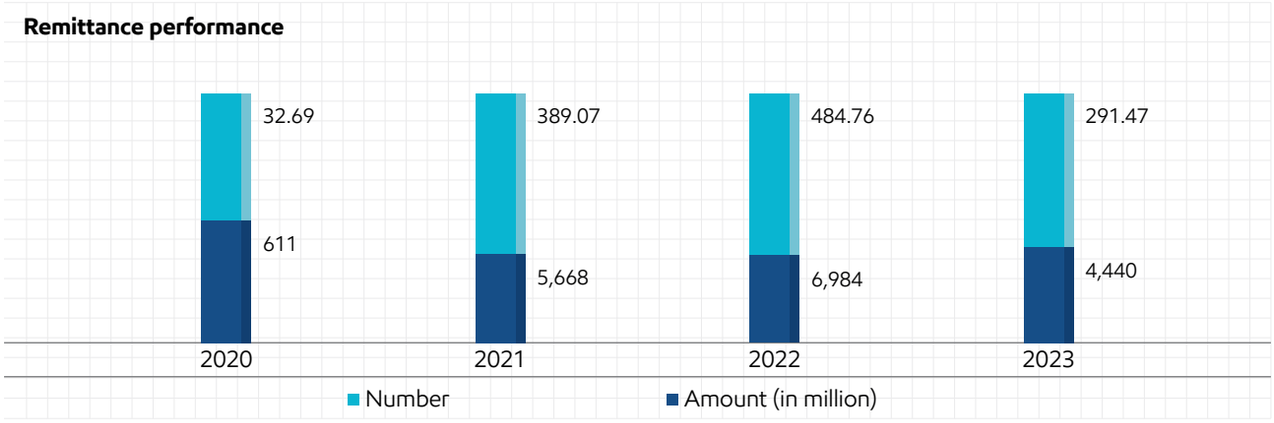
TRANSACTION PERFORMANCE GROWTH

TXN Type	Year-2020		Year-2021		Year-2022		Year 2023	
	TXN (in Number)	TXN Amt (in Millions)	TXN (in Number)	TXN Amt (in Millions)	TXN (in Number)	TXN Amt (in Millions)	TXN (in Number)	TXN Amt (in Millions)
Cash Deposit	6,744	213.85	38,114	1,661.88	55,421	2,996.96	49,600	3,037.80
Cash Withdrawal	2,825	100.36	18,212	737.73	35,081	1,480.61	38,315	1,689.59
Fund Transfer	47	3.07	4,304	397.49	15,262	1,431.65	16,275	1,782.29
EFTN	-	-	2,782	256.82	5,992	419.38	5,355	447.54
RTGS		-	625	116.65	4,188	918.82	4,622	1,072.13
Branch	805	183.15	5,084	925.17	7,742	1,407.82	7,262	1,424.19
Total	**10,421**	**500.43**	**69,121**	**4,095.75**	**123,686**	**8,655.25**	**121,429**	**9,453.74**



REMITTANCE PERFORMANCE GROWTH

Year-2020		Year-2021		Year-2022		Year-2023	
Number	Amount (in Millions)	Number	Amount (in Millions)	Number	Amount (in Millions)	Number	Amount (in Millions)
611	32.69	5,668	389.07	6,984	484.76	4440	291.47



It has been determined that the geographic spread of agent banking serves as the most accurate indicator of financial inclusion. Clients no longer have to stand in line for as long at the bank or ATM to obtain services faster. The finest illustration of this is the fact that consumers were prepared to pay the additional cost at agent banking locations in order to have their banking needs satisfied.

FINANCIAL ADMINISTRATION DIVISION (FAD)

Financial Administration Division (FAD) of Shahjalal Islami Bank PLC. manages financial operations of the bank such as transaction processing, accounting and reporting, financial controls, financial information and management accounting, budgeting and forecasting, tax and regulatory compliance and payroll management. The Division typically equipped with a team of professionals who plays a key role in ensuring sound financial health and stability of the bank. The responsibility of the Division 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 and commitment to stakeholders by ensuring financial accountability and stability.

Five interlinked finance activities make up the finance function of Shahjalal Islami Bank PLC. as follows:

Accounting

to record the financial consequences of organizational activities.

Compliance

to meet the requirements of governmental and other regulatory bodies.

Management and Control

to produce and use financial and related information to inform, monitor and instigate operational actions to meet bank' objectives.

Strategy and Risk

to inform and influence from a financial perspective the development and implementation of strategy and to manage risk.

Resourcing

to inform and engage with investors and funders, both current and potential, to obtain and maintain the necessary financial resources for the organization.

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 and commitment to stakeholders
- 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

- Checking all Bills for approval with due diligence

Payment Processing and Book Keeping

- Ensure all payment complying policy and process of the bank
- Ensure GL posting
- Payroll management

GL & Cost Control

- Monitoring of different GL of all branches and Head Office.
- Monitoring cost of different heads

Reconciliation

- Reconciliation of various GL and 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, quarterly, half yearly & yearly Reporting

Supportive Role

- Provide continuous guidelines & support to the branches.
- Provide required MIS to the Management.
- Income Tax and regulatory compliance
- Management of Direct Tax and Indirect Tax along with regular returns

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 continuously on 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 2023

The Financial Administration Division (FAD) played a crucial role in navigating the complexities of 2023 by implementing initiatives that fostered operational efficiency and profitability:

- We actively managed deposit costs and ensured strategic implementation of SMART rates, contributing to optimized spreads.
- Rigorous monitoring of General Ledger accounts ensured minimized operating costs and maximized value for money. Additionally, we implemented measures to maximize bank asset utilization.
- By focusing on cost reduction strategies, we achieved improved cost efficiency and overall bank performance.
- Throughout the year, FAD provided strategic insights and analysis to empower informed decision-making by the senior management team.
- We conducted regular meetings and discussions to explore and implement strategies for boosting profitability.

Special Achievement

Shahjalal Islami Bank is proud to be recognized for its commitment to transparency, accountability, and good governance through prestigious awards received for the 2022 annual report. These accolades are a testament to the Bank's dedication to excellence and its unwavering focus on serving stakeholders.

1. **SAFA Best Presented Annual Report Awards-2022**
   - i) Private Sector Banking Institutions Category – Gold Award
   - ii) SAARC Anniversary Award for Corporate Governance Category – Joint Silver
   - iii) Integrated Reporting Category – Bronze
2. **23rd ICAB National Award for Best Presented Annual Report-2022**
   - i) Overall Winner of the Year - 2022
   - ii) Private Sector Banks Category – Joint Gold Award
   - iii) Corporate Governance Disclosures Category – Silver Award
   - iv) Integrated Reporting Category – Bronze Award
3. **ICMAB Best Corporate Award – 2022**
   - i) Private Commercial Bank (Islamic Operation) Category – Gold Award
4. **10th ICSB National Award 2022 for Corporate Governance Excellence**
   - i) Islami Banking Companies Category - Gold Award

Future Strategy

The Financial Administration Division (FAD) remains steadfast in its commitment to supporting the Bank's long-term success. We achieve this by:

- Providing prompt and efficient operational support, enabling informed decision-making for the development of comprehensive and sustainable strategies.
- Continuously seeking improvement opportunities to ensure the Bank remains exemplary in all aspects.
- Maximizing the Bank's financial value through performance evaluation, forecasting, capital structure planning, and managing financial activities that impact strategic decisions.

By implementing these strategies, the FAD will pave the way for a clear roadmap that guides the Bank's resource management, utilization, and allocation in the years to come.

TREASURY OPERATIONS

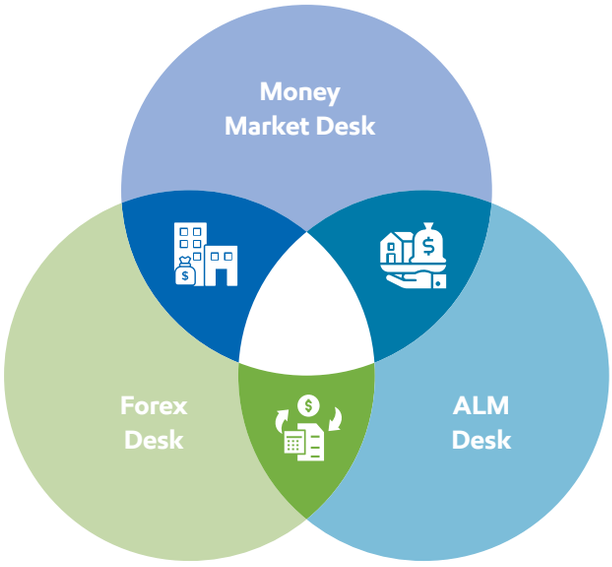
The Treasury Division at Shahjalal Islami Bank is crucial for managing liquidity and ensuring the bank's balance sheet strength. Despite challenges in 2023, including foreign currency scarcity and liquidity stress, the Treasury played a pivotal role in maintaining sufficient liquidity in both local and foreign currencies. It focused on bolstering the bank's balance sheet and ensuring sound asset-liability management. Additionally, adherence to Shariah principles remains a priority, requiring Shariah Board approvals for all products and processes. Despite these challenges, the Treasury successfully contributed to the bank's significant earnings and remains vigilant for future uncertainties.

SJIB Treasury always tries to ensure optimum treasury solutions both for the bank and its' valued customers. Shahjalal Islami Bank Treasury primarily focuses on the following:

- Utilizing different market opportunities within all risk and regulatory limits.
- Strengthening ALM operations
- Creating a diversified fund management channel Enhancing profitability
- Minimizing market, liquidity, 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.

Treasury Division



Money Market Desk

The money market desk ensures that the bank remains sufficiently liquid, meeting all its financial commitments and obligations to its customers, as well as meeting the CRR and SLR and all ALM ratio requirements 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 the ALM desk, sets the strategy. The money market in Bangladesh remained stressed in 2023. The severe dollar shortage has put banks into a local currency shortage. as the central bank mopped up Tk 1.3 trillion crore from the market by selling $12 billion from the reserve in 2023 against open market prices to support import payments of essential commodities. The central bank's increase in the policy rate to 7.75 percent in November 2023 is its seventh incremental hike since May 2022, which ultimately creates pressure on the money market, and its logical response is to increase the cost of deposits sharply at the end of 2023. This year, SJIB's money market dealers were predominantly occupied with managing liquidity at minimal cost. The SJIB money market team adeptly navigated through all fluctuations, ensuring effective management of resources.

Foreign Exchange Desk

The FX desk at Shahjalal Bank, manned by experienced dealers, handles foreign currency transactions. The Treasury's FX Desk manages FX business and risk, ensuring compliance with regulatory limits and forecasting exchange rates. In 2023, the FX desk faced significant challenges amid extreme volatility in the foreign exchange market. Forecasting foreign currency inflows was challenging due to fluctuations in remittances and a dry interbank market. Changing policies by BAFEDA and ABB have further complicated matters.

Despite these challenges, the FX desk managed foreign currency prudently, meeting payment obligations while complying with regulations. It proactively anticipated and handled situations pragmatically, remaining responsive to corporate customer needs.

ALM Desk

The ALM desk provides insights to ALCO on the bank's balance sheet and market trends, playing a crucial role in risk management and profitability optimization. ALM ensures compliance with regulatory requirements and implements the bank's balance sheet strategy, focusing on liquidity and SLR portfolio management. During the foreign currency scarcity, ALM analyzed the situation and advised on maintaining balance sheet robustness while ensuring flexibility. Throughout 2023, ALCO proactively managed the balance sheet to adapt to market dynamics.

Future Strategy:

In 2024, the banking industry is expected to face increased volatility in both local and global markets. Bangladesh Bank's new currency swap guideline aims to rebuild foreign exchange reserves and ease local currency liquidity stress, but exchange rate volatility and strain on reserves may persist. The SMART rate is projected to rise further, potentially pushing lending rates up to 13 percent due to the central bank's contractionary monetary policy. SJIB Treasury will focus on cautious balance sheet growth and managing Net Open Positions, while also addressing declining spreads. Key strategies include:

Continue to improve Operational excellence:

Ongoing focus on strengthening the Treasury's operational framework and market responsiveness in order to strengthen core business activities

Mapping market trend:

SJIB Treasury will try to prudently observe movements in interest rates and the foreign currency market in the coming days and will take positions on the bank's balance sheet accordingly.

REVIEW OF SJIBPLC SUBSIDIARY

Operating environment in 2023

In 2023, the Bangladeshi stock market experienced turbulence as a convergence of global and local economic uncertainties triggered a dramatic decline in turnover, coupled with a significant drop in foreign investment. The year commenced with a cloud of uncertainty looming over global economic forecasts, aggravated by the unresolved Russia-Ukraine crisis. Domestically, pre-election uncertainties, a banking sector crisis, tightening money market conditions, depreciating Taka, and dwindling forex reserves further compounded the challenges faced by the stock market.

Key indices such as DSEX, the primary index of the Dhaka Stock Exchange (DSE), depicted a lackluster performance throughout the year. The index closed at 6,246.49 points at the end of 2023, showing a marginal increase from the beginning of the year. However, this nominal growth belied the underlying turbulence within the market. The year saw a significant contraction in turnover, with the Dhaka Stock Exchange (DSE) witnessing a staggering 39.83% decline compared to the previous year, further exacerbating the 34% decline experienced in the preceding year. Political uncertainties and currency depreciation dismayed foreign investors, leading to a decline in foreign investment that mirrored the drop in turnover. The market capitalization to GDP ratio dwindled to 17.59% in 2023, down from 19.14% in 2022, reflecting the overall downturn in market sentiment. Despite these challenges, the overall price-earnings (P/E) ratio saw a marginal rise, reaching 15.77 by the end of the year. Large-cap stocks bore the brunt of the market's downturn, experiencing significant selloffs, while small-cap speculative stocks managed to offset some of the bearish sentiments. Sectors such as food, general insurance, pharmaceuticals, life insurance, and IT dominated trading activities, while others, such as travel and leisure, suffered substantial declines.

The imposition of floor prices by the stock market regulator, initially intended to stabilize share prices amid economic strains, inadvertently complicated liquidity issues. Many stocks remained stuck at floor prices for prolonged periods, deterring investors and stifling trading activities. This liquidity crisis was further aggravated by a shaky banking sector, which cast a shadow over investor confidence. Despite efforts by regulators to alleviate market pressures, including attempts to adjust capital market exposure and extend timelines, the stock market struggled to regain its footing. Criticisms mounted against regulatory interventions, exacerbating investor apprehensions.

The ongoing Russia-Ukraine conflict continued to cast a long shadow over global markets, contributing to currency volatility, inflationary pressures, and supply chain disruptions. While exporters benefited from currency devaluations, importers and consumers faced significant challenges. Looking ahead, the stock market of Bangladesh remains ensnared in a web of challenges, including regulatory uncertainties, liquidity constraints, and global economic headwinds. Overcoming these hurdles will require concerted efforts from policymakers, regulators, and market participants alike.

Particulars	2019	2020	2021	2022	2023
Market Cap (BDT in Billion)	3,396	4,482	5,422	7,609	7809
DSEX Index	4,453	5,402	6,757	6,207	6246
Avg. Daily Turnover (BDT in million)	4,803	6,489	14,749	9,603	5,781
Market P/E (Times)	11.9	16.5	17.1	14.11	13.12

Key Drivers

- Attractive market valuation in many sectors.
- Regulatory interventions with supportive policies.
- Surplus liquidity in the 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 PLC. SJIBSL is a TREC-holder of both Dhaka Stock Exchange PLC. - DSE (TREC #233) and Chittagong Stock Exchange PLC. - CSE (TREC # 134) and holds both broker & dealer licenses.

SJIBSL Products & Services

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

Key financials

Million BDT

Particulars	**2022**	**2023**
Margin Investment outstanding	3,545	3192
Operating income	553	335
Operating profit	209	30
Net profit(loss)	60	7
Operating profit margin (%)	6%	8.96%

Market Outlook for 2024

As Bangladesh enters 2024, the market faces significant shifts following post-election policy adjustments, stabilizing interest rates, and efforts to maintain exchange rate stability amid lingering economic challenges. The focus remains on decisive actions from the new government to navigate policy hurdles, bolster external inflows, and address volatility in the foreign exchange market. Initial forecasts suggest a continuation of rising interest rates in the first half of the year, gradually settling into a higher equilibrium. This adjustment is expected to lead to a more moderate economic trajectory, particularly in the latter part of 2024.

Despite bidding farewell to 2023, the remnants of past challenges persist. Notably, the Bangladesh Securities and Exchange Commission (BSEC) lifted floor prices on January 18, 2024, a measure aimed at revitalizing market vibrancy. While this initiative applies to most stocks, a select few remain subject to floor price restrictions. The removal of these constraints has reinstated investor confidence, evident in the burgeoning trade volume within the market.

Reflecting on the economic hardships of the previous year, including inflationary pressures and exchange rate volatility, the implications for the stock market remain significant. Supply chain disruptions and escalating fuel and commodity prices add to inflation concerns,

potentially impacting consumer spending and stock market performance. Structural issues such as governance lapses and policy inertia further complicate economic challenges, prompting a reassessment of ambitious GDP growth targets.

Political uncertainty remains a key factor influencing market sentiment, highlighting the correlations between political stability and economic performance. Investors closely monitor developments, aware of their impact on market dynamics.

To unlock the market's potential, addressing barriers to investor participation is crucial. Quality Initial Public Offerings (IPOs) and a commitment to corporate governance are essential to uphold market confidence and sustain growth.

In 2024, investors anticipate stability and growth in certain segments, driven by industry consolidations and strong financial fundamentals. While expectations for a bullish market are muted, caution prevails amid lingering inflationary pressures, potential interest rate adjustments, and liquidity challenges. Nevertheless, stability is anticipated in the latter part of the year, supported by easing economic tensions and improvements in external trade dynamics.

Despite ongoing challenges, the revitalization of the market depends on concerted efforts towards macroeconomic stability, backed by prudent policy interventions and a conducive investment climate.

Strategy for 2024

In the pursuit of sustained growth and market leadership, our strategic focus for 2024 is rooted in enhancing organizational capabilities and fostering deeper client engagement. Building upon the foundations laid in previous years, we are committed to elevating service excellence, leveraging technology, and strengthening our research prowess. Additionally, new initiatives targeting client acquisition and retention will be prioritized to drive business growth and enhance overall client satisfaction.



Service Excellence

We are committed to providing excellent service by using our knowledge and skills to continuously come up with new and better products and services. We encourage a culture of creativity and working together to offer customers the best solutions and experiences, making us leaders in delivering great service.



Expansion of Fin-Tech Platform

Recognizing the pivotal role of technology in modern finance, we will further expand our fintech platform to enhance connectivity with customers through online channels. This strategic investment not only facilitates seamless interactions but also provides customers with convenient access to a wide array of financial services, enriching their overall experience.



Strengthening Research Capabilities

To better meet our clients' evolving needs, we're dedicated to strengthening our research team. Our goal is to offer comprehensive insights and analysis that cater to both institutional and individual clients seeking informed investment decisions.



Recruitment of Experienced Traders

A key initiative for 2024 involves strategically recruiting experienced traders with a high net worth client base. Leveraging their expertise and industry insights, we seek to expand our client portfolio and drive business growth in targeted market segments.



Regular Business Activity Follow-Up

Proactive engagement with traders is paramount to achieving our business objectives. Through regular follow-ups on business activities and diligent tracking of performance targets, we aim to optimize trader productivity and maximize revenue generation.



Enhanced Communication and Client Service

Improved communication channels and personalized service delivery will be central to our client engagement strategy in 2024. By actively listening to client feedback, addressing concerns promptly, and delivering bespoke solutions, we seek to foster stronger client relationships and inspire confidence in our offerings.

As we navigate the complexities of the financial landscape in 2024, our firm commitment to excellence, innovation, and client-centricity will continue to drive our strategic initiatives. By embracing these principles and remaining agile in our approach, we are poised to seize opportunities, overcome challenges, and achieve sustainable growth in the year ahead.

REPORT ON GOING CONCERN

The Board of Directors of Shahjalal Islami Bank PLC. (SJIBPLC) remains confident in the Bank's ability to continue its operations as a going concern for the foreseeable future. This assessment is based on a comprehensive review of financial performance, cash flow analysis, payment of obligations, business expansion, dividend consistency, capital adequacy, risk management effectiveness, and other relevant factors.

Financial Performance Indications

2023 was challenging year for banking sector due to ongoing Russia Ukraine war, high inflation, liquidity crisis and volatility in foreign currency. In 2023 SJIBPLC manages to attain progresses in almost all the financial indicators which exhibit the bank's excellence in operating performance. The operating profit growth was 6.63%, investment growth was 1.91% and total assets growth was 3.50% keeping NPI at 4.42%. SJIBPLC's ROA and ROE for the year 2023 was 1.05% and 15.89% 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 2023 was BDT 5,160.65 million and net Operating Cash Flow after changes in operating assets and liabilities shows inflow of BDT 11,222.66 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

SJIBPLC 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

SJIBPLC 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 2023 the bank has proposed 14% cash dividend. The dividend payment reflects the bank's long term operational viability. The payment of dividend for last five years is given below.

Particulars	2023	2022	2021	2020	2019
Total Dividend	14%	15%	15%	12%	10%
Cash Dividend	14%	12%	10%	7%	5%
Stock Dividend	-	3%	5%	5%	5%

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 2023, SJIBPLC maintained CRAR well above the minimum requirements of 12.50%. The CRAR of SJIBPLC was 15.06% in 2023.

Risk Management

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

Other Indications

Satisfactory Credit Rating

Emerging Credit Rating Limited (ECRL) has rated the bank in 2023 with "AA+" (Pronounced as Double A Plus) in the long term and "ST-2" for the Short Term based on audited financial statements of 2023 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 2023, total equity of SJIBPLC stood at BDT 23,760.19 million which was BDT 21,870.14 million in 31 December 2022, representing a growth of 8.64% over last year and reflects the bank's long-term viability.

Changes in Government Policy

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

In conclusion, based on the aforementioned factors, the Board of Directors is confident that SJIBPLC possesses the necessary financial strength, strategic direction, and risk management practices to continue as a going concern for the foreseeable future. The financial statements are prepared on a going concern basis, with adequate disclosures explaining the rationale behind this assumption.

SUSTAINABILITY REPORTING



MESSAGE FROM THE MANAGING DIRECTOR & CEO ON SUSTAINABILITY

The year 2023 presented a multitude of significant challenges on a global scale. While there were initial signs of progress in public health following the pandemic, the outbreak of the Russia-Ukraine war significantly compounded existing issues. This conflict served as a catalyst for a global energy crisis, a global food emergency, and further disruptions to established supply chains. Consequently, these developments triggered a substantial rise in inflation, imposing a significant cost-of-living burden on populations worldwide. In response to this inflationary surge, major central banks implemented aggressive interest rate hikes, even amidst signs of a slowing global economy. Moreover, the geopolitical environment continued to be tense as relations between major powers remained strained.

Despite these significant challenges, 2023 also witnessed a promising development: an acceleration of efforts across both nation-states and the private sector to address the pressing issue of climate change. Notably, around 140 countries have either announced or are actively considering the implementation of net-zero emissions targets, covering roughly 90% of global greenhouse gas emissions. This progress can be attributed to a growing public awareness of and commitment to tackling the climate crisis. While the Russia-Ukraine war presents short-term complications, we believe that these combined efforts will serve to strengthen the momentum behind the global transition towards a more sustainable future.

However, the current global context underscores the importance of navigating complex trade-offs with careful consideration. With the United Nations' 17 Sustainable Development Goals (SDGs) encompassing a broad spectrum of environmental, social, and economic objectives, it is imperative that we find solutions that address these multifaceted challenges.

Heading toward a Greener Future

Our financing acts as a key enabler for sustainable development. Since we engage with all segments of business and society, we play a significant role in promoting sustainability practices. By providing financial solutions that empower our customers' journey towards sustainability, including solutions that address climate change and support green business opportunities, we can make a substantial difference in building a more secure future.

We are committed to increasing our financing of green assets and projects. This includes initiatives focused on renewable energy, solid and liquid waste management, green buildings, and energy-efficient capital machinery. As a testament to this commitment, our head office itself utilizes sustainable technologies. These features, including a rainwater harvesting system, water recycling, auto-sensing power switches, and hand dryers, contribute to a 35% reduction in energy and water consumption.

Responsible Lending and Financing

The global landscape for renewable energy is shifting dramatically. According to the International Energy Agency, new renewable energy capacity additions surged by 50% in 2023, reaching nearly 510 gigawatts—a clear sign that environmental leadership is gaining significant momentum. This trend aligns perfectly with the commitment of both the Bangladesh Government and Bangladesh Bank to promote sustainable business practices through stakeholder engagement.

We recognize that the policies and practices we adopt today will shape not only our lives but also those of future generations. We therefore have an opportunity to make a positive contribution to environmental and social concerns by enacting policies designed so that our business operations do not degrade the environment or cause social harm.

The policies and practices we implement today will have a profound effect on not only our present but also the lives of future generations. This is why we are actively committed to making a positive social and environmental impact through our lending and financing activities. We achieve this by enacting responsible policies that ensure our business operations contribute to a sustainable future, free from environmental degradation or social harm. In 2023, we were proud to contribute to this movement by disbursing BDT 1,990.15 million in green finance and BDT 33,440.63 million in sustainable finance.

Inclusive Development

Among all no-frills accounts, our School Banking Accounts stood at the top in the last couple of years. We especially focus on this no-frills account, not only by waiving the account maintenance charge but also by distributing free Debit Cards among students. The objective is to promote financial inclusion among all and bring the unbanked population into the banking network. Besides, we have also started working to promote other no-frills accounts like Mudaraba Lower Income Individual, Mudaraba Street Urchin & Working Children, Mudaraba Farmer Account, etc.

Social Obligations

In the year 2023, SJIBPLC disbursed BDT 536.13 million for CSR, exceeding our yearly CSR budget in response to different national and humanitarian needs that justified our dedication to society as stakeholders. Besides, we have been rebranding our Cash Waqf product for the last few years. The Cash Waqf is a special type of endowment that is channeled to different orphanages and madrasas with a view to helping common people. SJIBPLC also donates the regular profit derived from its Cash Waqf balance. The amount raised from SJIBPLC's Cash Waqf is donated to different welfare organizations like Anzuman Mofidul Islam, Al Markajul Foundation, etc. every year.

Digital Growth

We are working dedicatedly to popularize our digital products, like QR code-based transactions, green pins for paperless credit and debit card activation, and a PIN generation system. SJIBPLC Corporate Head Office Canteen has also introduced QR Code-based transactions to make staff habituated to cashless transactions. Besides, staff are also using an automated challan for tax payments to NBR. Our credit card is striving to sustain itself in a competitive market, fighting with conventional bank credit cards. As of December 2023, the outstanding amount of the SJIBPLC credit card stood at Tk. 544.96 million.

Commitment to Sustainability

Shahjalal Islami Bank PLC. is committed to building an inclusive and better future by embedding a responsible and sustainable approach throughout all our activities. This commitment is central to our purpose of helping individuals and businesses across communities achieve their aspirations through the provision of financial services that meet their specific needs. We will prioritize our customers' needs while remaining rooted in our core values: integrity, forward-lookingness, respect, and responsibility.

As a leading shariah-based bank, we act as a catalyst to reshape social and economic developments that are more broad-based, inclusive, and sustainable. At the same time, we will continually invest in our people and engage and contribute to our communities. All our initiatives are aligned with the United Nations Sustainable Development Goals (SDGs). These goals provide a framework for our positive contributions towards a more sustainable future.



Mosleh Uddin Ahmed
Managing Director & CEO

ABOUT SUSTAINABILITY REPORTING

Sustainability is a comprehensive approach that considers the financial, environmental (including climate change and biodiversity), and social impacts of a company's operations. By integrating sustainability principles, banks and financial institutions can build resilience and create long-term value for their stakeholders. Sustainability reporting is a key aspect of transparency and accountability. It requires banks to disclose information on material sustainability-related risks and opportunities. These risks and opportunities can affect a bank's financial performance in various ways, impacting cash flow, access to capital, and the cost of borrowing.

While economic factors have traditionally been the primary focus for banks, environmental and social responsibility are gaining importance. As a responsible stakeholder, Shahjalal Islami Bank PLC. recognizes the importance of integrating CSR and environmental initiatives into our operations. This report specifically focuses on our Corporate Social Responsibility (CSR) efforts, environmental initiatives, and social obligations that align with the broader principles of sustainability.

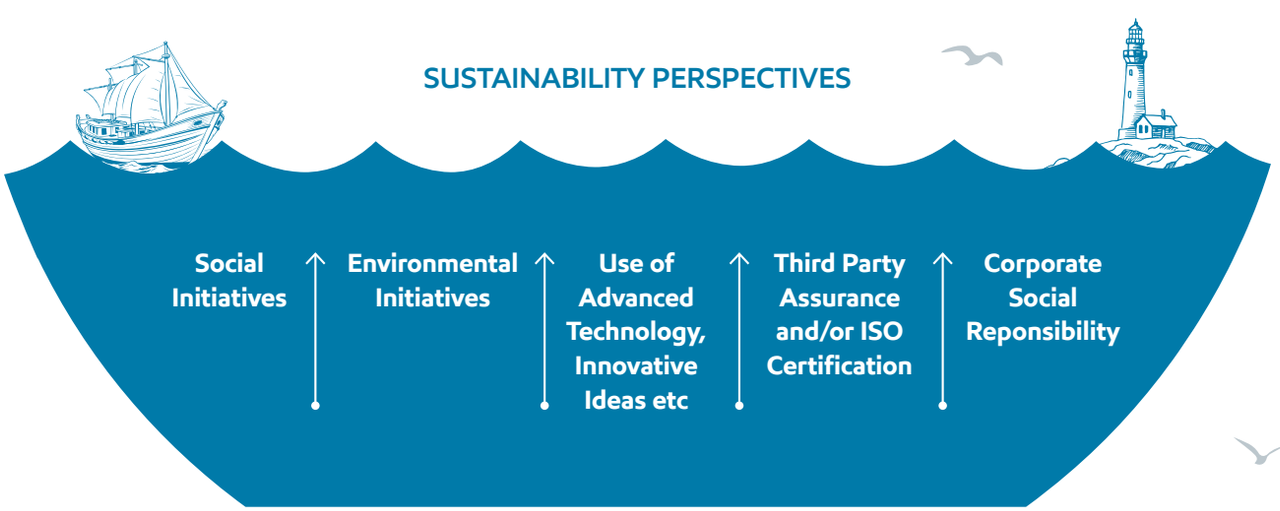
Scope of this Report

Shahjalal Islami Bank PLC. recognizes the importance of environmental stewardship and actively implements long-term initiatives to minimize our environmental footprint.

This report covers all significant economic, social, and environmental impacts resulting from SJIBPLC's activities from January 1, 2023, to December 31, 2023. There is no significant change regarding scope, boundary, measurement methods, or explanation of the effect of any restatement of information compared to the previous report for the year 2022.

Content and Boundary of this Report

The content of this Sustainability Report mainly considers the following aspects:



Banks traditionally emphasize economic considerations, but environmental and social responsibility positions them as true stewards of the Earth.

SUSTAINABILITY ACTIVITIES AT A GLANCE

Social Initiatives

Environmental Initiatives

Use of Technology

Disclosure of Consumption



CSR Donation:
Tk.536.13 million

Number of Agent Banking Outlet:
119

Medical Bill Paid against claim of Group Insurance:
Tk.25.01 million

Number of Total School Banking Account (cumulative):
33,627

Number of No-frill Account other than School Banking Account (cumulative):
7,678

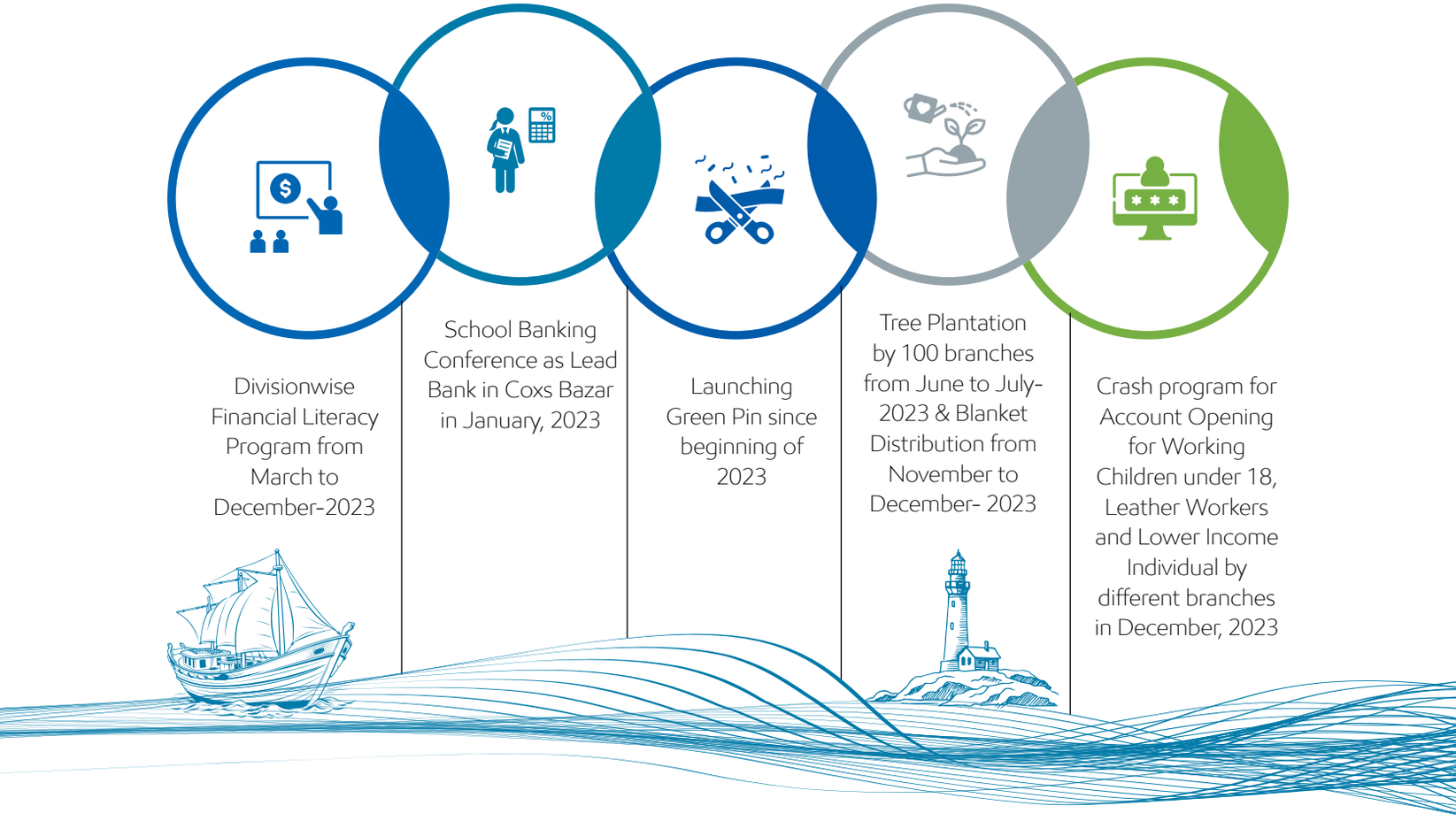
No. of Cash Waqf Account(cumulative):
138


Fuel Consumption:
38,236 gallon
Water Consumption:
98,319,400 liter
Electricity Consumption:
7,107,658 kilowatt
Toner Consumption:
764,745 kg
Computer Paper Consumption:
75,919 kg
Transaction Number through E-Wallet:
119,679
E-Statement Number through Credit Card:
83,794
Number of SJIBPLCs Official Facebook Follower:
50,000
Number of ESDD conducted:
615
Number of Trees Planted:
90,000
Total Outstanding amount of CMSME Finance:
Tk.6,827.41 million
Introduction of Green Pin-Paperless Credit and Debit Card Activation and PIN generation system
Amount incurred for Tree Plantation:
Tk. 2.78 million
Total Outstanding amount of Sustainable Finance (including Green Finance):
Tk.7860.43 million

SOCIAL RESPONSIBILITY INITIATIVES

The world economy has been facing a complex situation owing to the war in Ukraine, energy shortages in Europe, protectionism in the United States, and skyrocketing debt burdens in developing countries. These economic issues caused many other social issues as well. Bangladesh's economy is no exception. LC opening decreased due to the tightening of regulations by Bangladesh Bank. Bangladesh Bank suggested avoiding opening LC for luxury goods as well as other goods, where possible, which resulted in a reduction in LC volume. Amidst all these challenges, Bangladesh did not forget to address its social causes, like financial inclusion, social welfare, and a public-oriented approach.

In this backdrop, SJIBPLC streamlines its efforts to look beyond short-term quantitative gains and concentrates on issues that make the institution socially responsible. We are committed to social and environmental well-being and strive to ensure sustainable, balanced growth in the economic, social, and ecological arenas. SJIBPLC strongly believes that the sustainable growth of an entity is nothing but a counterfeit ideology without being communally responsible in business conduct and contributing to society. That is why SJIBPLC is always committed to being a proud development partner in the communities to which it belongs.



SJIBPLC has faced pandemic and post-pandemic challenges along with its customers with prudence and efficiency. However, just at the time of economic recovery, the Russia-Ukraine war-led inflation as well as the dollar crisis in the local market caused another disaster. SJIBPLC started to face such economic hurdles and, side by side, addressed social issues as a responsible stakeholder in society. We adopted the Triple Bottom Line approach and an inclusive growth strategy to address social issues.

Triple Bottom Line Approach/3P

Shahjalal Islami Bank PLC. has consistently published Sustainability Reports aligned with GRI (Global Reporting Initiatives) standards for the past two years. GRI provides internationally recognized criteria to assess an organization's sustainability across economic, environmental, and social parameters. Additionally, Bangladesh Bank has recognized Shahjalal Islami Bank PLC. as a sustainable bank in its 2022 rating. The bank has also received Corporate Governance reporting awards from ICSB multiple times. These accolades reflect our bank's commitment to integrating sustainability into our development strategy, focusing on people, planet, and profitability.

With the escalating concerns about climate change and its far-reaching impacts, including on our habitat, economy, lifestyle, and future generations, the banking sector is not exempt. As societal expectations evolve, banks are expected to be transparent and articulate how their products and services contribute to value creation for customers, clients, investors, and society at large.

In this backdrop, SJIBPLC adopts the Triple Bottom Line approach that incorporates three dimensions of performance: social, environmental, and economic. This approach goes beyond traditional reporting frameworks by covering ecological and social metrics, which can be challenging to quantify accurately. Some social and socio-cultural issues related to sustainability that Shahjalal Islami Bank PLC. has been addressing for all its stakeholders, including itself, ranging from the workplace to the community, are as follows:

PEOPLE

- Adopt a customer-centric approach to design products tailored for underserved markets;
- Capitalize on No Frill products to expand coverage and rapidly upstream customers;
- Design tailor-made credit products for CMSMEs and low-income households;
- Undertake persistent financial literacy programs for women, youth, children, and underserved segments of the population, especially in urban marginal economic segments and rural remote areas;
- Three E's (Effectiveness, Efficiency and Economy) in every amount expensed
- Business supports at minimum Turnaround Time (TAT) ensuring effective compliance and control

SJIBPLC is a caring bank for employee health and safety. It has an agreement with an insurance company to deliver healthcare benefits to its employees:

Insurance Claim Paid in the Year 2023

Medical

Amount

Tk.25.01 million

Claim Ratio

155.42

Additionally, SJIBPLC has partnered with an organization called Twinklers through a Memorandum of Understanding (MOU). This partnership allows bank staff, particularly female employees, to utilize childcare services during office hours. This initiative demonstrates the bank's commitment to supporting its female workforce and promoting a work-life balance that facilitates their professional success.





Day care Twinklers

PLANET

- Enable offline card technology to deal with connectivity challenges, especially in rural areas;
- Capitalize on new infrastructure and technology to reinforce product development, service channeling, and risk management;
- Better corporate governance as guided by the three Governance Committees of the Board (EC, RMC and Audit Committees). Shahjalal Islami Bank PLC. becomes one of the associates to accomplish this government segment.
- In line with the nation's aspiration to become an upper middle-class income group by 2031, the government has undertaken huge public sector projects to unleash this cherished dream. SJIBPLC has also contributed to this national dream come true in the form of financing several government projects, especially through work orders:

Status of Work Order Finance	Amount in BDT & Million (in the Year 2023)
Funded	14,097.50
Non-Funded	31,419.70
Total	**45,517.20**

Shahjalal Islami Bank PLC. consistently acts as a responsible stakeholder in society. For instance, in 2023, SJIBPLC organized an awareness program on the importance of utilizing legal channels for sending remittances instead of resorting to hundi or other illegal methods. This program targeted existing bank remitters and their relatives, and it was held in Tangail with a speaker from Bangladesh Bank.



Awareness program on sending Remittance through legal channel

PROFIT

To support the profitability of the bank amid rising commodity prices and inflation, cost optimization measures played a pivotal role. These initiatives, together with budgetary control activities, brought down the cost-to-income ratio to a tolerable limit that leads to a comfortable profit and the achievement of targets in all four parameters, i.e., deposit, investment, export, and import.

Parameters	Amount in BDT & Million
Total Deposit	249,585
Total Investment	241,751
Total Export	266,912
Total Import	247,526

The bank establishes annual profit targets for each branch. These targets are reviewed semi-annually to assess progress and ensure alignment with overall

profitability goals. Based on this evaluation, adjustments may be made to individual branch targets. This approach allows the bank to optimize profitability across its network while maintaining a strong focus on regulatory compliance.



Half Yearly Managers Conference 2023 held online



Risk Conference 2023

Financial Inclusion

The strategic vision of the National Financial Inclusion Strategy (NFIS) of Bangladesh recommends "an integrated financial system supportive to rapid and inclusive development of the country's potential sectors, accessible and responsive to the needs of the population such that they can regularly use financial products and services to manage their cash flows and needs of livelihoods, and mitigate shocks as needed at individual, household, and enterprise levels."

To accelerate financial inclusion, SJIBPLC addresses three key issues through its policy formulation and implementation: the expansion of branch networks, agent banking outlet networks, and sub-branches. Additionally, SJIBPLC utilizes digital products, such as the SJIBPLC App for net banking, ATM cards, and 100% online branches, to overcome challenges related to



Difficult to Access Locality

Demand-Induced Impediments

Supply-Led Bottlenecks



Financial inclusion means access for individuals and businesses, including the unserved and underserved, to the full range of financial services facilitated by technology provided at an affordable cost with quality, ease of access, and scope of risk mitigation in a responsible and sustainable manner through a regulated, transparent, efficient, and competitive financial marketplace.

The United Nations is committed to ensuring sustainable and inclusive growth ranging from South America to Africa and again from Africa to Asia. The National Financial Inclusion Strategy (NFIS) of the Bangladesh Government

intends to implement these goals. Bangladesh Bank has a separate unit called the NAU to assist the government in implementing these goals through the financial sector. All scheduled banks have a Financial Inclusion Unit (FIU) to expedite the process of financial inclusion at the grass-roots level and report the progress to NAU from time to time.

United Nations SDG Goals of Sustainable & Inlcusive Growth	National Financial Inclusion Strategy (NFIS) of Bangladesh Government to implement SDG Goals	Separate Unit called NAU of Bangladesh Bank to guide all Financial Institutions into National Financial Inclusion Strategy (NFIS)	Separate Financial Inclusion Unit (FIU) of scheduled banks & FIs to promote NFIS and report the same to NAU of Bangladesh Bank

SJIBPLC follows the Financial Literacy Guidelines of Bangladesh Bank, which were circulated vide FID Circular Number-01 dated: 27th March, 2022. As a bank, SJIBPLC has a multi-pronged strategy to contribute to the financial inclusion of the country, which is in line with NFIS:

- Increase financial deepening
- Strengthening payment system & service delivery system
- Establish robust database
- Promote financial literacy and consumer empowerment
- Broaden and deepen financial inclusion of women and climate vulnerable population
- Upscale digital financial service
- Fortify risk managment of financial inclusion
- Fortify SME, Agriculture & Microfinance

As per the Financial Literacy Guidelines of Bangladesh Bank, financial inclusion is a gradual process to be implemented across Tier-1,2 and 3. The bank focuses on Tier-1 by emphasizing School Banking through campaigns and conferences as the lead bank. For Tier-2, SJIBPLC leverages digital products like SJIBPLC Net, Online Banking, and SME. In Tier-3, the bank expands its reach through the growth of Agent Banking Outlets and Sub-Branches, with a notable increase in their numbers in 2023.

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

SJIBPLC's 03-pronged Approach to Inclusive Growth

Difficult to Access Locality

-SJIBPLC has plan to penetrate hilly areas and riverine zone through its Agent Banking Outlet as well as Sub Branches.

-SJIBPLC has plan to develop robust database of financial inclusion as per NFIS objective

Demand Induced Impediments

-SJIBPLC open accounts of lower income groups as well as minors through No-Frill and School Banking Accounts and refinance there against.

-Utility Bill Payment

Supply led Bottlenecks

-SJIBPLC has made account opening and operating as much easier as possible with lesser documentation both for AC Holders as well as borrowers especially for CMSME borrowers.

-Digital products bridge banks supply chain gap.

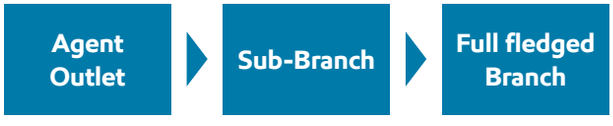
The target groups of SJIBPLC are comprised of cross-cutting communities. Both the financially included and excluded populations of the target groups are covered through tier distribution. The excluded people are basically unserved or underserved segments, who are hereby expected to reap the uncovered potential of the available financial services after financial literacy. Those who are already included in the financial system are expected to keep pace with the evolution of the financial ecosystem.

Difficult to Access Locality (Agent Banking & Sub-Branches to reach all other target groups)

While the major urban centers in Bangladesh hold significance, SJIBPLC acknowledges the substantial potential of serving the larger population residing outside these areas. A considerable portion of the population resides in rural areas, providing a significant opportunity to expand the bank's reach and cater to a broader customer base. Additionally, financial inclusion is a regulatory requirement in Bangladesh, ensuring equitable access to financial services throughout the country. The following is a brief description of SJIBPLC's number of access points:

Number of Branches		Number of Online Branches		Number of Sub-Branches		Number of own ATM	
Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban
63	77	63	77	2	2	59	73
140		140		4		132	

Agent Banking Service has significantly enhanced banking accessibility within the banking sector. The SJIBPLC provides the Agent Banking Service through a secure technology-based and real-time banking service platform for customers. The Agent Banking Network enables customers to conduct transactions in real-time, seamlessly integrated with the Core Banking System. Customers across Bangladesh receive instant SMS notifications and system-generated money receipts for each transaction. Currently, SJIBPLC operates through 119 agent outlets, further bolstering financial inclusion and convenience for customers nationwide.



It's worth noting that agent banking outlets are not established everywhere. Following a feasibility study, if an area shows significant business potential, we opt to open a sub-branch instead of an agent banking outlet. Subsequently, if the business thrives, we may upgrade the sub-branch to a full branch, as exemplified by the conversion of our Bokshirhat sub-branch into a full-fledged branch.

The agent banking model has experienced rapid growth among women. Its structure often proves beneficial in areas where social norms limit women's mobility or interaction with individuals of the opposite sex in public places. To ensure the impact of financial inclusion on women's economic empowerment, livelihoods, and overall well-being, it's crucial to consider and address these social norms.

Male Agent		Female Agent		Both Agent		Total Agents
Rural	Urban	Rurals	Urban	Rural	Urban	
75	33	7	4	82	37	119

In 2023, the total number of deposit accounts opened through the Agent Banking Outlet was also satisfactory. The main reason for opening an account is to receive remittances. Agent banking outlets are emerging as a major channel for the distribution of remittances among the families of migrant workers. And the easier accessibility motivates wage earners to channel money in a more formal way. Therefore, the service impacts the industry positively in terms of money mobilization and the inclusion of money in national economics.

Accounts Opened by Agents		Total
Rural	Urban	
26,719	6,892	33,611

A major objective of NFIS is to create the statistical capacity of regulatory bodies to collect and disseminate comprehensive and quality financial inclusion data disaggregated by sex, age, location, and other aspects to monitor the progress of the implementation of this strategy and introduce adjustments if necessary. At present, SJIBPLC submits a minimum of five different reports to Bangladesh Bank, and the bank's software has been redesigned to deliver more accurate data to the regulatory body on financial inclusion.

Demand Induced Impediments (No Frill Deposit Account & Refinance against, School Banking etc.)

One of the primary goals of NFIS is to achieve 100 percent financial inclusion for all adults by 2025. This has to be measured by a nationally authenticated

evaluation framework that ensures that everyone has at least one regulated financial service account.

Demand-induced impediments refer to situations where people desire to open bank accounts but the area lacks adequate bank branches, sub-branches, or agent banking booths. SJIBPLC addresses this by establishing agent banking booths in areas where it has no branches. Additionally, we open sub-branches based on market demand to further enhance accessibility to financial services.

Types of No-Frill Deposit Account	Number of Accounts		Total
	Rural	Urban	
Mudaraba School Banking Account	16442	17185	33627
Mudaraba Savings Farmer's Deposit Account	1832	1093	2925
Mudaraba Lower Income Individual Account/Extreme Poor Accounts	269	164	433
Mudaraba Street Urchin & Working Children Accounts	26	24	50
Other No Frill Accounts (i.e. Mudaraba Savings Garments Employee Account, Mudaraba Savings Lactating & Working mother Account, Mudaraba Savings Leather Employee Account)	911	3359	4270
Total	**19,480**	**21,825**	**41,305**

Note: As per No-Frill Account reporting format of National Financial Inclusion Administration Unit (also called NAU) of Bangladesh Bank.

NFIS actually targets expanding financial literacy and education, supplemented by a strong and robust consumer empowerment framework, to empower people and entrepreneurs to make rational and well-informed financial decisions. Since SJIBPLC is committed to ensuring mass participation in the formal economy, it has emphasized opening 10 Taka and 100 Taka accounts regardless of any cost-benefit analysis.

Types of No-Frill Deposit Account	Amount (In BDT Million)		Total
	Rural	Urban	
Mudaraba School Banking Account	50.40	131.90	182.30
Mudaraba Savings Farmer's Deposit Account	2.99	0.79	3.789
Mudaraba Lower Income Individual Account/Extreme Poor Accounts	1.04	0.34	1.38
Mudaraba Street Urchin & Working Children Accounts	0.0002	0.0004	0.0006
Other No Frill Accounts (i.e. Mudaraba Savings Garments Employee Account, Mudaraba Savings Lactating & Working mother Account, Mudaraba Savings Leather Employee Account)	1.65	2.51	4.16
Total	**56.08**	**135.54**	**191.62**

Note: As per the No-Frill Account Reporting Format of the National Financial Inclusion Administration Unit (also called NAU) of Bangladesh Bank.

As per the regulatory requirements of Bangladesh Bank, SJIBPLC has been moving towards the goal of 100% bank accounts through its financial literacy campaign in the following recommended manner:



It can be mentioned that SJIBPLC organized five Financial Literacy Programs at the Divisional Level in 2023, namely Dhaka, Chattogram, Khulna, Rajshahi, and Sylhet. In 2024, the bank plans to organize 64 financial literacy programs at district levels. We not only conducted financial literacy programs but also opened accounts in all such divisions.



Financial Literacy Workshop in Dhaka



Financial Literacy Workshop in Moulovi Bazar, Sylhet

In the year 2023, we organized a total of five financial literacy campaigns, excluding the school banking campaign:

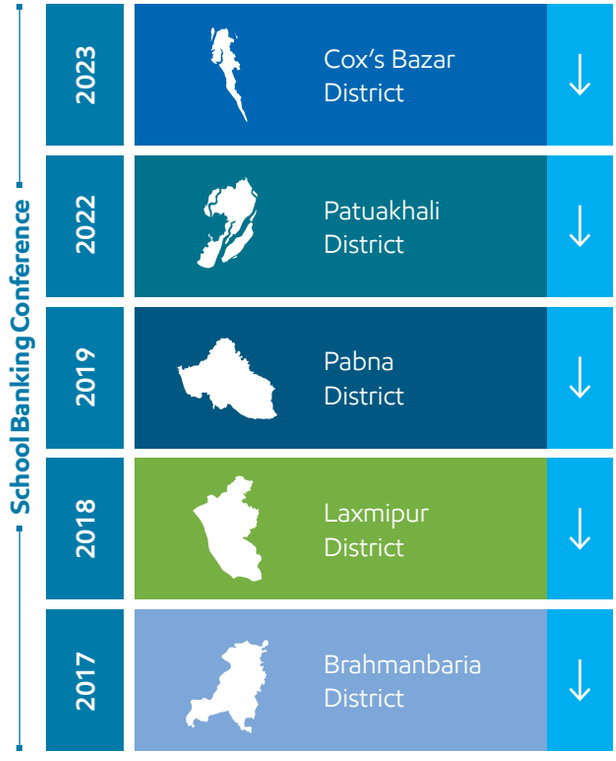
Program	Type	Division	Target Group	Number of Participant
General Financial Literacy program	Workshop	Dhaka	RMG Workers	30
	Workshop	Moulovibazar	Tea Gerden Workers	30
	Workshop	Khulna	Lower Income Individual	25
	Workshop	Rajshahi	Lower Income Individual	25
	Workshop	Chottogram	Lower Income Individual	25
Target Group based Financial Literacy program	Seminar on Remittance	Tangail	Wage Earners & their Family members	40

School banking is also increasingly gaining popularity among students despite ongoing economic hurdles such as rising inflation. In the banking industry of Bangladesh, school banking accounts exceeded Tk. 28,000.00 million, for which credit goes to all scheduled banks. SJIBPLC has also been proactively promoting such accounts.

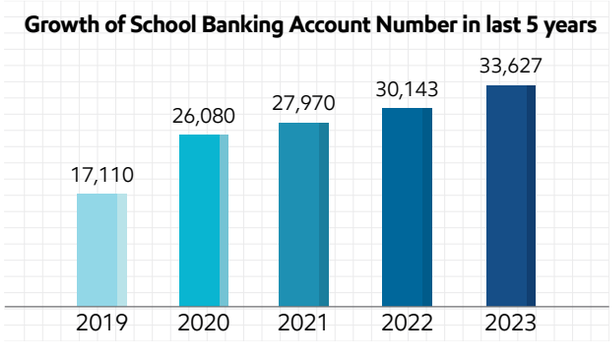


SJIBPLC as lead bank conducted school banking conference in Cox's Bazar

The central bank introduced school banking in 2010 as part of its efforts to expand financial inclusion and enhance financial literacy among students. Since then, SJIBPLC had actively participated in school banking conferences under the lead banking concept and has organized school banking conferences as the lead bank in various districts.



At SJIBPLC, the School Banking Account has been contributing in CASA deposits, thereby enhancing the low-cost deposit base. We have been especially focusing on school banking account opening and account opening for street urchins and working children since these two account categories are only ways for financial penetration by minors, i.e., people under 18 years old.



In addition, SJIBPLC branches have conducted financial literacy campaigns in various educational institutions. A significant number of individuals in rural areas open bank accounts primarily to receive remittances from their relatives. Our efforts aim to raise awareness about the benefits of opening bank accounts for remittance and other purposes, thereby discouraging the use of informal channels and illegal practices like hundi. Notably, school students often convert their accounts into savings accounts upon reaching the age of 18, indicating a successful transition as they continue to utilize formal banking channels. Over the years, SJIBPLC has led the School Banking Conference in Brahmanbaria, Laxmipur, Pabna, Patuakhali, and Cox's Bazar districts in 2017, 2018, 2019, 2022, and 2023 respectively. In 2024, SJIBPLC has been nominated as the lead bank for the School Banking Conference in Chottogram.

Utility Bill Payment

SJIBPLC has agreements with various utility bodies such as TITAS, WASA, DPDC, and DESCO, allowing individuals to pay their bills through SJIBPLC branches. Each year, SJIBPLC branches collect at least Tk. 10,000.00 million worth of bills on behalf of TITAS alone.

Supply led Bottlenecks (SME& Agriculture Investment, Digital Products)

Supply chain bottlenecks refer to the constraints that disrupt the flow of goods or services, resulting in delays and inefficiencies. In hilly parts of Bangladesh, like Chattogram Hill Tracts and Rangamati, banks are not yet well penetrated. In this case, we designed our digital products in such a way that once a bank account is opened anywhere, clients can transact in a mobile app conveniently and can take advantage of call centers for information. Besides, we reached our SME and agriculture clients through Bangladesh Bank refinance in many underserved markets so far.

SME & Agriculture Investment

SME Portfolio	Disbursement in 2023	Outstanding in 2023
	Tk. 84,767.7 Million	BDT 68,274.10 Million

The ultimate goal of NFIS is to ensure the transformation of informal sectors of the economy into formal ones through financial inclusion. For this, the investment side is no less important than the deposit side. Banks are supposed to address cottage industry, SME, and agriculture investments as well as refinance against 100 taka accounts, just like normal account openings. Because only account opening does not mean the end of the responsibility of banks.

Shahjalal Islami Bank PLC. disburses agriculture investment on crops, fisheries, and live stocks mainly through NGO linkage since NGOs have direct access to the farmers because they have multiple distribution channels. It served banks dual purpose of disbursement of finance both to NGO and agriculture sectors.

Agriculture Portfolio	Achievement in 2022-23
	Tk.4,428.00 Million

On the other hand, SJIBPLC strongly believes that the SME sector is one of the main driving forces of economic growth, having huge potential for socio-economic development. In order to facilitate the SMEs in our country, the bank has been financing the SME sector since its inception.



Refinance Agreement with Bangladesh Bank

Digital Products

The long-term objective of NFIS is to create digital financial infrastructure, including DFS, Fintech, Regtech, etc., and an effective interface using technology between financial products and services, as well as delivery channels used by different providers such as banks, nonbank financial institutions, insurance companies, post offices, MFIs, and other institutions.

In this backdrop, SJIBPLC has introduced different digital products that include SJIBL Net, e-KYC, e-Account, Call Center, Automated Challan, etc. Among SJIBPLC's digital products, the oldest are ATM cards. In 2023, the number of transactions through SJIBPLC ATM Cards punched through SJIBPLC ATM Booths were 1,106,319, compared to 1,041,016 in 2022. Among the newer digital products is SJIBPLC's E-Wallet. Transactions through e-wallets were 1,19,679, which was 89,283 in 2022, a 34% growth in one year.

Alignment of SJIBPLC's operations with the Sustainable Development Goals (SDGs) of UNO

We are firm in our commitment to embed environmental, social, and governance (ESG) criteria in order to ensure the SDG goals of the United Nations. We focus on creating a solid structure that reinforces and develops policies, guidelines, and strategies to monitor, manage, and address the potential risks and opportunities within our daily operations. Besides, we deliver and generate local economic development and the betterment of the livelihood of our community in line with the SDGs. Our goal is to ensure and sustain financial and operational performance to uphold shareholder and customer value, which is also a major goal of the SDG. In this backdrop, some of our activities in the year 2023 are as follows:

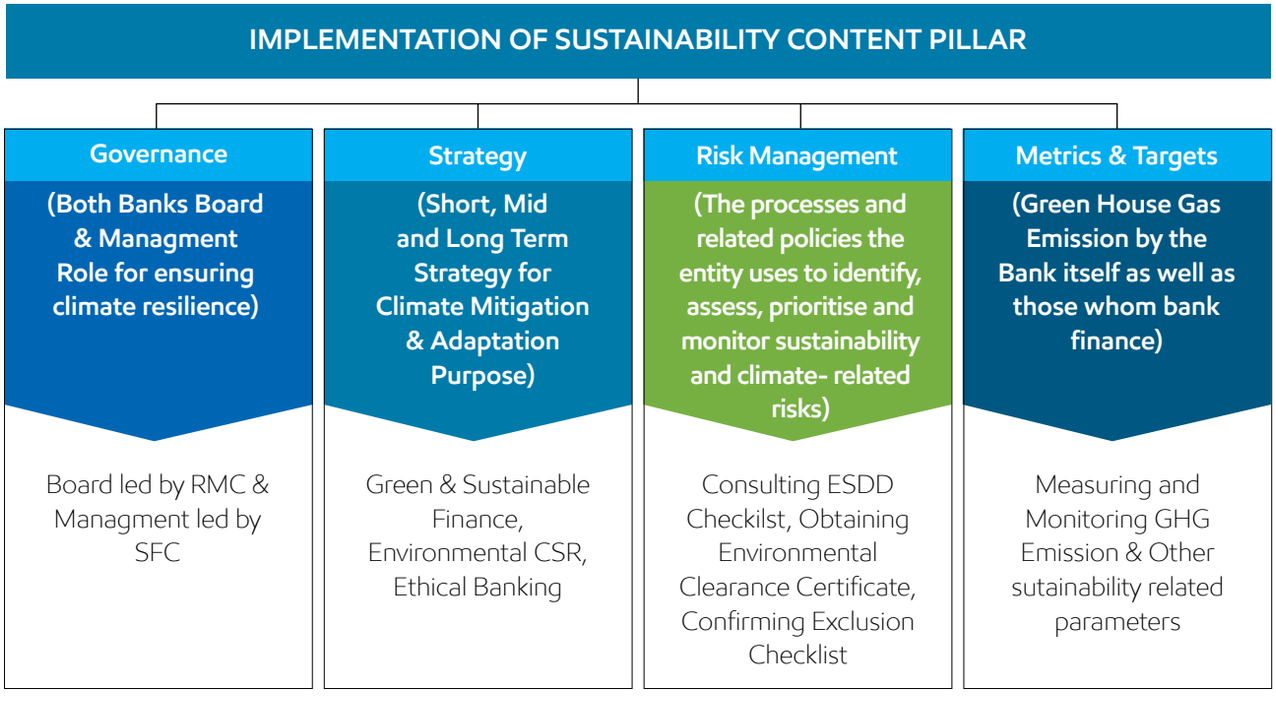
SDG Indicator	Target	Achievement in the Year 2023
	Promoting CSR, Waqf etc. targeting Local Communities	**Goal 1** • CSR Tk.536.13 million was donated. • SJIBPLC has so far opened 138 Cash Waqf Account
	Promoting Agriculture targeting Local Communities	**Goal 2** • SJIBPLC Agriculture Investment Achieved Tk.4,428 million against target of Tk.4,210 million.
	Ensure Good Health of all staffs	**Goal 3** • Tk.25.01 million medical claim was settled against Group Health Insurance claim of staffs of the Bank.
	Focus upon In-House Skill Development of staffs	**Goal 4** • Number of Trainings & workshops arranged for Staff capacity building were 101 and 11,353 number of participants joined the sessions.
	Incentivize Female Entrepreneurship	**Goal 5** • Tk.204.42 million was disbursed to Female Entrepreneurs.

SDG Indicator	Target	Achievement in the Year 2023
6 CLEAN WATER AND SANITATION	Both for employees and customers	**Goal 6** • Tk.1.43 million was spent on buying mineral water for the branches and Corporate Head Office altogether.
7 AFFORDABLE AND CLEAN ENERGY	Pursuing Green Office Guide	**Goal 7** • SJIBPLC has 19 partially solar powered ATMs and LED bulb setup in all 140 branches and 04 Sub-Branches.
8 DECENT WORK AND ECONOMIC GROWTH	Contribution to national Growth	**Goal 8** • SJIBPLC contributed Tk.9857.50 million to National Ex-checker
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Focus on RMG and other industrial sectors	**Goal 9** • RMG & Textile is our largest investment portfolio which stood to Tk.66,011.70 million.
10 REDUCED INEQUALITIES	Reduce Inequality through financial penetration	**Goal 10** • Speed up Financial Inclusion through the establishment of 119 Agent Banking Outlets
11 SUSTAINABLE CITIES AND COMMUNITIES	Target is to capture major business segment.	**Goal 11** • Maximum Branches and ATMS are located in Urban areas
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Objective is to promote resource and energy efficiency	**Goal 12** • Tk.124.37 million was saved through paperless banking to ensure responsible consumption.
13 CLIMATE ACTION	Ensure climate resilience	**Goal 13** • Tree Plantation Program was organized by 100 Branches.

SDG Indicator	Target	Achievement in the Year 2023
14 LIFE BELOW WATER	Promotion of Agriculture Sector	**Goal 14** • SJIBPLC has several Fishery projects financed both under corporate and SME schemes.
15 LIFE ON LAND	Promotion of Green Finance and Green Businesses	**Goal 15** • Disbursement in Green Finance was Tk.1,990.15 million.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Ensure Good Governance	**Goal 16** • 33 number of AML/CFT Awareness Programs were held. • Number of officials attended: 280.
17 PARTNERSHIPS FOR THE GOALS	Building a strong business network	**Goal 17** • Agreement with TITAS, WASA, DPDC, DESCO and REB for serving clients need on utility bill.

Sustainability Content Pillars

The Sustainable Finance Department of Bangladesh Bank issued the circular dated December 26, 2023, which requires a bank or finance company to disclose governance, strategy, risk management, as well as metrics and targets. We are committed to embedding environmental, social, and governance (ESG) criteria into all our activities:



While banks primarily focus on economic aspects, environmental and social responsibility play a crucial role in their stewardship of the planet. In this report, our primary focus is on CSR, environmental initiatives, and social obligations, which are discussed in various sections of this Annual Report alongside our Sustainability Report.

Content Pillar	Description	Our Status
Governance	The governance processes, controls and procedures the bank or finance company uses to monitor and manage sustainability-related risks and opportunities.	Side by side with Sustainability Report part of this Annual Report, we detailed our Governance in Corporate Governance part with details.
Strategy	The approach for addressing sustainability-related risks and opportunities that could affect the bank or finance company's business model and strategy over the short, medium and long term.	We detailed our Strategy in Sustainability Report and Integrated Report part of this Annual Report.
Risk Management	The processes, the bank or finance company uses to identify assess, priorities and monitor sustainability-related risks.	Apart from Sustainability Report, we have also a separate chapter of Risk Management in this Annual Report which covers sustainability-related risks.
Metrics and Targets	Metrics and Targets disclose a bank or a finance company's performance in relation to its sustainability-related risks and opportunities, including progress towards any targets the entity has set, and any targets it is required to meet by law or regulation.	Different performance related target including sustainability performance has been mentioned in the Sustainability Report part and other parts of this Annual Report.

ENVIRONMENT RELATED INITIATIVES

Since the 1800s, human activities have been the primary driver of global climate change, largely due to the burning of fossil fuels such as coal, oil, and gas, which increases heat-trapping greenhouse gas levels in the earth's atmosphere. These emissions act like a blanket around the earth, trapping the sun's heat and raising temperatures. Despite being among the lowest emitters, Bangladesh faces severe climate vulnerabilities, making it one of the worst victims of climate change. In response, the Government of the People's Republic of Bangladesh has engaged all stakeholders, including banks, to contribute to the green economy. Shahjalal Islami Bank PLC. is one such stakeholder that contributes to green finance and environmental CSR initiatives to address this challenge.



Refinance Agreement under GTF with Bangladesh Bank

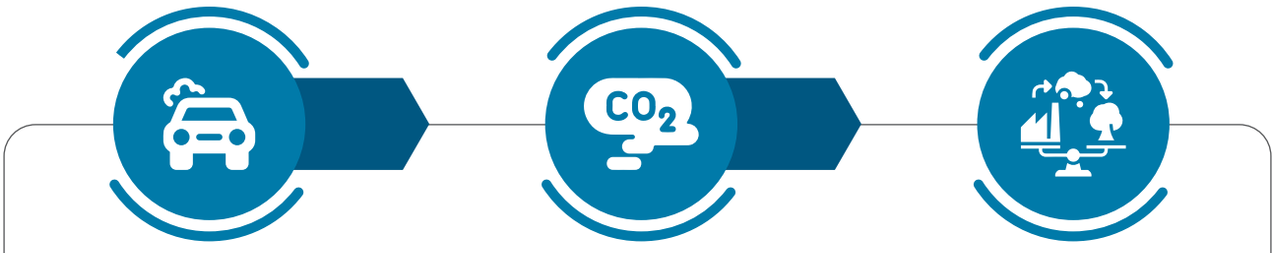
Our Green Office Approach

As part of our Green Office Approach to minimize our carbon footprint, we print fewer copies of our Annual Report, Sustainability Report, and other documents, encouraging stakeholders to read electronic versions instead. To us, wasting one piece of paper means wasting one tree. Our HRMS software facilitates leave applications, which were previously done manually on paper. We provide semi-annual ACRs for over 2000 employees digitally, significantly reducing paper consumption. Additionally, we have introduced and popularized e-statements, e-filing, and email communications to make our organization truly green.

We typically employ two approaches to ensure a low-carbon economy:



SJIBPLC's GHG emissions mainly stem from three sources:



GHG Direct Emissions:

These are emissions that occur directly from sources owned or controlled by us. To mitigate these emissions, we focus on reducing fuel consumption by our own equipment and vehicles used in operations.

GHG Indirect Emissions:

These emissions arise from the generation of purchased electricity consumed by us. While we purchase electricity from the grid, we also operate 19 solar ATMs to reduce our reliance on grid electricity.

Other GHG Indirect Emissions:

These emissions result from the activities of the company but occur from sources not owned or controlled by us. Business travel for branch inspections or client visits falls under this category. We promote digital meetings to minimize such emissions where feasible.

The utilization of SJIBPLC Debit and Credit Cards among staff encourages cashless transactions, contributing to our green initiatives. Additionally, staff adoption of SJIBL-Net reduces manual transactions within the bank. Through staff engagement and workshops, particularly via Zoom, which has become a regular practice since the pandemic, we further promote environmentally friendly practices, contributing to our journey toward becoming a green office.



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

Lending to natural energy providers, Lending for natural resource conservation projects

- Investment in energy efficient capital machinery (Like ETP Finance)
- Financing in waste reduction projects.



Conserving Natural Resources Internally

Conserving energy and material usage (paper)

- Total consumption saved minimum through digitalization and pursuing paperless banking concept.

Green & Sustainable Finance Status in 2023

In the last quarter of 2023, Bangladesh Bank introduced a revised Sustainable Finance reporting format, emphasizing the consultation of the Environmental, Social, and Developmental Dimensions (ESDD) checklist. Consequently, the environmental risk rating has become less significant compared to the bank's green finance initiatives. In 2023, SJIBPLC consulted the ESDD checklist for 615 investment proposals, aligning with this updated reporting framework.

Quarter	Number of ESDD Conducted
Q-1	264
Q-2	269
Q-3	60
Q-4	22
Total	**615**

Besides, the new reporting format has included the healthcare sector, projects that promote gender equality, as well as marine fisheries, transport, etc. This expanded scope provides SJIBPLC with increased opportunities to enhance its green and sustainable finance initiatives in the future.



Solar irrigation pump financed by Tower Branch

SJIBPLC does not finance into the following sectors to comply with the Green Finance Exclusion Checklist of the ESRM Guidelines of Bangladesh Bank:

- Ships with asbestos or ships not certified as "Gas Free"
- Operations impacting UNESCO World Heritage and Ramsar site
- Trade in weapons, munitions, tobacco
- Gambling, Pornography
- Brick production through fixed chimney kiln
- Deep net fishing, deep sea boat trawling, fishing with explosives
- Hydraulic horn
- Polythene
- Two stroke engines
- Illegal logging
- Activities threatening indigenous people, etc.

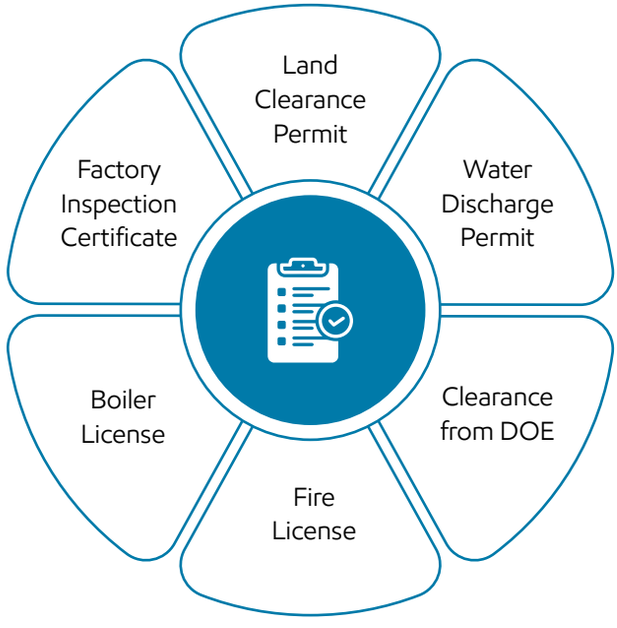
Besides, we promote sustainable finance by discouraging the following businesses in order to comply with the Sustainable Finance Exclusion Checklist:

- Use of thermal coal
- High toxic projects
- High chemical pesticide/fertilizer
- Use of fossil fuels
- Projects that are a threat public health, gender equality, etc.
- Projects that do not support recycling

SJIBPLC has also been compliant with industry-specific Environmental and Social Due Diligence (ESDD) for the following 10 sectors:

1) Cement, 2) Ceramic, 3) Fertilizer, 4) Leather & Tanning, 5) Pharmaceutical, 6) Power 7) Pulp & Paper, 8) Shipbreaking, 9) Steel re-rolling, 10) Textile

In order to ensure compliance with the investment, we usually check the following documents:



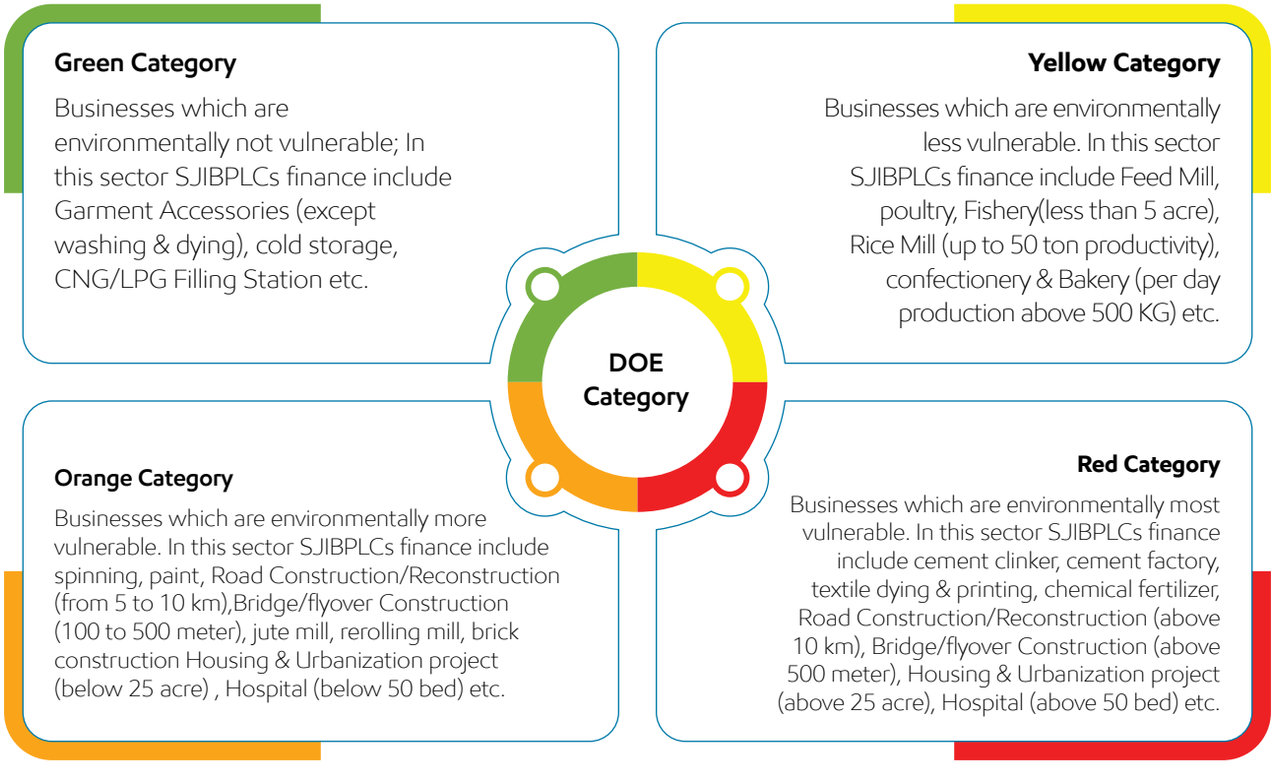
Generic environmental risks that we consider when financing projects include emissions, ventilation, noise pollution, wastewater discharge, land contamination, solid waste management, disposal of leftover raw materials, and volatile organic compounds. Similarly,

generic social risks that we consider when conducting financing involve workplace safety, occupational health, provision of firefighting equipment, emergency exit arrangements in factories and offices, activation of evacuation alarms, establishment of daycare centers for employees' children, adherence to minimum wage and working hour regulations, prevention of child labor, implementation of grievance mechanisms, and promotion of community health.

Our Green & Sustainable Finance Business

In the last quarter of the year, Bangladesh Bank has changed the Sustainable Finance Categorization.

It can be mentioned that the Department of Environment (DOE) has modified its environmental categorization, which was already gazetted. As per the new criteria, a new category called Yellow has been added.

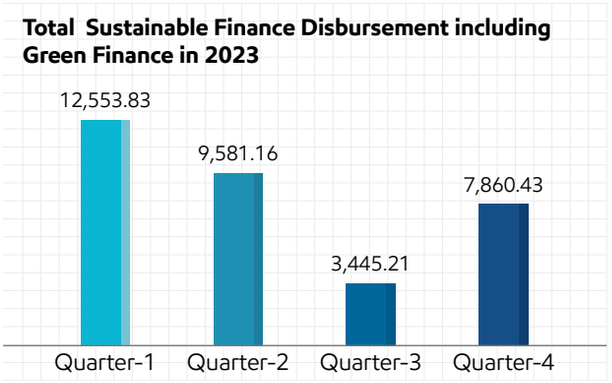


Sustainable Finance Disbursement position in the year 2023:

(Amount in BDT & Million)

Category	March Quarter	June Quarter	September Quarter	December Quarter	Total
Green Finance	238.02	1,117.00	369.78	265.35	1,990.15
Sustainable Finance	12,553.83	9,581.16	3,445.21	7,860.43	33,440.63
Percentage of Green Finance Achievement	8.37%	21.67%	7.90%	5.09%	
Percentage of Sustainable Finance Achievement	20.20%	14.69%	6.03%	8.7%	

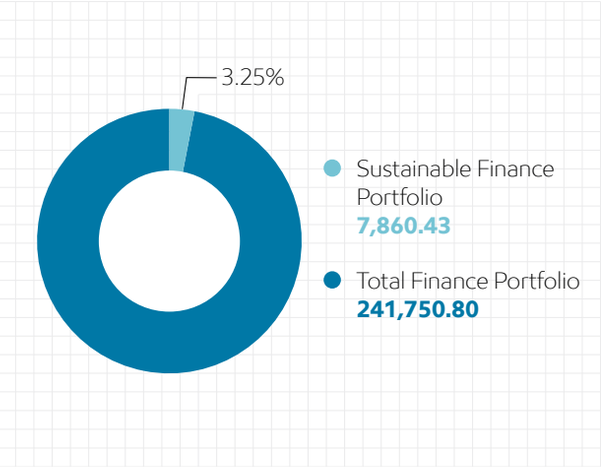
Note: The March and June quarters of 2023 were audited and confirmed by Bangladesh Bank.



Both green finance and sustainable finance at SJIBPLC witnessed significant growth in 2023 compared to 2022. Not only did disbursements increase, but cumulative outstanding also saw a satisfactory rise. This can be attributed to a greater emphasis on eco-friendly finance and the bank's efforts to avoid environmentally harmful financing. The success can also be credited to the sincere efforts of SJIBPLC's Sustainable Finance Unit to distinguish sustainable finance from conventional finance.

Sustainable Finance as 3.25% of Total Finance Portfolio in 2023

Sustainable Finance Portfolio	Total Finance Portfolio	Percentage
7,860.43	241,750.80	3.25%



Green & Sustainable Finance Achievement (in BDT Million)

Particulars	Disbursement			Green Finance Outstanding as on 31.12.2023
	2021	2022	2023	
Total Term Investment Disbursed	11,495.68	16,939.22	17,554.86	265.35
Total Green Finance Disbursed	502.59	4,861.93	1,990.15	
Green Finance Achievement against 5 % Target	4.37%	28.70%	11.34%	
Total Investment Disbursed	223,140.44	271,000.96	252,363.12	**Sustainable Finance Outstanding as on 31.12.2023**
Total Sustainable Finance Disbursed including Green Finance	16,910.77	88,103.85	33,440.63	7,860.43
Sustainable Finance Achievement including Green Finance against 20% Target	7.58%	32.51%	13.25%	

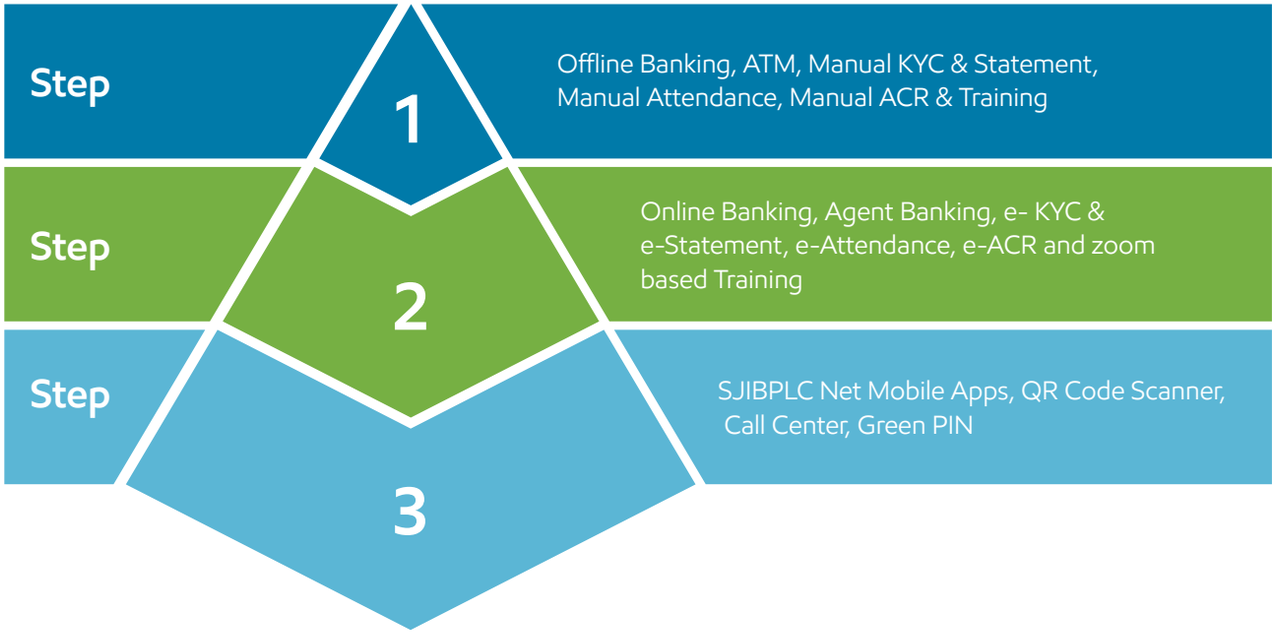
ADVANCED TECHNOLOGY, INNOVATIVE IDEAS AND OTHER ISSUES

Digitalization

At SJIBPLC, digital product adoption is steadily increasing. For instance, in 2023, EFTN outward transactions grew by 33.99% compared to 2022, reaching 1,944,734 transactions in 2023 compared to 1,451,383 in 2022. Similarly, EFTN inward transactions grew by 16.75% in 2023, totaling 1,076,211 transactions compared to 921,771 in 2022. SJIBPLC prioritizes compliance with regulatory guidelines over aggressive marketing strategies.

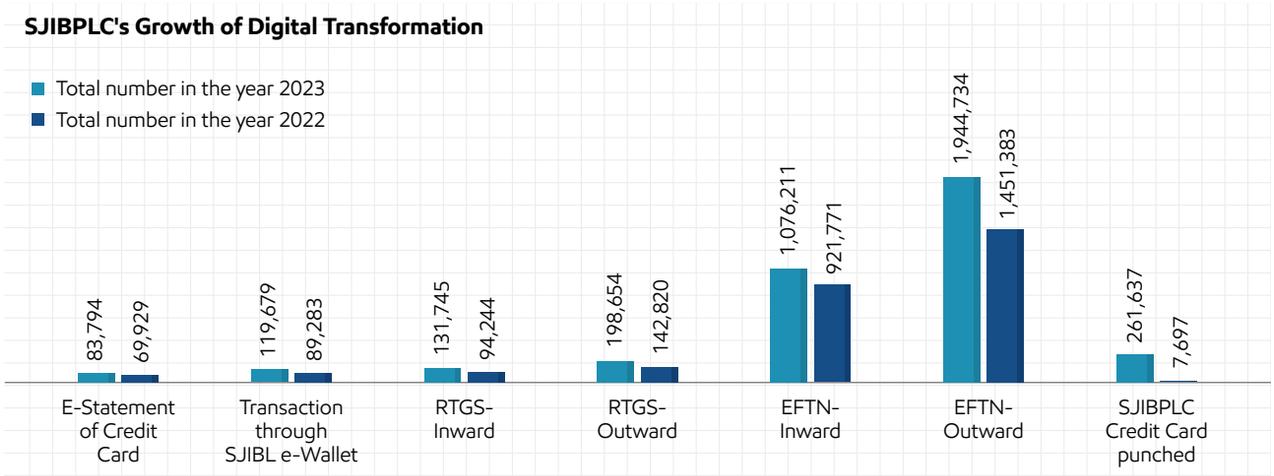
The bank encourages customers to utilize its ATM and Credit Cards for cashless transactions. In 2023, SJIBPLC issued 58,674 ATM Cards and 3,224 Credit Cards. Additionally, the bank's investment in Credit Cards amounted to BDT 545 million as of December 31, 2023.

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



Our commitment to digitalization is integral to our aspiration to lead the banking industry. We strive to offer our corporate and financial institution customers a unique banking experience with digital transformation at its core. We believe that we have made a good start on this journey and will reap the benefits in the market. Following this strategy, SJIBPLC has implemented ISMS (Information Security and Management System) and received ISO/IEC 27001:2013 certification.

In 2023, we continued to improve our enhanced online digital banking platform to cope with the increased pressure to shift processes online and remotely. It is noteworthy that SJIBPLC has 58,023 visitors who have visited the official Facebook page of SJIBPLC.



Innovative Ideas

SJIBPLC has a Research Department that is responsible for market research and bringing in new ideas, products, and services. Our innovation is leading us to a paradigm shift from conventional products into digital products and from manual activities into MIS. Our PR and Branding Department is mainly responsible for focusing our innovations once they are ready for market. Some of our innovations in 2023 are as follows:

To deal with the industry wide US Dollar crisis, SJIBPLC has enhanced features of its existing, in-house developed, "Remittance Management System". Using these new features, the Bank is able to distribute incoming remittances, automatically and centrally to any account of any bank in the country based on the data received from remittance houses.

SJIBPLC has enhanced its Management Information System and introduced different New MIS Modules like modules for Bank Guarantee Information, Investment Account Information, Classification Status, IBTA Reconciliation Information, Non-Banking Asset Information, Torn and Soiled Notes Information etc.

The Bank has introduced the Bangla-QR Service through its existing Mobile Application SJIBL NET.

The bank has introduced Risk Register System to identify different risks both by branches and by Divisions of the Corporate Head Office, which has also been a regulatory requirement for a long time. Previously, it was maintained manually.

SJIBPLC introduced an e-Register of Non-Issue Notes (Mutilated, Torn, Soiled & Claimed) for all the Branches of SJIBPLC.

SJIBPLC introduced NFC (Near Field Communication) technology that enables contactless payments. The contactless Debit, Credit & Prepaid card ensures customers' seamless and hassle-free payment transactions with purchases up to Tk.5,000 at participating stores.

INFORMATION ON CONSUMPTION AND ITS MANAGEMENT

Controlling Emission

We monitor energy consumption throughout the year, including electricity, fuel used for generator and office car, use of toner and computer paper consumption which are mainly major parameters to calculate Green House Gas (GHG) emission in the Bank. Energy conservation and transitioning to clean energy is a key pillar of SJIBPLC's efforts to reduce its environmental footprint. It is not only integral to the Bank's commitment to becoming carbon neutral by 2030, but is also helping reduce dependency on fossil fuels, driving business resilience and cost efficiency. The computation of energy consumption and emission are outlined below:

Items	Consumption in 2023	CO_2 Emission in Metric Ton
Electricity	7,107,657.61 kilowatt	5,037
Fuel for Generator	19,372.35 gallon	172.0
Fuel for Car (Office)	18,863.92 gallon	168.0
Computer Paper	75,919.46 kg	76
AC Opening Form, KYC Form and Envelop	71,337.77 kg	71
Printer Ribbon/ Toner	764,745.84 kg	0.765
Total sCO_2 Emission		**5524.97 Metric Ton**

Water Consumption

Understanding the importance of preserving water as a shared resource, the Bank has always encouraged responsible consumption across its facilities. Rainwater harvesting system have been set up at SJIBPLC's facilities to maximize water efficiency.

Particulars	Amount In BDT	In Liter	Per Employee Water Consumption
Mineral Water	1,433,874.00	34,139,857.14	35,198 liter
Other than Mineral Water/WASA Bill	2,695,540.80	64,179,542.86	
Total Water Consumption		**98,319,400.00**	

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

Disposal of Waste

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

Particular	Year 2023	Year 2022
Total Banks solid waste generated on average	5,95,714 kg	4,87,637 kg

Reduction of Paper Consumption

SJIBPLC has been reducing paper consumption significantly. In the year 2023, minimum Tk. 124.37 million equivalent paper consumption was saved.

Particulars	Total number	Consumption Saved in BDT & Million
SJIBPLC ATM Card punched through SJIBPLC ATM Booth	1,106,319	4.98
SJIBPLC Credit Card punched	2,61,637	1.18
EFTN-Outward	19,44,734	8.75
EFTN-Inward	10,76,211	4.84
RTGS-Outward	198,654	0.89
RTGS-Inward	131,745	0.59
On the basis of cost of per page of MICR cheque book Tk.4.50		
Email Delivered	128,694,300	102.96
Transaction through SJIBL e-Wallet	1,19,679	0.0957432
E-Statement of Credit Card	83,794	3.42
Leave Application through HRMS	16,559.00	0.01
On the basis of cost of per page of computer paper Tk.0.80		
Total Consumption Saved in 2023		**124.37**

It's worth noting that SJIBPLC delivered approximately 12.87 crore emails from its email platform, compared to 12.46 crore in 2022. This signifies a shift away from traditional hard copy communication, aligning with our commitment to promote paperless banking. Moving forward, transitioning regulatory communications, such as with Bangladesh Bank, to email instead of hard copies could accelerate the adoption of paperless banking even further.

Other Non Renewable Consumption

As a shariah-compliant bank, SJIBPLC always motivates the consumption of some non-renewable items, which are as follows:

Non-Renewable Items Consumption	Year -2023	Year -2022
Calendar printed in PCs (Both wall & Desk)	1,65,500	78,000
Number of Account Opening Form printed	2,73,600	2,73,700
Number of Cheque Book issued	1,90,618	1,63,000
Number of Deposit Book issued	3,37,400	3,34,568

SJIBPLC's consumption of cheque books, deposit books, etc. is increasing due to the expanding customer base and their demands. This growth in demand is not wasteful or excessive but rather a natural consequence of the increasing number of transactions, including deposits, investments, exports, and imports. As these activities grow, the usage of paper-based items such as cheque books and account opening forms naturally increases. Additionally, other non-renewable items consumed, as recorded in the bank's general ledger, include:

Non-Renewable Items Consumption	Year -2023 (In Number)
Signature Card	151,220
Denomination Slip	12,845
Bai-Muajjal Agreement	25,210
Window Envelope	193,850
Document Jacket Cover	7,325
MTDR Jacket Cover	30,100
KYC-Individual Account	113,586
KYC-Institutional Account	20,700
KYC-MTDR Account	31,850
Offset Envelope	166,550
Craft Envelope 12X16	27,600
White Envelope 10x12	215,850
Tissue Box	5,255
TP & SBS Reporting Form	92,845
Additional Personal Information Form	17,945
Office File Cover	141,564
Foreign Account Tax Compliance Act Form	79,780

DISCLOSURE ON ISO CERTIFICATION

Shahjalal Islami Bank (SJIBPLC) prioritizes information security and has achieved the prestigious ISO 27001:2013 certification from a reputable "Big Four" certification body, Intertek, accredited by UKAS. The bank has fulfilled all the requirements of the ISO standards. ISO/IEC 27001:2013 specifies the requirements for establishing, implementing, maintaining, and continually improving an information security management system within the context of the bank. ISMS implementation is a never-ending process, and ISMS maintenance is ingrained in our culture and daily routine to derive the maximum benefit from its establishment. The primary goal of ISO 27001 is to protect the following three aspects of information, which SJIBPLC maintains with dedication:



Confidentiality

Only the authorized persons have the right to access information.

Integrity

Only the authorized persons can change the information.

Availability

The information must be accessible to authorized persons whenever it is needed.

To enhance information system security and minimize risk, this certification also ensures compliance with statutory requirements, regulatory standards, and related legislation, such as the Guideline on ICT Security for Banks by Bangladesh Bank, ISO, and other relevant standards.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR)

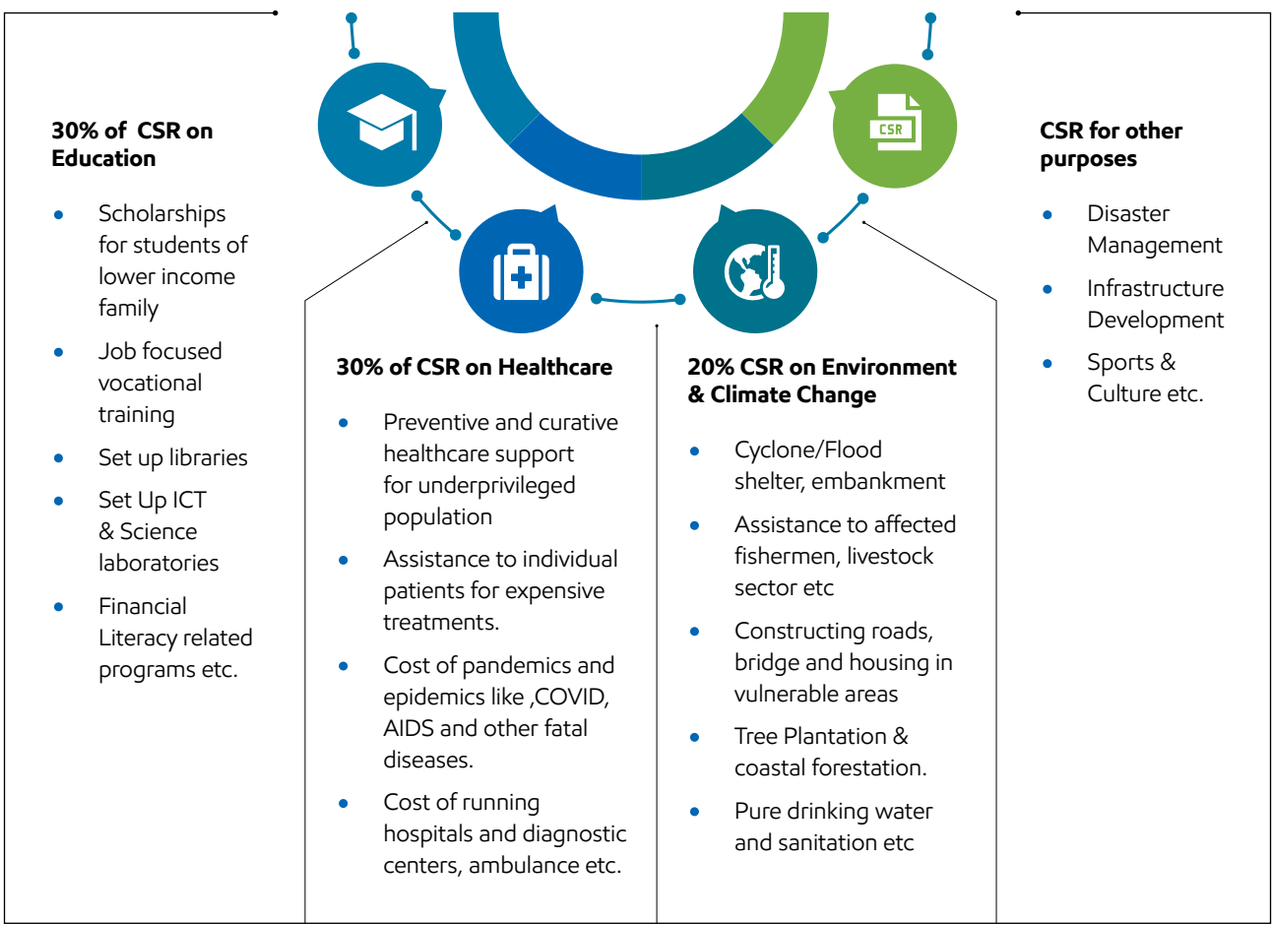
CSR is both a short- and long-term, time-bound strategy to achieve a balance of economic, environmental, and social imperatives. CSR is now being considered an acceptable tool all over the world to promote equitable and sustainable development, maintain consistent higher growth of the economy, decrease the inequality of society, and ensure ESG from broader perspectives. In 2008, Bangladesh Bank initiated the mainstreaming of CSR activities in the financial sector. As such, banks started to donate to education and other sectors for socio-economic development. The pandemic of 2020 confirmed to the world that CSR is not only philanthropic but also a challenge for the sustainable growth of society.

In 2020, the pandemic started worldwide, and it was high time for global corporations to invest socially, especially in the healthcare sector. Now, Bangladesh Bank inspired banks to invest in healthcare sectors side by side with other sectors, which SJIBPLC also pursued.

Guiding principles of CSR of Shahjalal Islami Bank PLC.

Policies and circulars from Bangladesh Bank, as well as Shariah practices, serve as the primary drivers for the CSR initiatives of Shahjalal Islami Bank PLC. Bangladesh Bank outlines the regulatory aspects of CSR, while Shariah standards are set by various Islamic banking organizations and forums, such as the Islamic Development Bank (IDB) and the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). SJIBPLC's CSR policy is guided by this dual approach.

SJIBPLC is committed to its Corporate Social Responsibility (CSR) endeavors, placing significant importance on these activities. We have undertaken a wide range of initiatives, particularly in the areas of education, poverty alleviation, healthcare, and environmental sustainability, with the aim of benefiting both present and future generations.



Objectives and Parameters of SJIBPLC Foundation & Sustainable Finance Unit (SFU)

The CSR regulations establish a broad framework and provide guidance for achieving a more sustainable future and better implementation of the Sustainable Development Goals (SDGs). The objective of the SJIBPLC Foundation is to benefit all stakeholders in a manner that aligns with certain SDG Goals, specifically Goals 1 through 4 and 13, which include No Poverty, Zero Hunger, Good Health & Well-being, Quality Education, and Climate Action.



Scholarship Awarding Program 2023

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

- Promotion of Public Health
- Contribution to National Disaster Management
- Education scholarships for the poor but meritorious
- Patronization of Sports and Culture
- Environmental CSR to promote climate resilience

To comply with Bangladesh Bank's special instructions for CSR, the parameters of the bank are as follows:

- Maintain a due diligence checklist before the disbursement of CSR.
- CSR targets covering entire Bangladesh instead of specific regions.
- Timely intervention during a national crisis.
- All financial transactions must be maintained through a proper banking channel.
- Check and avert duplication to distribute CSR.

Management and Operational Guidelines

We have a well-defined structure to review and monitor our CSR initiatives. The Sustainable Finance Unit (SFU) of the Bank, as well as the Foundation, review 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 in defining the target group but also in monitoring and evaluating programs in a structured way.

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

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:



Financial Assistance to a Kidney Dialysis patient

SJIBPLC's CSR scenario in the last two consecutive years (amount in million):

Sectors	Minimum Threshold	2022	2023
Education	30%	50.72	165.30
Healthcare	30%	30.27	147.30
Environment & Disaster Management	20%	15.19	47.20
Blanket Distribution	20%	98.81	176.33
Others Including PMs Relief Fund		130.43	
Total	**100%**	**325.42**	**536.13**

The last published CSR policy of Bangladesh Bank recommends all shariah-compliant banks spend CSR simultaneously from

- Net Profit After Tax (NPAT)
- Compensation

As such, Shariah-compliant banks must ensure CSR funding primarily from Net Profit After Tax (NPAT) and secondarily from compensation realized account, doubtful account, zakat fund, and any other income that does not include director's income. SJIBPLC has already commenced compliance with this requirement, with notification to the regulatory body. It's noteworthy that SJIBPLC has allocated a portion of its profit to the implementation of CSR programs aimed at assisting the needy in our community, regardless of background, since 2021.

Education

General education, vocational education, and financial literacy all fall under the purview of educational CSR. SJIBPLC supports students at both individual and institutional levels. This support takes various forms, including providing stipends to students, purchasing laptops for students, and acquiring projectors and other necessary items for educational institutions.



SJIBPLC's donation cheque is handed over to the Prime Minister's Education Assistance Trust.

SJIBPLC donates to the Prime Minister's Education Assistance Fund as per regulatory requirements every year, and this year was no exception.

Health and Community Well-Being

The pandemic of 2020 exposed the weaknesses in our healthcare sector, particularly in handling a large number of patients simultaneously, including challenges related to bedding, oxygen services, ambulances, and life support. Since then, all banks have prioritized healthcare donations from their CSR funds. SJIBPLC is no exception to this trend. We donate ambulances each year to different hospitals and clinics to ensure public health safety.



Relief Distribution to destitute people in Narsinghdi

Climate Change Management

At present, SJIBPLC's climate change-related CSR initiatives are limited to tree plantation and blanket distribution. However, we have plans to disburse green investments at concessional profit rates, following the CSR policy of Bangladesh Bank, after obtaining Board approval.

Sl. No	Particulars	2022	2023
1.	Amount Spent for Tree Plantation	Tk. 2.60 million	Tk. 2.78 million
2.	Number of Trees planted & distributed	85,000	90,000

Socially Responsible Financing under CSR

According to the sustainable finance policy of Bangladesh Bank, socially responsible financing encompasses initiatives that address environmental, economic, and social issues. Community investments such as water purification, sanitation, and clean transport projects fall under socially responsible financing and may be eligible for concessional profit rates, which are lower than the average cost of fund rate. The profit sacrificed in such financing can be reported under CSR. SJIBPLC has plans to provide finance to the following sectors at concessional profit rates since 2024 to ensure regulatory compliance.

- Community Investment for addressing Climate Resilience and Disaster Management (finance to clean air, clean water, minimizing industrial and municipal waste, recovery and protection of water bodies, marshy lands, expansion of the green coastal belt, water purification, sustainable sanitation, water blockage mitigation, soil and water salinity mitigation, river erosion prevention)
- Financing Green/Clean transportation projects (cycles, hybrid cars, green vehicles that run on wind, solar energy, electricity, hydrogen, bio-fuels, etc.)

- Financing for Sandwich Panels (Floating or Movable Houses in Coastal Areas or Climate-Vulnerable Zones)
- Financing for the government-approved eco-tourism project

Women Empowerment

Females in Bangladesh face barriers in every aspect of a male-dominated society. To address these barriers, SJIBPLC intends to facilitate female participation, reduce gender inequality, and establish basic rights. The bank supports female education through stipends and has implemented an anti-sexual harassment policy to ensure a safe work environment. Additionally, SJIBPLC prioritizes financing for women entrepreneurs in many cases.

Year	Portfolio of Women Entrepreneur Finance (In BDT & Million)
2022	17,110
2023	26,080

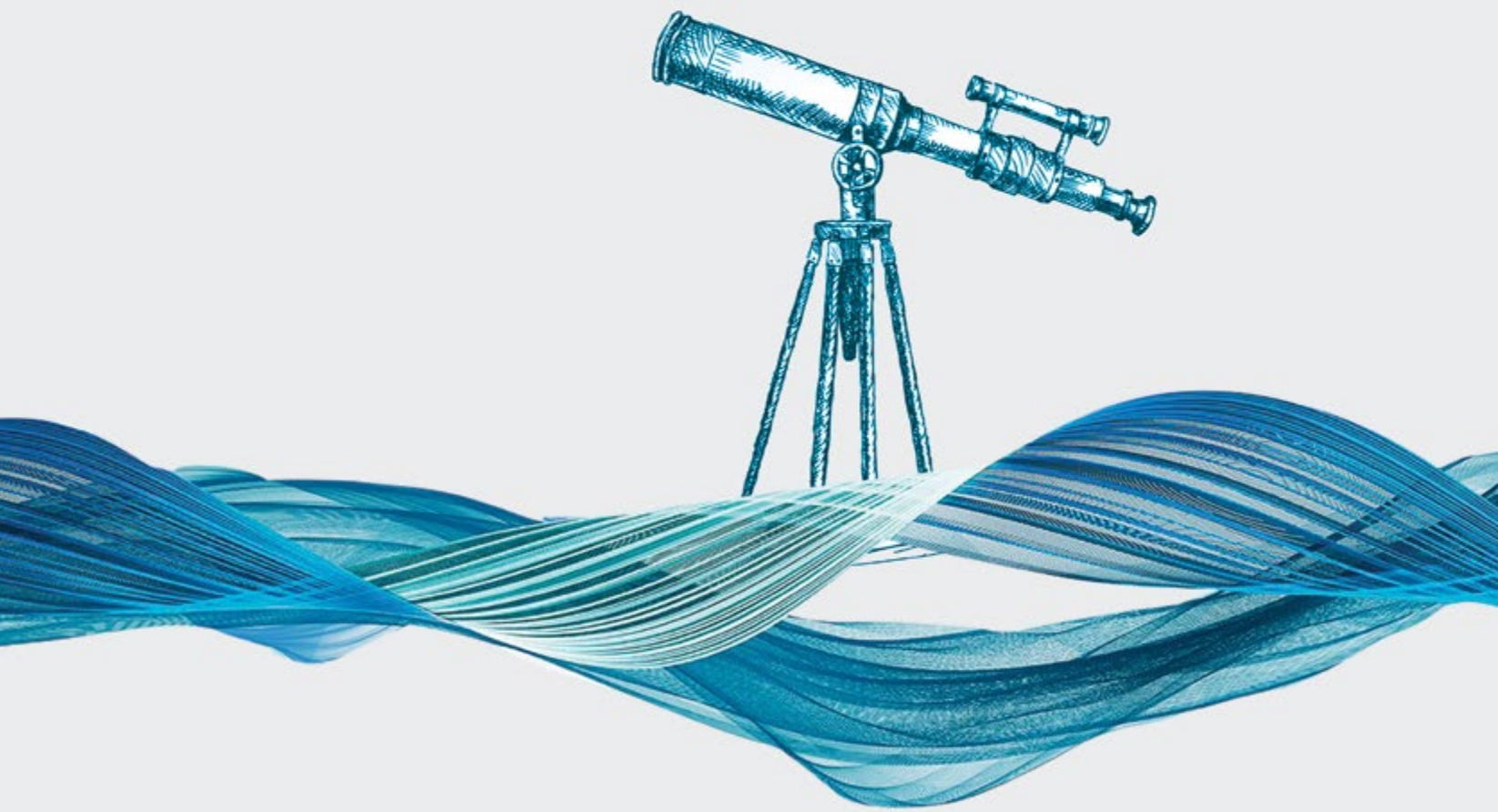
CSR related Case Study

How a Madrasha Student Continues His Higher Study with the SJIBPLC Scholarship

Scholarships are typically associated with general education at higher levels, but SJIBPLC scholarships also cover Madrasha-level studies at higher levels. Mr. Selim Mollah was awarded a scholarship from SJIBPLC to continue his higher education in Madrasha. During the scholarship awarding ceremony, he addressed the misconception that Madrasha students receive ample Zakat and Hadia, rendering scholarships unnecessary. Mr. Mollah expressed gratitude to SJIBPLC for providing him with the opportunity to pursue higher education in an Islamic subject. He emphasized that if Madrasha students are supported with scholarships to pursue higher studies, many meritorious individuals can emerge, contributing significantly to nation-building, contrary to perceptions in society.


বাহন
হোক না এবার
নিজের একটি গাড়ি
নতুন গাড়ি/রিকন্ডিশন গাড়ি ক্রয়ের জন্য এই বিনিয়োগ সুবিধা
সর্বোচ্চ ৪০ লক্ষ টাকা পর্যন্ত বিনিয়োগ সুবিধা
আকর্ষণীয় মুনাফার হার ও সহজ কিস্তি সুবিধা
সহজ শর্তে দ্রুততম সময়ে বিনিয়োগ প্রসেসিং
শর্ত প্রযোজ্য
sjiblbd.com
+8801755556064
+8802 9845457
আরো বিস্তারিত তথ্যের জন্য ব্যাংকের নিকটস্থ শাখায় যোগাযোগ করুন
শাহ্‌জালাল ইসলামী ব্যাংক
লিমিটেড
আন্তরিক সেবায় প্রতিশ্রুতিবদ্ধ

INTEGRATED REPORTING



OUR APPROACH TO INTEGRATED REPORT

I am pleased to present Shahjalal Islami Bank PLC's Integrated Report for the year 2023. This report highlights our commitment to delivering consistent value through excellent financial management and a focus on key Environmental, Social, and Governance (ESG) factors. Our integrated report provides a clear picture of our business model, strategic priorities, resource allocation, and future outlook. This helps our stakeholders understand our intrinsic value-creation capabilities and assess our long-term sustainability. We have adopted the International Integrated Reporting Council (IIRC) framework to ensure comprehensive and transparent reporting.

The Scope of Integrated Reporting

This report covers the period from January 1 to December 31, 2023. It encompasses our business operations, financial performance, financial position, and both financial and non-financial information pertinent to our value creation process. The integrated report, incorporated into this annual report, has been prepared in line with the key guidelines of the International Integrated Reporting Council (IIRC). We have referred to the guidelines of Integrated Report, issued by the Institute of Chartered Accountants of Bangladesh (ICAB) in the form of an 'Integrated Reporting Checklist', which is in congruence with the integrated reporting framework prototype issued by the International Integrated Reporting Council (IIRC).



Regulations We Follow

- Companies Act 1994 (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.



Reporting Frameworks and Guidelines

- International Accounting Standards (IAS) and
- International Financial Reporting Standards (IFRS)
- Global Reporting Initiative (GRI) Framework
- International Integrated Reporting Framework by International Integrated Reporting Council
- SAFA/ICAB Integrated Reporting Checklist
- ICAB Corporate Governance Checklist

KEY PILLARS OF OUR INTEGRATED REPORT

- Our Business Model & Value Chain (Page No. 192)
- Operating Context (Page No. 196)
- Strategic Focus (Page No. 187)
- Stakeholder Identification & Engagement (Page No. 214)
- Corporate Governance (Page No. 340)
- Risk Management (Page No. 235)
- Sustainable Banking (Page No. 145)
- Materiality Determination (Page No. 184)

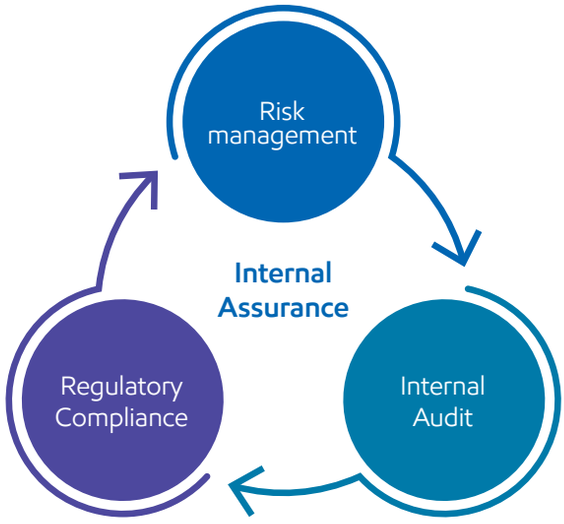


Determination of Materiality

In SJIBPLC, 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 184.

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.



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 (ECRL)
11	SJIBL Mudaraba Subordinated Bond Surveillance Rating	Credit Rating Agencies of Bangladesh (CRAB)
12	SJIBL Mudaraba Perpetual Bond Surveillance Rating	Emerging Credit Rating Limited (ECRL)

GUIDING PRINCIPLES OF INTEGRATED REPORT

Conciseness

Reliability & Completeness

Consistency & Comparability

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 soft copy of the Annual Report is sent to all the shareholders prior to the holding of the Annual General Meeting. Moreover, this report has been made available on the website, https://sjiblbd.com.

Responsibility over the Integrity of the Integrated Report

We recognize the joint responsibility of the Board and Management to uphold the integrity of this integrated report, which comprehensively covers all material matters and accurately reflects SJIBPLC's integrated performance. Diligence has been exercised in preparing and presenting this report to ensure the preservation of its contents. It encompasses discussions, analyses, and disclosures relevant to stewardship and should be reviewed alongside the audited financial statements. The integrated report, included in this annual report, adheres to the essential principles outlined by the International Integrated Reporting Council (IIRC).

On behalf of the Board of Directors,

A.K. Azad
Chairman



Strategic focus & future orientation

Connectivity of Information

Stakeholder Relationship

Materiality

OUR MATERIAL TOPICS

Material issues comprise both emerging opportunities and threats to value creation. These issues are determined by factoring stakeholders' expectations into the economic, social, environmental, and governance context in which we operate. We ranked the topics most relevant to us based on their degree of importance to management and stakeholders. In our integrated reporting, a matter is considered material if it could substantively affect SJIBPLC's ability to create value in the short, medium, and long terms.

Materiality Determination Process at SJIBPLC

SJIBPLC's integrated reporting relies on a robust materiality determination process to identify and disclose matters that significantly impact the bank's value creation over various timeframes. This ensures transparency and fosters stakeholder trust in the reported information. The Materiality Determination Process of the bank is outlined below:

1. Identification of Materiality:

- This stage involves conducting research to identify all potential factors that could impact SJIBPLC's value creation in the short, medium, and long term.
- Sources of information may include internal data, industry trends, stakeholder feedback, and regulatory requirements.
- The identified issues could encompass financial, environmental, social, and governance aspects.

2. Prioritize Materiality:

- Not all identified issues hold equal weight. This step involves assessing the relative importance of each issue based on its potential impact on SJIBPLC's value creation.
- Factors like magnitude, probability of occurrence, and stakeholder concern are considered during prioritization.
- Tools like materiality matrices are used to visually depict the relative significance of each issue.

3. Disclose Materiality:

- Only the prioritized issues deemed material are included in SJIBPLC's integrated report.
- The disclosure is clear, concise, and informative, providing stakeholders with a comprehensive understanding of the material matters and their impact on SJIBPLC.
- Quantitative and qualitative information is used depending on the nature of the material issue.

4. Review Materiality:

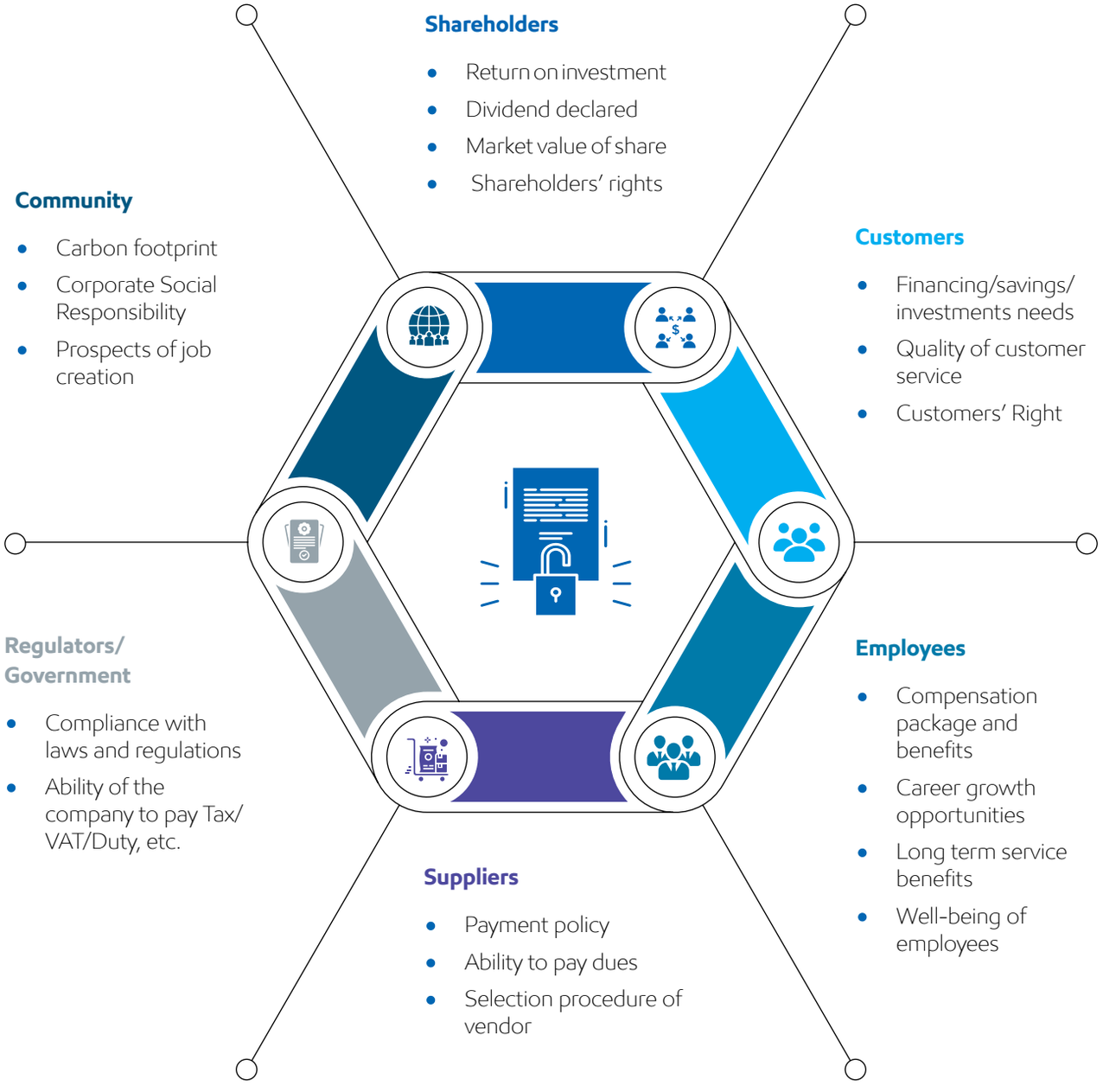
- The materiality determination process is not static. It's crucial to regularly review and update the identified and prioritized issues to reflect changes in SJIBPLC's operations, the external environment, and stakeholders' expectations.
- The frequency of reviews depends on various factors, like the dynamism of the industry and the occurrence of significant events.

By adhering to this comprehensive approach, SJIBPLC ensures that its integrated reporting prioritizes the most relevant and impactful matters, thereby enhancing transparency and fostering stakeholder trust in the bank's value creation journey.

Responses to material topics of very high importance

	Material topics	Our Response	Capitals Impacted				
			Financial	Intellectual	Human	Infrastructure	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**	SJIBPLC works in a highly regulated industry, so adherence to regulations is essential. SJIBPLC'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.	✓	✓			✓
	**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



Shareholders

- Return on investment
- Dividend declared
- Market value of share
- Shareholders' rights

Community

- Carbon footprint
- Corporate Social Responsibility
- Prospects of job creation

Customers

- Financing/savings/ investments needs
- Quality of customer service
- Customers' Right

Regulators/ Government

- Compliance with laws and regulations
- Ability of the company to pay Tax/ VAT/Duty, etc.

Employees

- Compensation package and benefits
- Career growth opportunities
- Long term service benefits
- Well-being of employees

Suppliers

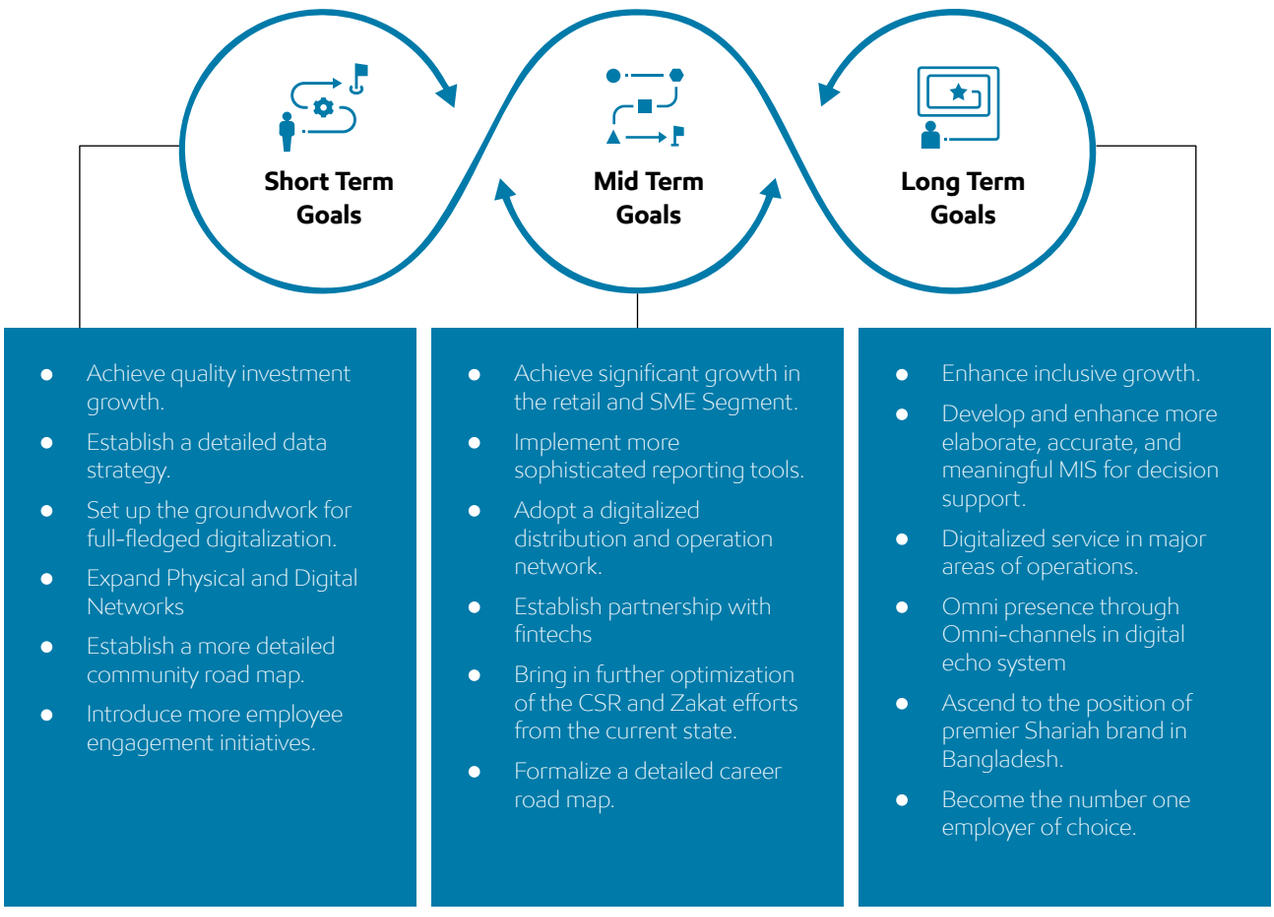
- Payment policy
- Ability to pay dues
- Selection procedure of vendor

STRATEGIC FOCUS AND RESOURCE ALLOCATION

Strategic Focus Areas

In a rapidly changing financial landscape, SJIBPLC 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, SJIBPLC consistently pursues appropriate strategies for sustainable business growth:

Strategic Focus Areas



Based on the previously outlined goals, SJIBPLC has identified three priority areas that require attention to ensure balanced growth for the bank:

Immediate priority

Continue to serve the clients of the bank with excellence and efficiency. Engage with the resources and investments from the bank to help communities bounce back from the adverse effects of the global crisis.

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

Generate value for all bank stakeholders through the optimal utilization of available resources. Cultivate a favorable environment and establish a strong brand identity with high value, making the organization an attractive choice for all stakeholders.

Strategic Priorities

SJIBPLC 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 SJIBPLC 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 reward with performance • 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 • upplier 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	SJIBPLC	SJIB Securities	SJIBPLC Group
Total Assets	351,719	7,456	354,462
Total Investment	241,751	4,284	244,205
Total Investment in Share and Securities	31,951	1,704	34,083
Total Deposit	249,585	-	249,221
Total Placement with other Banks & FIs	14,116	-	14,116
Investment Income	18,130	48	18,178
Profit paid on Deposit	9,034	-	9,063
Net Investment Income	9,095	20	9,115
Income from Investment in Share and Securities	1,721	48	1,719
Commission, Exchange and Brokerage	2,861	82	2,943
Other Operating Income	1,536	6	1,543
Total Operating Income	15,214	351	15,320
Total Operating Expenses	6,327	111	6,454
Profit before Provision and Taxes	8,887	30	8,866
Net Profit after Tax	3,625	7	3,582
EPS	3.26	0.03	3.22
Number of Employees	2,875	81	2,956
Number of Branches	140	8	148
Number of Agent Banking Outlet	119	-	119
Number of ATM	132	-	132
Number of Foreign Correspondent	433	-	433
Number of Client	1,257,705	11,527	1,269,232



STRATEGIC FRAMEWORK

INVESTMENT STRATEGIES

- Develop and modify investment products to satisfy the 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.

DEPOSITS STRATEGIES

- Ensure SJIBPLC'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 surveys to identify target groups in search of primarily 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 a favorable deposit mix by not sacrificing deposit growth.
- Monitor the bank's liability marketing related MIS for accurate deposit growth forecasting.



IMPORT & EXPORT STRATEGIES

- Open LC at a margin complying with 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 tested clients as well as potential clients in the apparel industry.
- Focus on service export sectors like IT, education, and healthcare.
- 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.

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.

KEY STAKEHOLDERS

- Customers
- Shareholders
- Employees
- Regulators
- Society



KEY RESOURCES

- Financial
- Manufactured
- Intellectual
- Human
- Social & Relationship
- Natural

SUPPORT ACTIVITIES

- Risk Management
- Corporate Governance
- Process Re-engineering
- Training & Development of Employees
- R & D

CUSTOMER SEGMENT

- Corporate
- SME
- Retail
- High net worth Individuals
- Institutional clients

CHANNELS

- Branch
- ATM
- POS
- Agent Outlet
- Digital Wallet
- Internet Banking
- Fin-techs
- Open Banking

KEY ACTIVITIES

- Deposits & Borrowings
- Investment and Financing
- Digital banking operations
- Treasury &OBU functions
- Network expansion

VALUE PROPOSITIONS

- Client centered innovation
- Expansion of business network
- Maximization of Shareholders Value
- Investing on Human Capital
- Partnering with regulators for mutual benefit
- Fulfilling environmental & social Obligations

CUSTOMER RELATIONSHIPS

- Need based product
- Marketing & Branding
- Customer Awareness
- Customer engagement
- Customer Feedback



COST STRUCTURE

- Profit Expense
- Operating Expense
- Personnel Expense
- Tax Expense
- Default Investment Write off

REVENUE STREAM

- Investment Income
- Treasury Income
- Fees & Commission
- Other Operating Income

OUR VALUE CREATION MODEL

Our Value Chain Activities Model

Input-output Creation From Value Chain Activities

INPUTS

FINANCIAL CAPITAL

A strong capital base, as well as diversified sources of deposits, are used to support clients through investment facilities and to facilitate payments and transactions.

MANUFACTURED CAPITAL

The framework and mechanics of how business is carried out and value is created are provided by customer touch points, company structure, and operational procedures, which include fixed assets, digital assets, and information and communication technology (ICT) systems.

INTELLECTUAL CAPITAL

Intangible assets, including brand value, reputation, R&D capabilities, innovation capacity, knowledge and expertise, and strategic alliances, are the enablers of value creation for the bank.

HUMAN CAPITAL

The bank's corporate culture, as well as the cumulative expertise, talents, and experience of its people, enables it to provide clients with creative and competitive solutions while also creating value for all stakeholders.

SOCIAL & RELATIONSHIP CAPITAL

Relationships with stakeholders, such as the communities in which the bank operates, and the role that banks play in fostering a robust and thriving community, as well as a financial ecosystem, are widely understood and valued.

NATURAL CAPITAL

The bank's direct usage of and impact on natural resources, such as energy, water, and climate, as well as their impact on business activities, are understood and calculated.

Key Drivers to Business Model

- Change of Macroeconomic environment
- Digital Transformation
- Knowledge-based skill development
- Regulatory Changes
- Transformation of society

Outlook (Page: 23)

Strategy & Resource Allocation (Page: 188)

Risk Management (Page: 235)



Corporate Governance (Page: 340)

Sustainability (Page: 145)

Stakeholders Impacted (Page: 214)

Extend Non-Funded Businesses like LC, BG that generate commission

Key Highlights

Deposit growth
9.48%

Investment growth
1.91%

Import growth
4.77%

Operating Profit Growth
6.63%

ROE
15.89%

EPS
BDT 3.26

NAVPS
BDT 21.35

MVPS
BDT 18.30

DPS
BDT 1.40

OUTPUT

FINANCIAL CAPITAL

Regulatory Capital Tk.34,126 million
Deposits Tk.249,585 million
Market Capitalization Tk.20,367 million
ROE 15.89%
Dividend declared 14% cash
Price Earnings Ratio 5.62

MANUFACTURED CAPITAL

Number of Branches 140
Number of own ATMs 132
Number of Agent Banking Outlets 119
IT Infrastructure-Digital Wallet, Internet Banking, Call Center
Interface with third parties for financial transactions

INTELLECTUAL CAPITAL

Value of intangible assets BDT 25 million
3 Qualified Independent Directors to ensure good governance
Credit rating AA+ & ST-2 for Long & Short Term respectively

HUMAN CAPITAL

2,875 number of staffs of which more than 17% female staffs
Tk.3.09 m Profit per employee

SOCIAL & RELATIONSHIP CAPITAL

Tk.241,751 million investment including SME & Agriculture
Tk.9,858 million contributed to National Exchequer
Tk.536 million CSR fund donated
Tk.244 million Zakat expenses

NATURAL CAPITAL

Tk.84.31 million energy (electricity & fuel) consumed
19 number of Solar panel installed Branch
Tk. 265 m Green Finance outstanding
Tk. 7,860 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

HOW SJIBPLC 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 265.35 million

Sustainable finance outstanding

BDT 7,860.43 million



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 1,558 million

Market Capitalization

BDT 20,367 million

REGULATORS

The bank strictly adheres to all applicable laws and regulations governing its business activities. Policies and procedures have been developed and implemented to foster a compliance culture that ensures adherence to these laws and regulations. As a result, the bank's reputation and image have steadily improved, ultimately adding value to the institution.

Total Income Tax Paid

BDT 8,499 million

Other Tax Paid

BDT 1,089 million

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 536.13 million

Zakat paid

BDT 244 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 3,928 million

Total employee participation in training

12,518



CUSTOMERS

The bank provides a comprehensive array of products and services tailored to meet the diverse needs of its customers. Investment products address customers' financial requirements, supporting the expansion of their businesses. Diversified deposit options assist customers in saving and building wealth over time. Trade finance services streamline customers' import and export activities, thereby bolstering the national economy. Additionally, an extensive range of other services simplifies customers' daily routines.

Profit Paid on Deposit

BDT 9,034 million

Total Investment Outstanding

BDT 241,751 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

216

Procurement budget

BDT 511.50 million

MULTIPLE BUSINESS MODEL OF SJIBPLC

Shahjalal Islami Bank PLC. (SJIBPLC) navigates a unique landscape by operating under two distinct, yet interconnected, business models:

1. Main Banking Operations:

This primary model operates under strict Islamic Sharia principles, offering deposit, investment, import and export services, financing options, and other traditional banking services. SJIBPLC generates income through profit-sharing arrangements on financing and returns on investments.

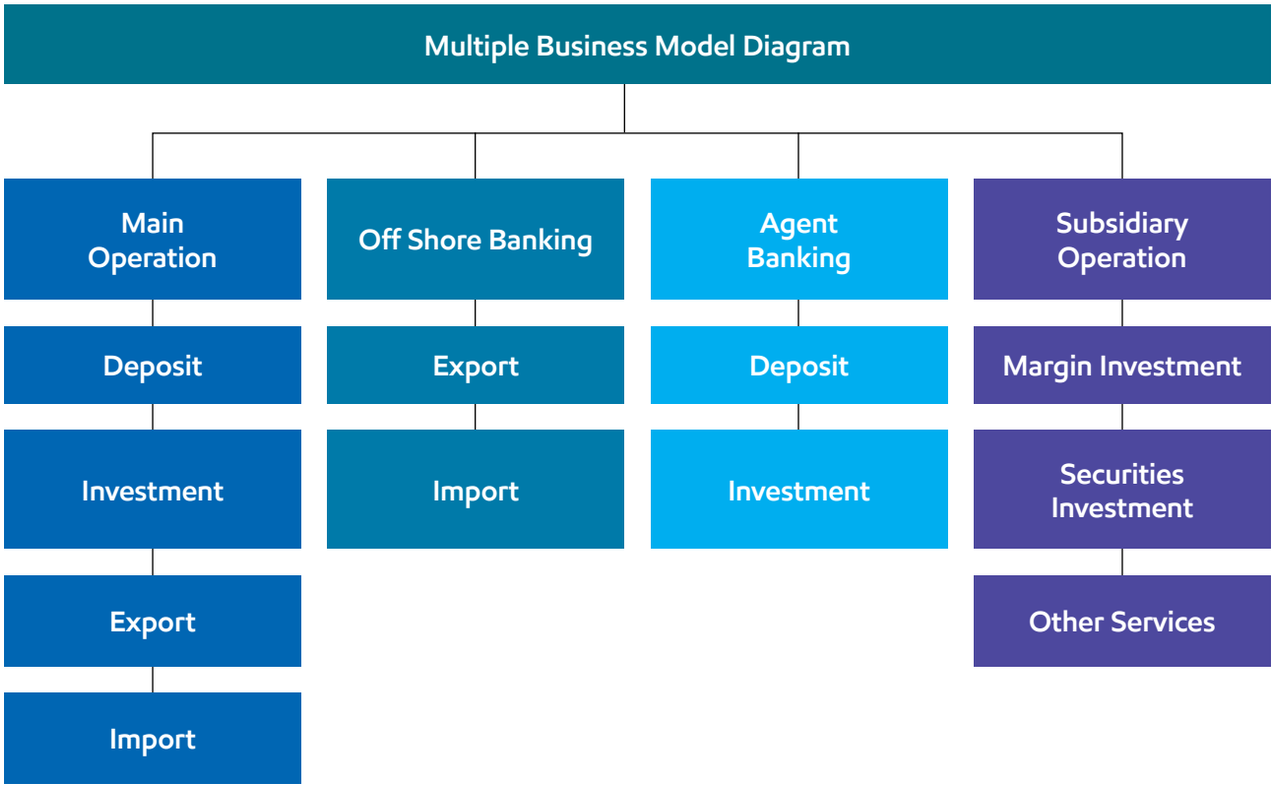
2. Shahjalal Islami Bank Securities Limited (SJIBSL):

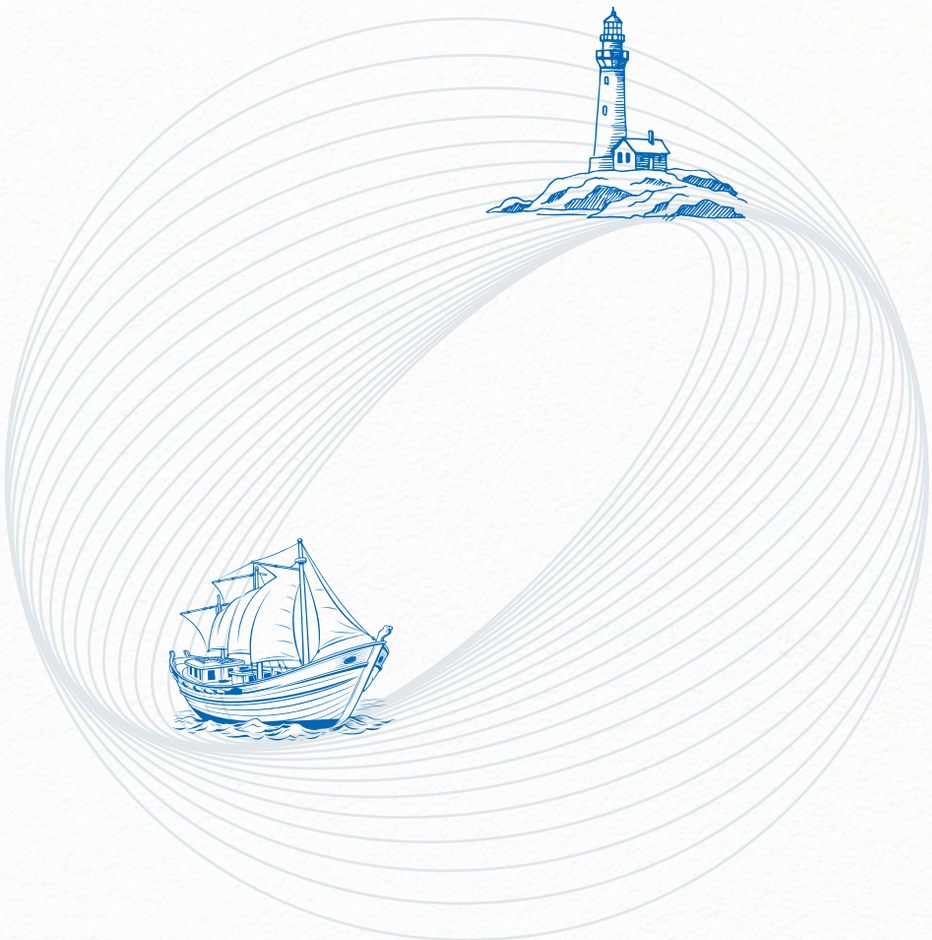
This distinct model operates through SJIBSL, a wholly-owned subsidiary, focusing on brokerage services for its parent bank and individual investors. SJIBSL earns income through commissions on stock trading, underwriting fees, and other related services. It provides access to the capital market for its clients, facilitating investment opportunities and wealth management.

Interdependence and Synergy:

The two business models demonstrate interdependence and synergy:

- SJIBPLC's customer base provides a ready market for SJIBSL's services.
- SJIBSL's investment expertise can generate returns for SJIBPLC's clients and the bank itself.
- Both models reinforce SJIBPLC's brand image as a comprehensive financial solutions provider within the Islamic banking framework.





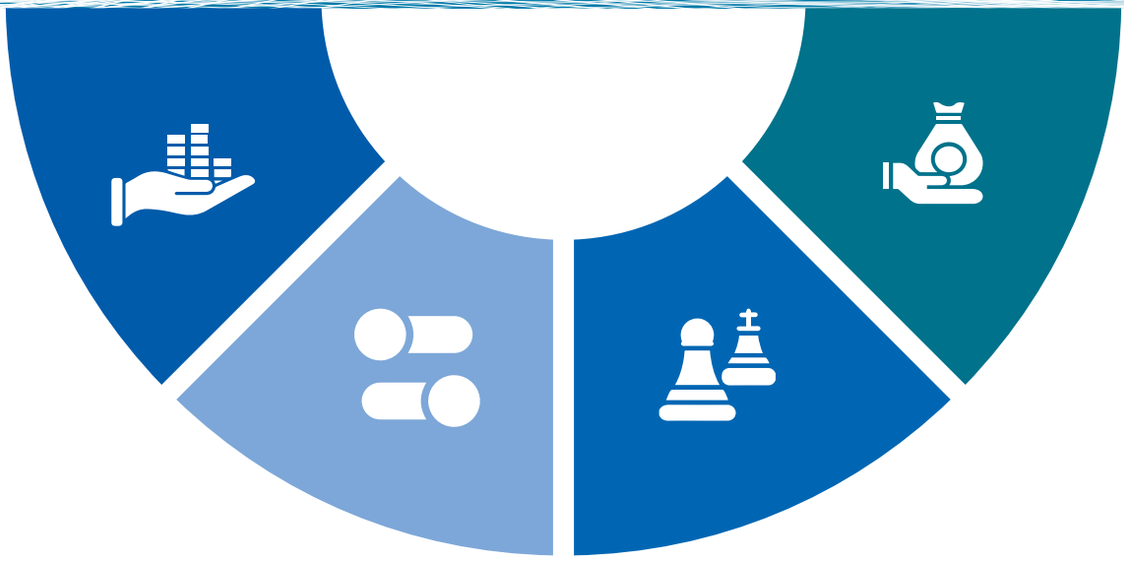
CAPITALS

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 to their pertinent strategic pillars. It highlights 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 2023, Shahjalal Islami Bank PLC. 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 SJIBPLC achieved sustained development.



Material Drivers

- Optimal utilization of financial capital
- Continuous improvement of performance management.
- Disciplined cost management to improve the cost-to-income ratio and thereby strengthen the bottom line
- Ongoing liquidity management to maintain a healthy fund position
- Delivering a consistent shareholder return

Inputs

- Deposits and placement funds
- Funds received under the refinance scheme
- Funds received from Mudaraba Bonds
- Capital/ Shareholders' Equity

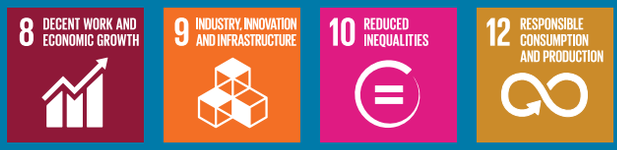
Action Plans & Objectives

- Focused growth in profitable business segments
- More focus on retail and SME products
- Application of a structural cost transformation mechanism and a focus on automation through cost-effective and improved customer service

Capital Outcomes

- Net Investment Income (NII) growth of 20.46%
- Outstanding SME Investment BDT 68,274.20 Million
- Maintaining Cost to Income Ratio at 41.59% which is well below the industry average.

Linkage of SDGs with capital outcomes



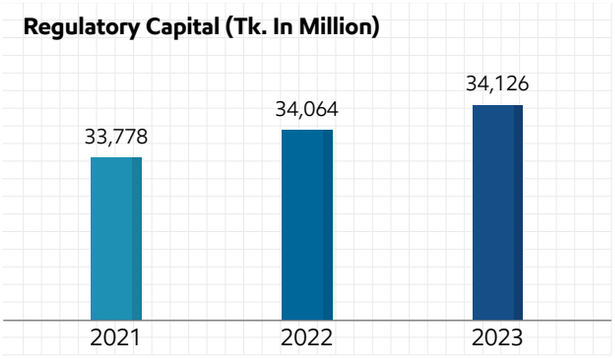
Financial Capital Review

Despite another year of uncertainty, SJIBPLC's financial performance in 2023 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 2023

Regulatory Capital Growth	Return on Equity	Investment Growth	Earning Per Share Growth
0.18%	15.89%	1.91%	2.83%



Challenges

- Lower appetite of private sector investment (credit) for uncertainty due to Russia-Ukraine war national election..
- Investment recovery challenges as a result of higher inflation, slower economic and business growth.
- Increasing trend of operating expenses due to high inflation.
- Excess liquidity management throughout the year 2023

Responses

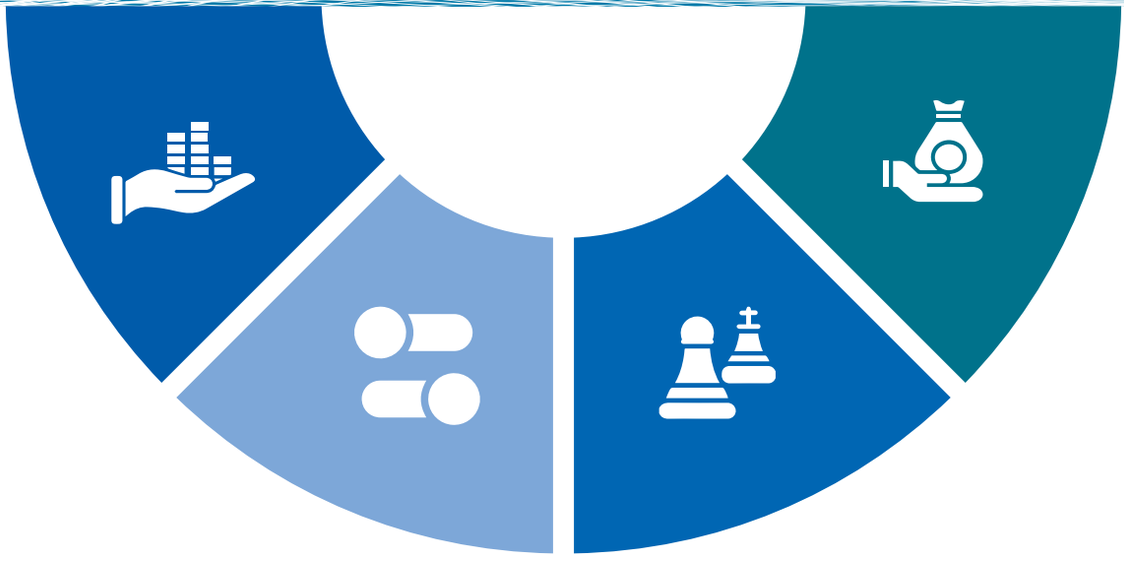
- Reshape fund management strategy and invest in alternative instruments.
- Focus on realization and regularization of investment. Be cautious in making new investments.
- Rationalization of operating expenses through process automation, productivity improvement, and digitalization.
- Strategically manage excess funds through the treasury and be cautious in accepting deposits.

Way forward

- Focus on quality investment growth
- Emphasize more on the realization and regularization of investments.
- Diversify investment portfolios further.
- Bring in further improvements to the deposit mix.

HUMAN CAPITAL

Shahjalal Islami Bank PLC. 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, SJIBPLC has become a great place where employees work with pride and dignity.



Material Drivers

- Developing an efficient workforce
- Improve the productivity of employees.
- Placement of the right person in the right position to generate optimum output

Inputs

- 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: 411
- Number of employee participated in training: 12,518
- Arrangement of conference, get together, etc.
- Fresh employee recruited: 130
- Experience employee recruited: 26
- Medical insurance paid to 623 employees
- Maternity bill paid to 124 female employee

Linkage of SDGs with capital outcomes





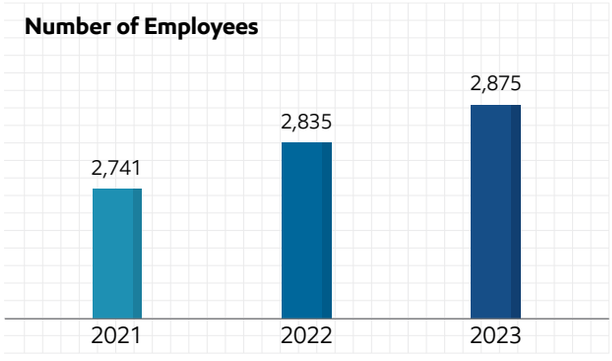
Highlights for the year 2023

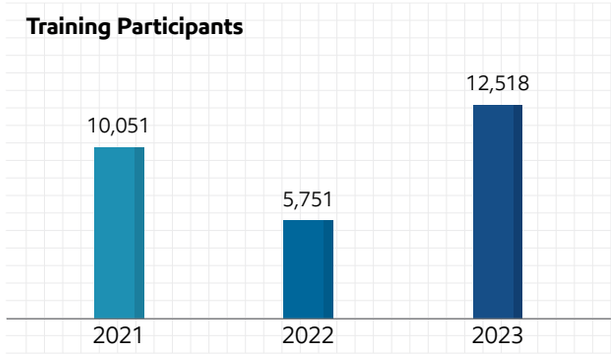
Total employees
2,875

New recruitment
156

Total value of human capital
Tk. 40,686 million

Operating profit per employee
BDT 3.09 million





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.

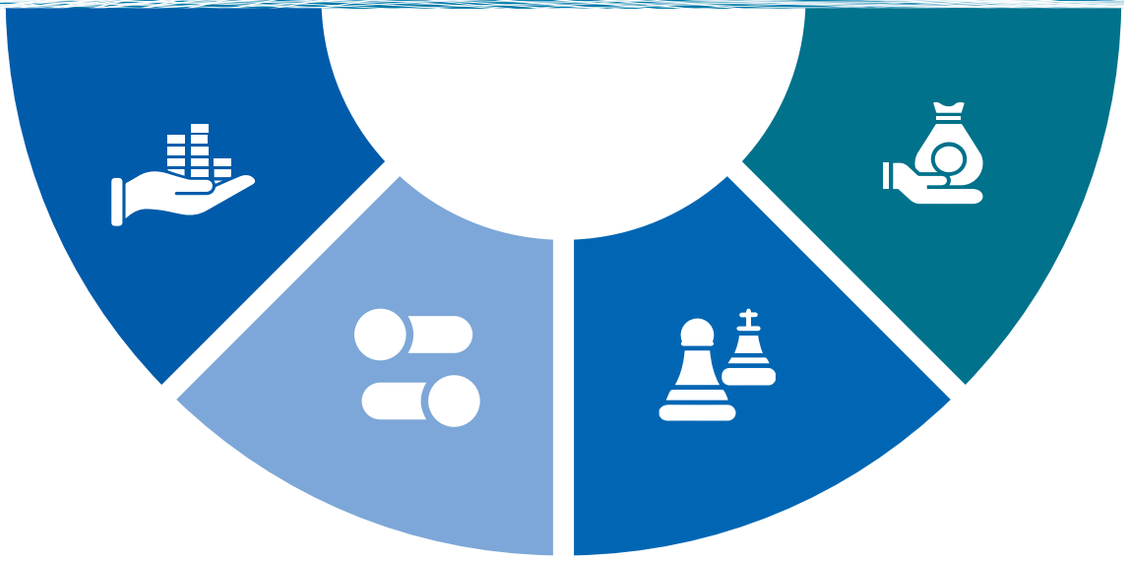
Way forward

- 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 people interested in new working environments and processes that are constantly evolving.

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.

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



Material Drivers

- Extended physical and digital networks.
- Enhanced local and virtual footprints.
- Systems that enhance productivity and customer experiences.
- Reaching out to physical, virtual, as well as unbanked populations.
- Virtual presence and processes that help in reaching out to a 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 3 new Sub-Branches
- Opened 03 new ATM booths
- Opened 08 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.

Linkage of SDGs with capital outcomes





Highlights for the year 2023

Wide network of branches.

140

A network of Agent Banking Outlet

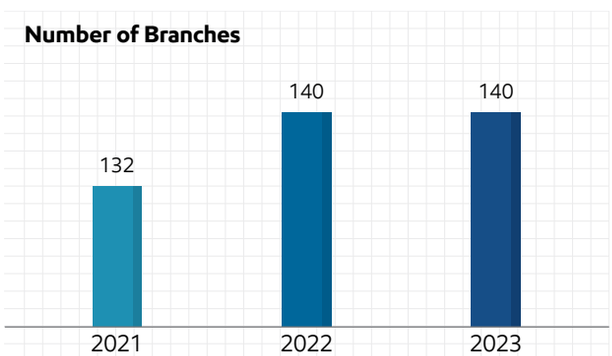
119

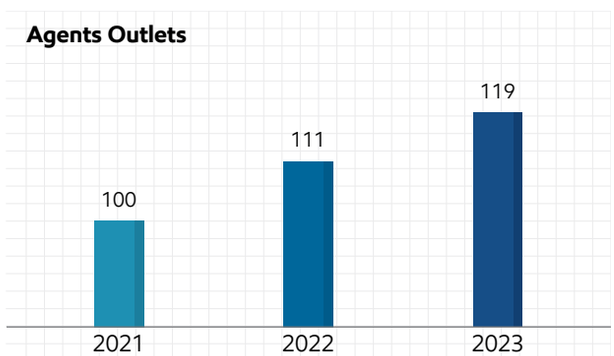
A wide network of global correspondents.

433

A network of own ATMs.

132





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

- SJIBPLC shows discretion to identify growth opportunities in the competitive landscape.
- SJIBPLC provides training for its employees regarding the latest technology.
- SJIBPLC 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.
- SJIBPLC invests heavily in technology, people, and processes to ensure adequate safety in ICT infrastructure.
- SJIBPLC conducts an IT security awareness program amongst bank employees.
- SJIBPLC conducts Vulnerability Assessments and Penetration Testing.
- SJIBPLC is in the process of obtaining standardization from a renowned international organization for ICT security.

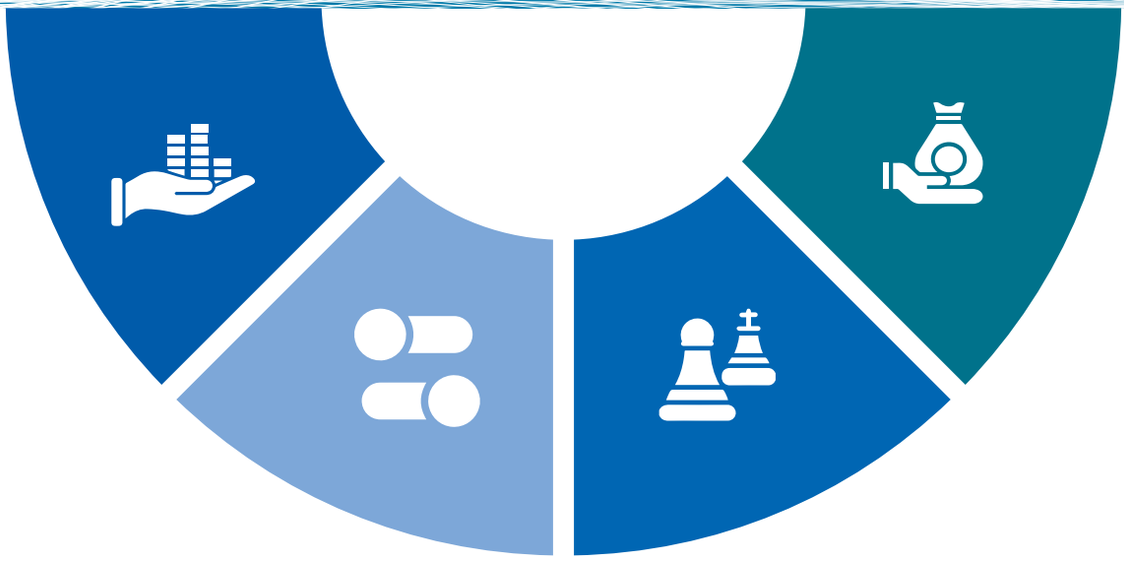
Way forward

- Open or relocate branches to enhance the customer experience.
- Focus on further strengthening the presence in digital media.
- Invest in technology to improve productivity and service delivery.
- Increase customer engagement through digital platforms.
- Presence through omnichannels.

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.



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.
- SJIBPLC's tacit knowledge has been honed over 23 years of experience working with a diverse range of customers and sectors.
- The most skilled and experienced teams in the banking sector of Bangladesh.
- Digital presence through Web-based banking, APPs and QR Code-based transactions for customers.

Linkage of SDGs with capital outcomes





Highlights for the year 2023

23 years of glorious experience

Zero instances of non-compliance with laws and regulations

Recipient of numerous awards and accolades

Nurtured a good corporate culture

Awards & Recognition

SJIBPLC has received a number of awards in recognition of its performance over the years, which have been illustrated on page 08.

Challenges

- Retention of knowledge based skilled employees
- Sustaining the brand value
- Information security threat

Responses

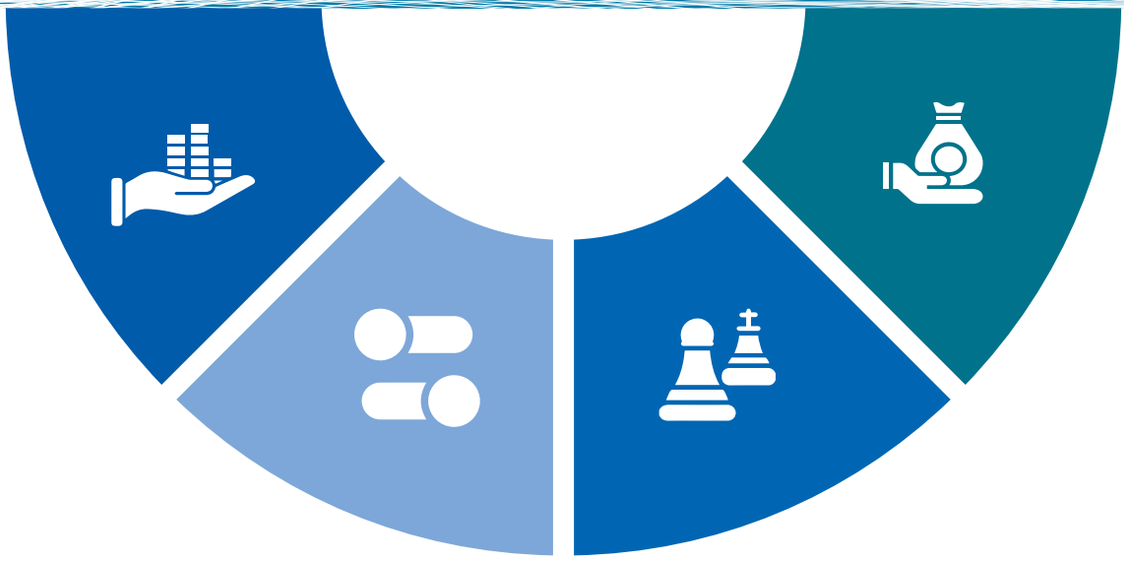
- Being proactive in efforts to motivate employees.
- Being engaged employees of SJIBPLC to take ownership of the bank's future progress.
- Targeting the right positioning in the market.
- Building trust in our brand by conducting SJIBPLC's operations in line with the highest ethical standards and in full compliance with all applicable regulations in the banking sector.
- Being cautious about customer privacy.
- Providing training to employees and increasing awareness of how to manage customer privacy.

Way forward

- Drive organizational change to keep pace with the competitive marketplace.
- Increase the brand reputation of SJIBPLC to have deeper market penetration.
- Reinforce the bank's governance and risk management framework further to have greater controls and reputation.

SOCIAL & RELATIONSHIP CAPITAL

Through comprehensive investment and community engagement initiatives, the bank has nurtured long-term and meaningful relationships with its customers and communities. These relationships form the core of SJIBPLC's social and relationship capital, providing the social license to operate effectively. SJIBPLC seeks to create sustainable value for these communities and contribute towards their socio-economic progress.



Material Drivers

- Financial inclusion
- Promoting young, talented bankers
- Understanding customers' needs
- Effective communication
- Knowledge based banking
- Outstanding CSR activities.
- Innovative product offerings
- Unmatched service
- Empowering communities
- Unparalleled distribution

Inputs

- Contribution to the national exchequer
- CSR contribution to society
- Quality of customer service
- Number of SME & Agri customer supported

Action Plans & Objectives

- Empowering women entrepreneurs
- Empowering the underprivileged people of the society
- Engage in outcome-based community investments
- SJIBPLC Integrity Award-2023
- SJIBPLC Chairman's Award & MD's Award –2023
- Improving customer experience

Capital Outcomes

- Outstanding Investment of women entrepreneurs Tk.2,613 million
- Opened 5,632 numbers of No frill accounts
- CSR expenses Tk. 536.13 million
- Zakat expenses Tk.244 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

Linkage of SDGs with capital outcomes





Highlights for the year 2023

Substantial value creation in society

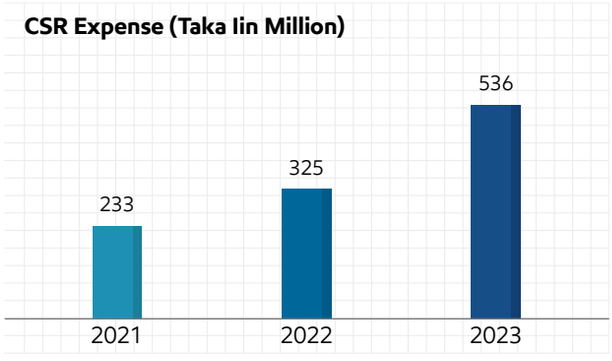
Active customer engagement through digital channels

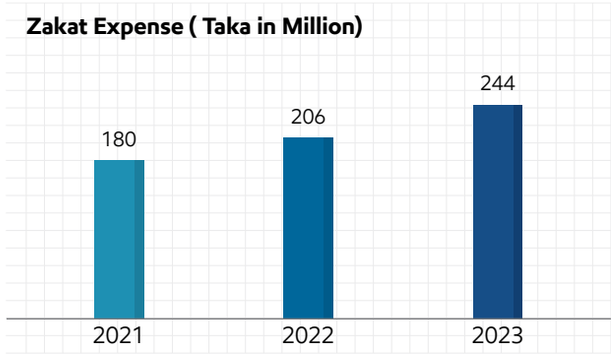
CSR expenses:

Tk. 536.13 mn

Zakat expenses

Tk. 244 mn





SJIBPLC's Customer Value Proposition

- Accessibility
- Customer Service
- Product Responsibility
- Customer Privacy
- Financial Literacy and Customer Education
- Industry Networks

Active Customer Engagement

SJIBPLC 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 the SJIBPLC 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 service was found to be "satisfactory".

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 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, 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 an ongoing 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



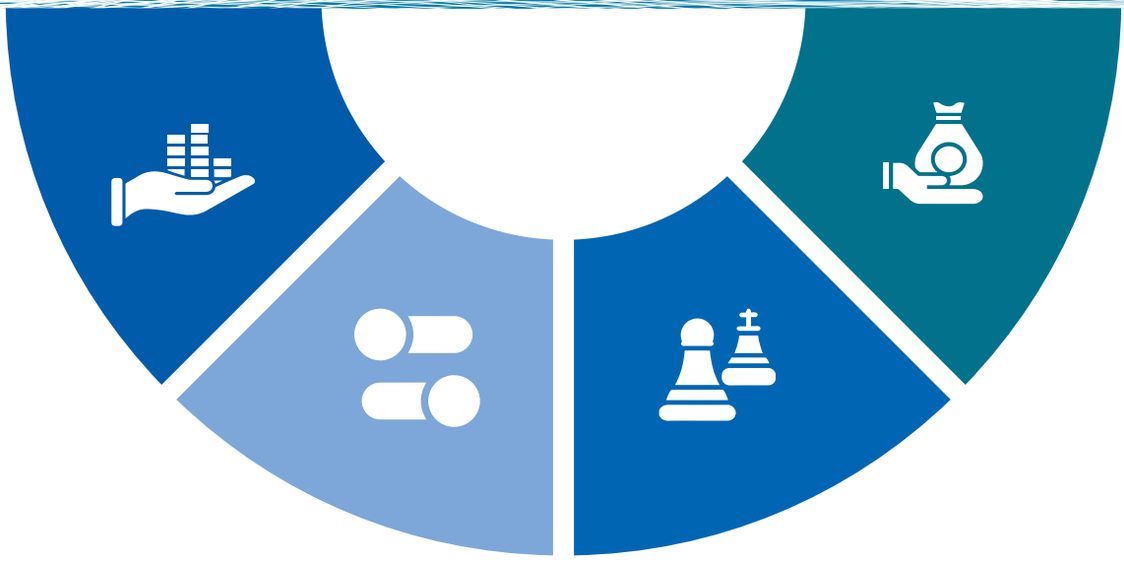
শর্ত প্রযোজ্য

sjiblbd.com
+8801755556064
+8802 9845457
আরো বিস্তারিত তথ্যের জন্য ব্যাংকের নিকটস্থ শাখায় যোগাযোগ করুন

শাহজালাল ইসলামী ব্যাংক
লি মি টে 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 SJIBPLC's activities also have an impact on its natural capital. As a financial services provider, the bank's direct environmental impact is limited. However, SJIBPLC 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.



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 SJIBPLC
- Moving to paperless working environment
- Encourage green investment

Capital Outcomes

- Conducting awareness campaigns
- Employee encouragement
- Eco-friendly business practices and
- Energy management procedures
- Process Automation
- Online Banking
- Internet Banking
- Online communications
- Process re-engineering
- Continuous improvement
- Investment in renewable energy
- Pursuing Bangladesh Bank Guidelines
- Considering the contribution to Sustainable Development Goals (SDGs)

Linkage of SDGs with capital outcomes





Highlights for the year 2023

Head Office is a Leadership in Energy and Environmental Design (LEED) Certified Green Building

ATMs at the bank have already been powered by solar energy

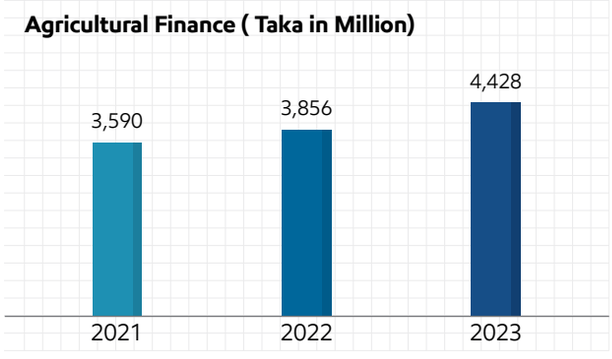
19

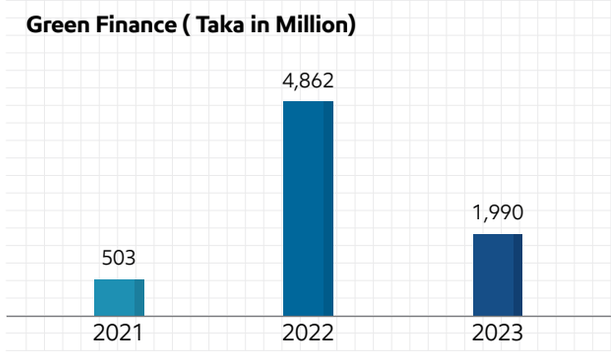
Disbursement of Agricultural Investment

BDT 4,428 million

Disbursement of Green finance

BDT 1,990 million





Challenges

- Reduction of carbon footprint against the growth
- of the Bank
- Encourage customers towards green investment
- Restructuring the operations in an eco-friendly way

Responses

- Conduct awareness campaigns, employee encouragement, eco-friendly business
- practices and energy management procedures in the organization to reduce the carbon footprint
- Follow Bangladesh Bank Guidelines and Sustainable Development Goals (SDGs)
- It is on our continuous process of the onward journey.

Way forward

- Mobile app-based banking for all customers
- Paperless banking
- Minimization of resource consumption
- Green initiatives
- Environmental education

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. SJIBPLC 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.



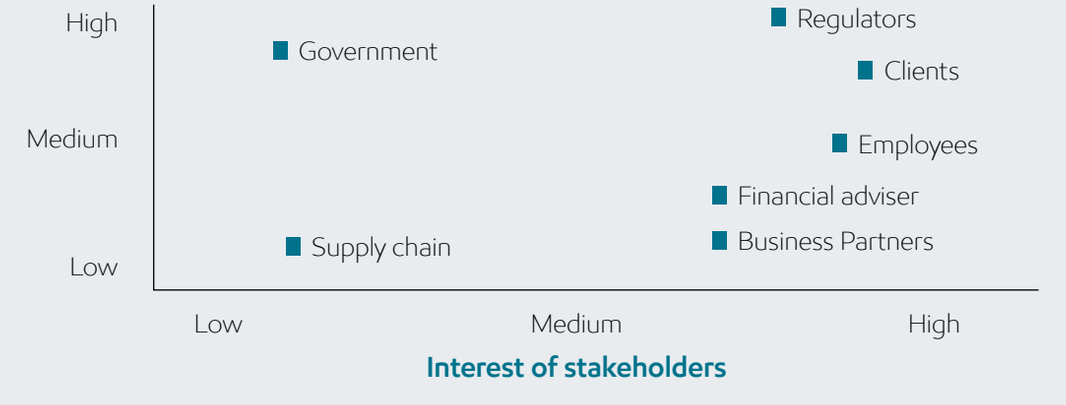
STAKEHOLDERS' ENGAGEMENT

Stakeholder group	Engagement Mechanism	Key issues / material matters of Stakeholders	Response of SJIBPLC
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 SJIBPLC
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 center, 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 SJIBPLC 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	• 228 training courses were conducted in 2023. • 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 9,858 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 SJIBPLC
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.

SJIBPLCs stakeholder connect matrix, 2023



COMPETITIVE LANDSCAPE AND MARKET POSITIONING OF SHAHJALAL ISLAMI BANK PLC.

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. SJIBPLC, with over 23 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	SJIBPLC'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	• Putting customer service priority at the core of our operations • Working on differentiating our products and innovation of unique products and services • Adopting appropriate strategies to increase brand value

Supplier Power

Driving Forces	SJIBPLC'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 SJIBPLC's brand name through prudent marketing strategy

Buyer Power

Driving Forces	SJIBPLC'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	SJIBPLC'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 SJIBPLC already has a loyal customer base

Threat of substitutes

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

BDT in million

Particulars	Banks Position	Industry position	% of market position
Deposit	249,585	16,537,450	1.51%
Investment	241,751	15,925,560	1.52%
Export	247,526	6,014,402	4.12%
Import	266,912	7,032,130	3.80%
Remittance	55,822	2,364,360	2.36%

MACROECONOMIC FACTORS AND THEIR IMPACTS (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

SJIBPLC'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 3.40 percent.
- During the same period, exports grew by more than 6.28 percent, while imports reduce by 15.76 percent. However, the inflow of remittances increased by 2.75 percent.
- Private sector credit expanded by 10.20 percent, indicating increased borrowing and investment activity by businesses.
- The inflation rate for the year 2023 stood at 9.41 percent, as measured by the twelve-month average.

Impact on the industry

- The ongoing Russia-Ukraine war and associated sanctions are impacting economies worldwide, including Bangladesh. Heightened volatility in the forex market has been observed, leading to the highest inflation rate in Bangladesh in a decade. This surge in inflation is attributed to the soaring prices of both food and non-food items. If the current situation persists, the exchange rate may face further pressure, impacting forex reserves.
- 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.

SJIBPLC's front

- Shahjalal Islami Bank PLC. plays a significant role in the trade finance industry. Despite challenges stemming from the foreign exchange crisis impacting all banks in Bangladesh, the bank successfully navigated this situation. Leveraging its robust financial position, Shahjalal Islami Bank maintained ample liquidity in both local and foreign currencies. This strategic approach enabled the bank to stabilize its foreign exchange position effectively.
- During the year 2023, 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 2,765, with a significant contribution from the middle-class population's income.
- 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.

SJIBPLC front

- Shahjalal Islami Bank PLC. (SJIBPLC) 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.
- SJIBPLC will continue to prioritize offering products and services that align with customer preferences while ensuring sustainability. Additionally, SJIBPLC 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

- The growing reliance on technology to meet customer demands will lead to increased investment in technology infrastructure and solutions.
- As technology continues to evolve, investment in technological advancements will be crucial to staying relevant and meeting evolving expectations.
- Technological investment in new tools and platforms, as well as a willingness to experiment with emerging technologies and approaches.

SJIBPLC 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.
- 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.

SJIBPLC 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.

Evident in

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

LEGAL

Macroeconomic factors

Throughout 2023, Bangladesh Bank provided local currency and foreign currency support to commercial banks. These regulatory policy supports played a critical role in controlling the liquidity crisis 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 2023, along with continuous foreign currency support provided by Bangladesh Bank, had significant impacts on the banking industry in Bangladesh. Some key impacts include:

- 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 obligations.
- Increased foreign currency liquidity: The continuous local currency support provided by Bangladesh Bank helped to increase the liquidity position of commercial banks, enabling them to meet their local currency obligations and maintain the usual trend of private sector credit growth.
- 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.

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.

SJIBPLC front

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

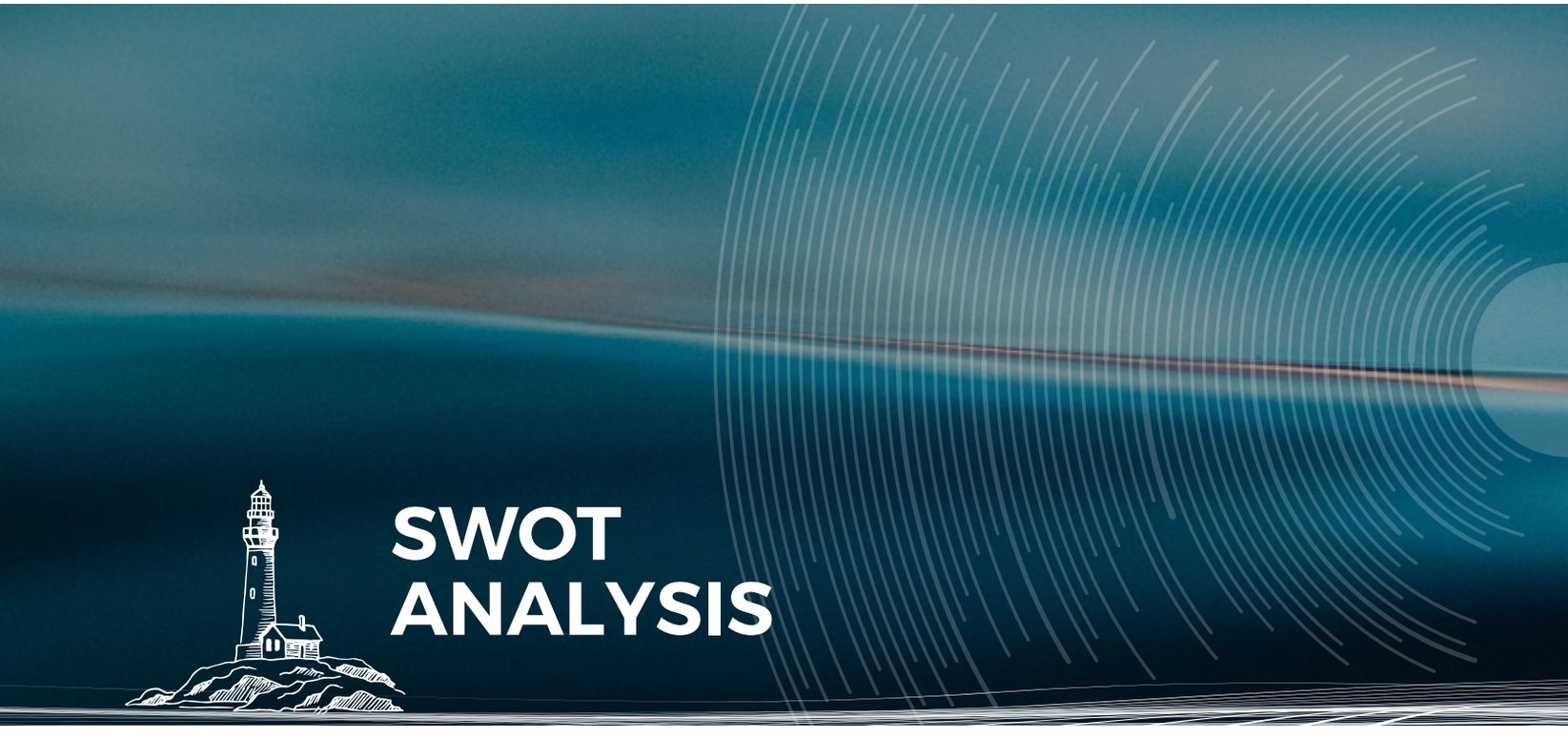
- Cautious disbursement of investments: SJIBPLC became more cautious about disbursing investments due to the market's volatility. This means that the bank was more selective in its investment decisions, focusing on lower-risk investments to minimize potential losses.
- Increased focus on compliance: SJIBPLC 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, SJIBPLC 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, SJIBPLC 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

STRENGTHS

- Maintaining stability amid competitor struggles might solidify SJIBPLC's position as a reliable Islamic banking leader.
- Wide range of Shariah-compliant products and services could broaden its appeal and customer base.
- Strong market reputation with high customers' satisfaction.
- Solid capital base with CRAR of 15.06% against requirement of 12.50%.
- Embracing digital transformation can streamline operations, reduce costs, and enhance customer experience.
- A strong capital base and comfortable liquidity position provide a stable foundation for growth.
- Upholding strong corporate governance practices fosters trust and transparency.
- A skilled and well-balanced leadership team can provide strategic direction and navigate challenges.



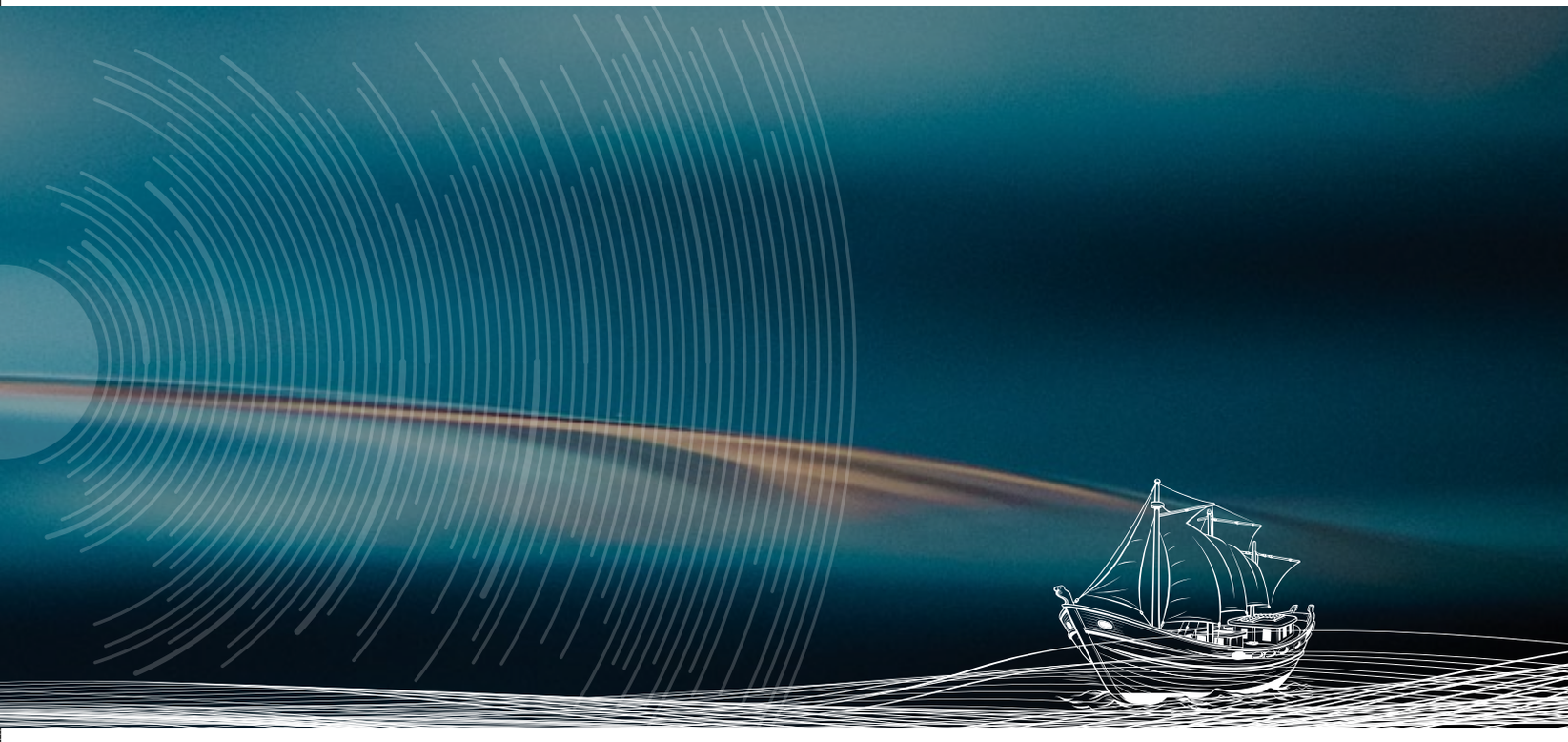
SWOT ANALYSIS

WEAKNESS

- Compared to conventional banks, SJIBPLC might still lack product variety, due to shariah compliance.
- Addressing the rising trend of operational costs is crucial for long-term profitability.
- Over-reliance on the price-sensitive corporate sector might expose SJIBPLC to market fluctuations.
- Limited penetration of digital banking and alternative delivery channel for cash payment.
- Bleak performance of subsidiary business and its scope.

OPPORTUNITIES

- Capitalizing on the growing demand for Shariah-compliant banking can expand market share.
- Implementing cost-reduction strategies through digital solutions can improve profitability and efficiency.
- Partnerships with Fintech companies can provide innovative solutions and extend reach.
- Targeting the unbanked and underbanked population offers significant growth potential.
- Engaging in the Islamic bond and money market could diversify investment opportunities.
- The market share of the Islamic banking sector in Bangladesh is growing faster.

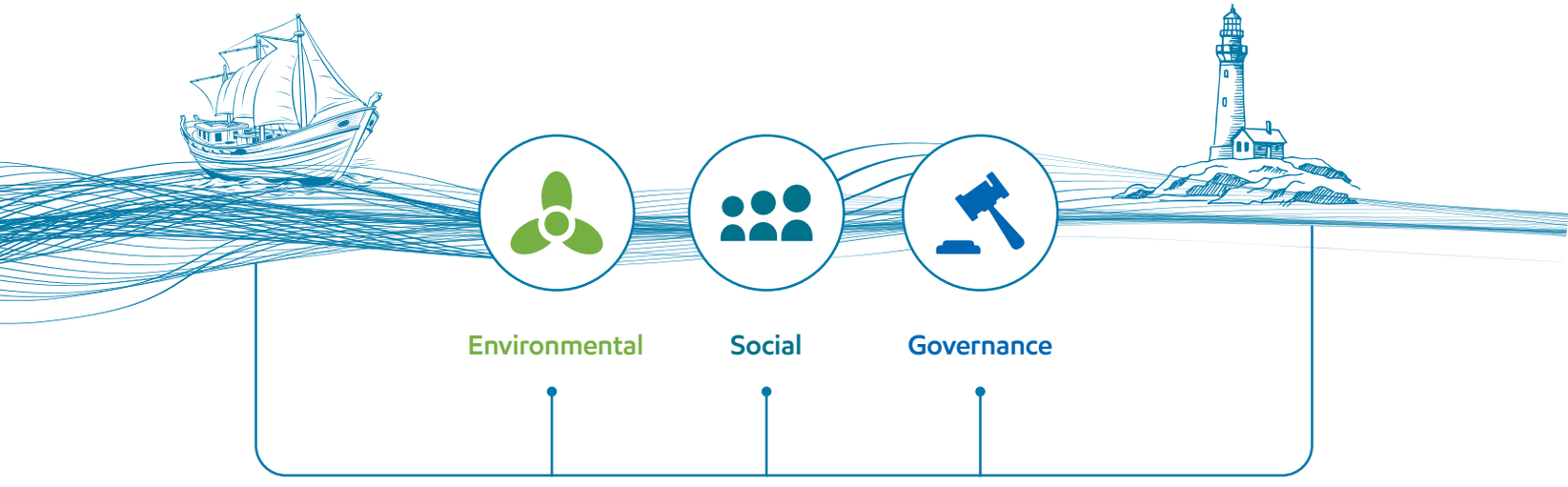


THREATS

- The impact of global and domestic economic uncertainties on investment growth needs careful monitoring.
- Elevated Balance of Payment pressures and volatile exchange rates might affect foreign currency business.
- Economic turmoil could increase challenges in investment recovery and asset quality, impacting the banking sector.
- More competitors are entering in to the Islamic banking market.
- Continued high inflation could further pressure deposit growth and cost of deposits.
- Intense competition from Fintech companies.

OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) APPROACH AND FOCUS AREAS

The evolving landscape of ESG integration in the Banking sector therefore necessitates a holistic approach that encompasses ESG aligned decision-making not only for our `internal operational practices, but also extending beyond onto our external investing activities. In backdrop of the above, we are building our systems to navigate challenges and anticipate disruptions that may manifest through this evolution in the coming decade. Shahjalal Islami Bank PLC. 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.

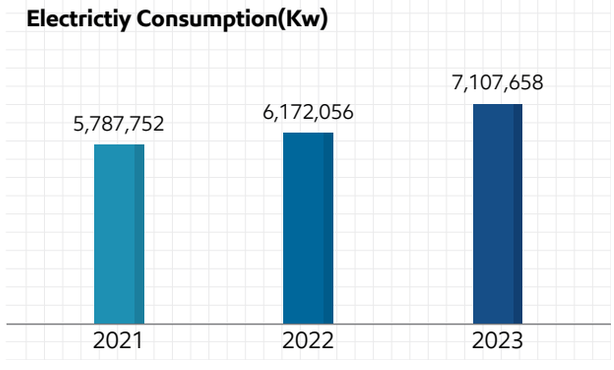


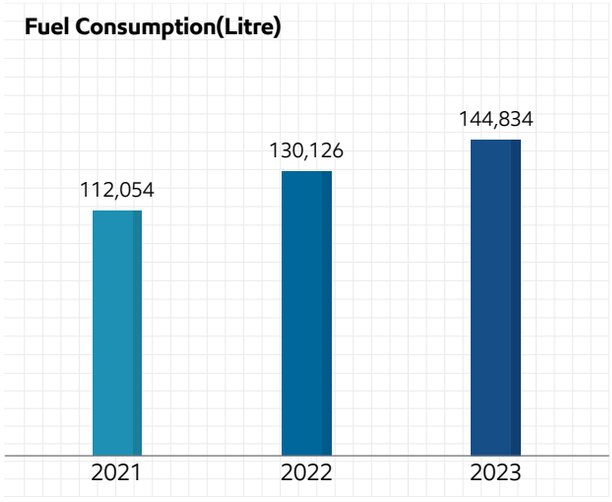
Environmental Approach- Maximum utilization of limited resources:

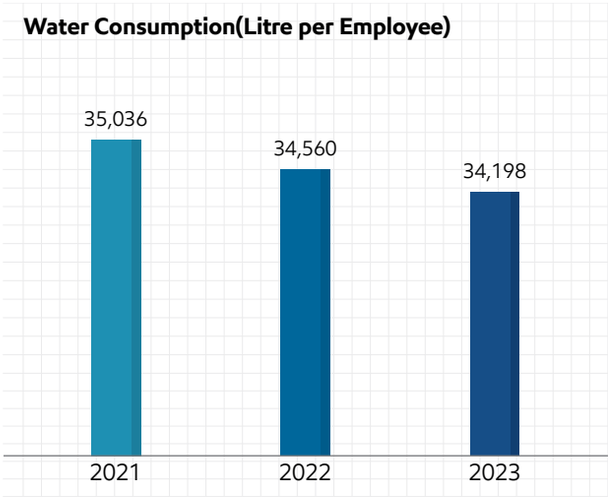
Shahjalal Islami Bank has prioritized projects that emphasize environmental benefits, and currently, we are investing in those projects that involve providing environmentally friendly products and services. Our environmental initiatives cover sectors such as renewable energy, energy efficiency, water management, waste management, and recycling.

Energy Efficiency

We have taken several initiatives to optimize energy consumption throughout our operations. Firstly, we have already replaced all traditional fluorescent lamps with motion sensors highly efficient LED lamps in all of the Corporate Head Office, branches and sub-branches. Additionally, we have introduced the latest energy-efficient office equipment that is environmental friendly. This will significantly reduce carbon emission from our own operation.







Renewable Energy

We are strongly committed to gradually reduce our carbon footprint hence we are actively working towards increasing the proportion of usage of renewable energy source in our overall energy consumption. In this regard we have taken the initiative to install solar rooftop panels in Corporate Head Office along with 19 of our Branches and ATM booths to encourage the use of cleaner and more sustainable sources of energy. In line with our green and sustainable investment initiatives, we have taken concrete steps to invest more in renewable energy and energy efficiency projects. Notably, we have invested BDT 100 crore in the Beximco Green Sukuk to establish the largest solar power plant with a capacity of 230 MW in which has already commenced power generation. Investment in these projects will significantly enhance the clean source of energy and reduce the reliance on conventional energy sources and help us contribute to the global effort to combat the climate change.

LEED certified buildings

Our Corporate Head Office Building is certified with "Gold" by Leadership and Energy Environment Design (LEED). Moreover, investing in environment friendly building construction projects is our main priority for green and sustainable projects initiative.

Water Management

We have installed latest technology based equipment to most of our branches to minimize the wastage of water. Our Corporate Head office and branches outfit washroom, cafeteria water faucets, are equipped with sensor based water flow restriction technology which is mostly efficient for maximum utilization of this resource. We have installed recapture system facility to further utilization of the recycled water in our Corporate Head Office.

Paper Consumption:

As part of our smart and sustainable operational processes initiative we have introduced smart printers and adopt double-sided printing practices throughout our operation. In addition to that we introduced e-KYC to reduce the use of paper-based account opening form. Our QR Cash and Green Pin initiatives have drastically reduced use the conventional cheque withdrawal process and use of paper based pin generation for card issuance process.

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 dry waste and 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 90,000 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 2030. This target demonstrates our dedication to sustainable practices and environmental conservation.

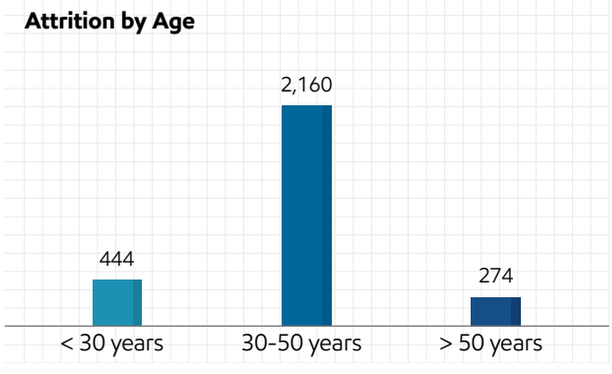
Social & Communities- Building better connections by empowering

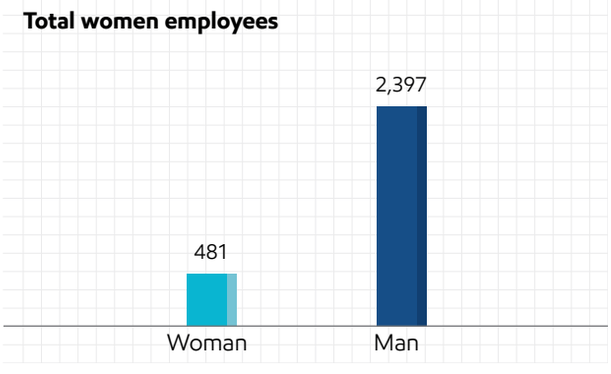
Financial Inclusion Program for Rural Community development

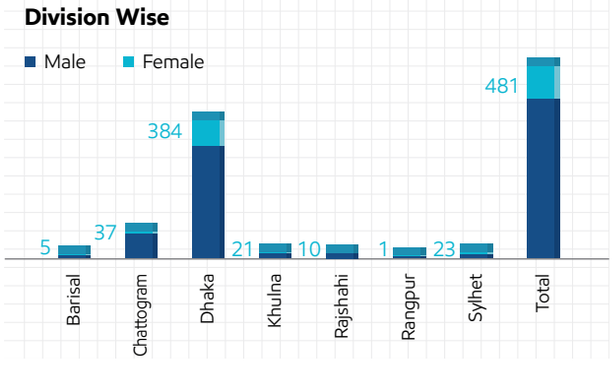
Our commitment is to ensure the sustainable and holistic development of our rural communities through the financial inclusion program. However, the ongoing Russia-Ukraine war along with recent Middle East conflict are posing a significant challenge to our efforts, as it has created uncertainty and put pressure on the economy of Bangladesh, especially for those who are already struggling. In this difficult time, we are stepping forward to offer sustainable and green financing options through our investment facility especially for the unbanked people. 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 community development.

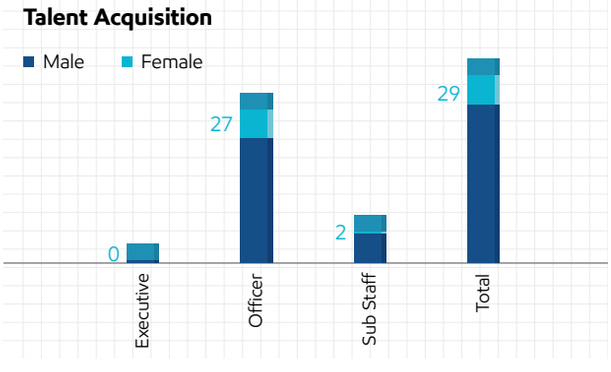
Workforce Diversity, Inclusion and Equal Opportunity

We strive to establish and maintain a diverse, inclusive workplace that offers every employee equal opportunities, regardless of their age, gender, sexual orientation, or religion. 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 employee to enable them to build successful careers.









Woman Participation in Leadership Role

We are committed to supporting gender parity in workplace and providing woman with a healthy ecosystem that nurtures their careers while being mindful of their unique challenges in the competitive workplace in leadership role. Currently, our workforce comprises 17% women, and we are working towards increasing their participation in leadership position 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 and college going students to familiarize themselves with the latest mode of banking services and open and operate bank accounts which is no cost at all. The Bangladesh Bank is implementing this program 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 in effective and efficient manner.

Responsible and Exemplary Governance

Our governance strategy is based on fundamental values and ethical principles, elevated risk consciousness, Board expertise and competence, and steadfast regulatory compliance. We have established well-defined decision-making and follow-up to ensure top-notch governance standards, which guarantee a proper balance of authority, accountability, and freedom. The SJIBPLC corporate governance framework serves as the primary foundation for all our activities and operations.

Strong Diversity at Board Composition

Our Board comprises a well-balanced mixture of youthful, energetic, experienced, and expert members, each with a strong background in diversified 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.

Culture of Transparency and Accountability

We strive to foster and inclusive and effective governance structure that upholds the highest standards of transparency, accountability and decision-making. For this reason, the Board always endeavors to adopt global practices in governance, timely disclosures, and fair presentation of information. SJIBPLC 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 thus 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 ethics and culture
- Policies to prevent insider trading
- Policies on prevention of any type of harassment
- Environmental, Social & Governance Policy Framework

SJIBPLC ESC ISSUES

The following chart outlines the most material environmental, social and governance issues relevant to our business and key stakeholders.

SJIBPLC 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		☑		☑		
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 SJIBPLC 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 improve the overall business model. Thus this analysis allows us to leverage our key strengths and helps us to mitigate the various risk factors while exploiting the opportunities.

Key Competencies

Strong Financial Foundation

Concrete Capital Base

- Maximization of shareholder's value by ensuring the optimal capital allocation and robust capital position

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
- Strong monitoring procedure against external threads

Ideal branch location

- To ensure customer convenient branch placement 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

SJIBPLC Brand

23 years of glorious journey

- Proactive responsible and customer oriented banking service provider
- Continuous investment for enhancing brand image

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 SJIBPLC'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.

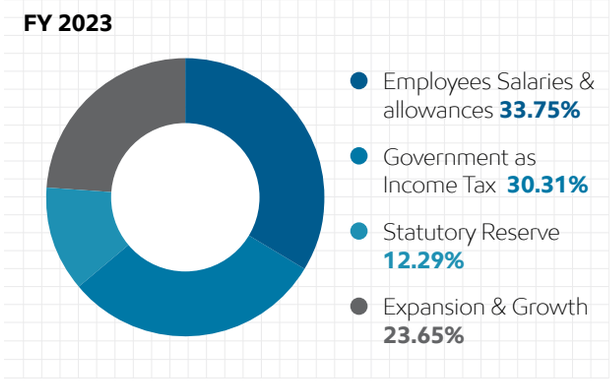
Value Added Statement

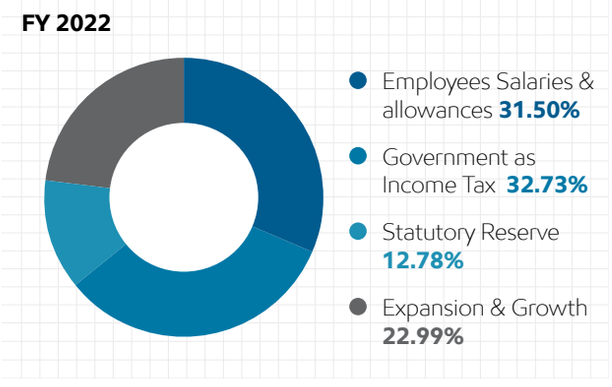
for the year ended 31 December 2023

Taka in Million

Particulars	2023 Taka	%	2022 Taka	%
Income From Banking Services	24,248,608,918		22,455,954,648	
Less: Cost of services & supplies	10,875,201,405		10,037,935,857	
Value added by the Banking services	13,373,407,514		12,418,018,791	
Non-banking income	-		-	
Loan & Other Provisions	(1,733,580,890)		(1,108,365,441)	
Total value added	11,639,826,624		11,309,653,350	
Distribution of added value				
To Employess as salaries & allowances	3,927,904,751	33.75%	3,563,590,724	31.50%
To Government as Income Tax	3,528,378,285	30.31%	3,701,218,481	32.73%
To Statutory Reserve	1,430,650,055	12.29%	1,445,255,312	12.78%
To Expansion & growth	2,752,893,533	23.65%	2,599,588,833	22.99%
Dividend & Retained earnings	2,667,499,514		2,044,552,185	
Start-up Fund	42,698,420		35,250,581	
Depreciation	558,671,600		519,786,068	
	11,639,826,624	**100%**	**11,309,653,350**	**100%**

Distribution of Added Value





ECONOMIC VALUE ADDED STATEMENT

Economic Value Addition (EVA) indicates the true economic profit of the company. EVA is an estimate of the amount by which earnings exceed or fall short of required minimum return for shareholders at comparable risks.

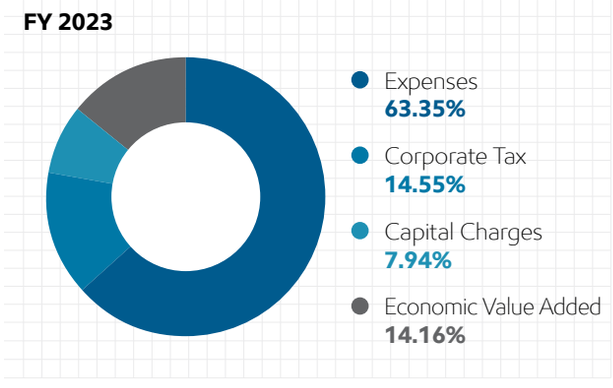
Economic Value Added Statement

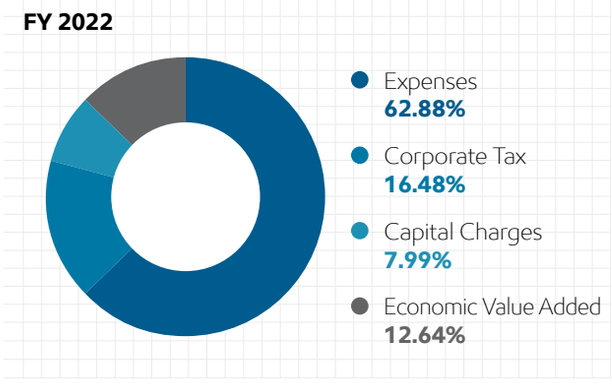
for the year ended 31 December 2023

Taka in Million

Particulars	2023	2022
Total Revenue	24,248.61	22,455.95
Expenses	15,361.78	14,121.31
Corporate Tax	3,528.38	3,701.22
Capital Charges	1,924.72	1,795.20
Economic Value Added	3,433.73	2,838.22

Economic Value Addition





MARKET VALUE ADDED STATEMENT

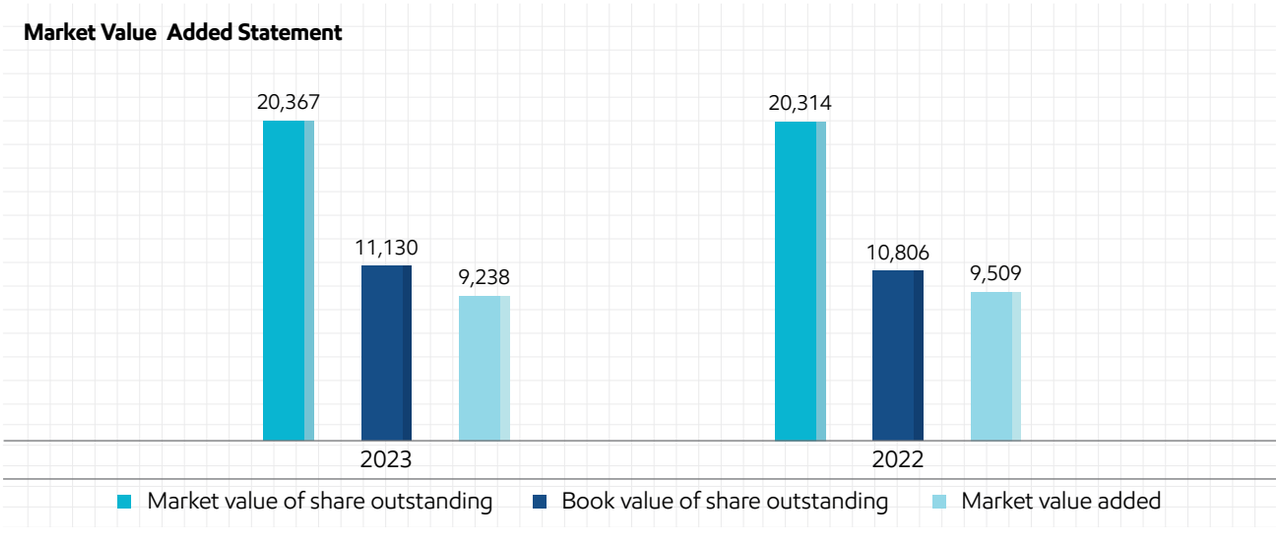
Market Value Added Statement reflects the company's performance evaluated by the market through the share price. This amount is derived from the difference between market capitalization and book value of the shares outstanding. It signifies the enhancement of financial solvency as perceived by the market.

Market Value Added Statement

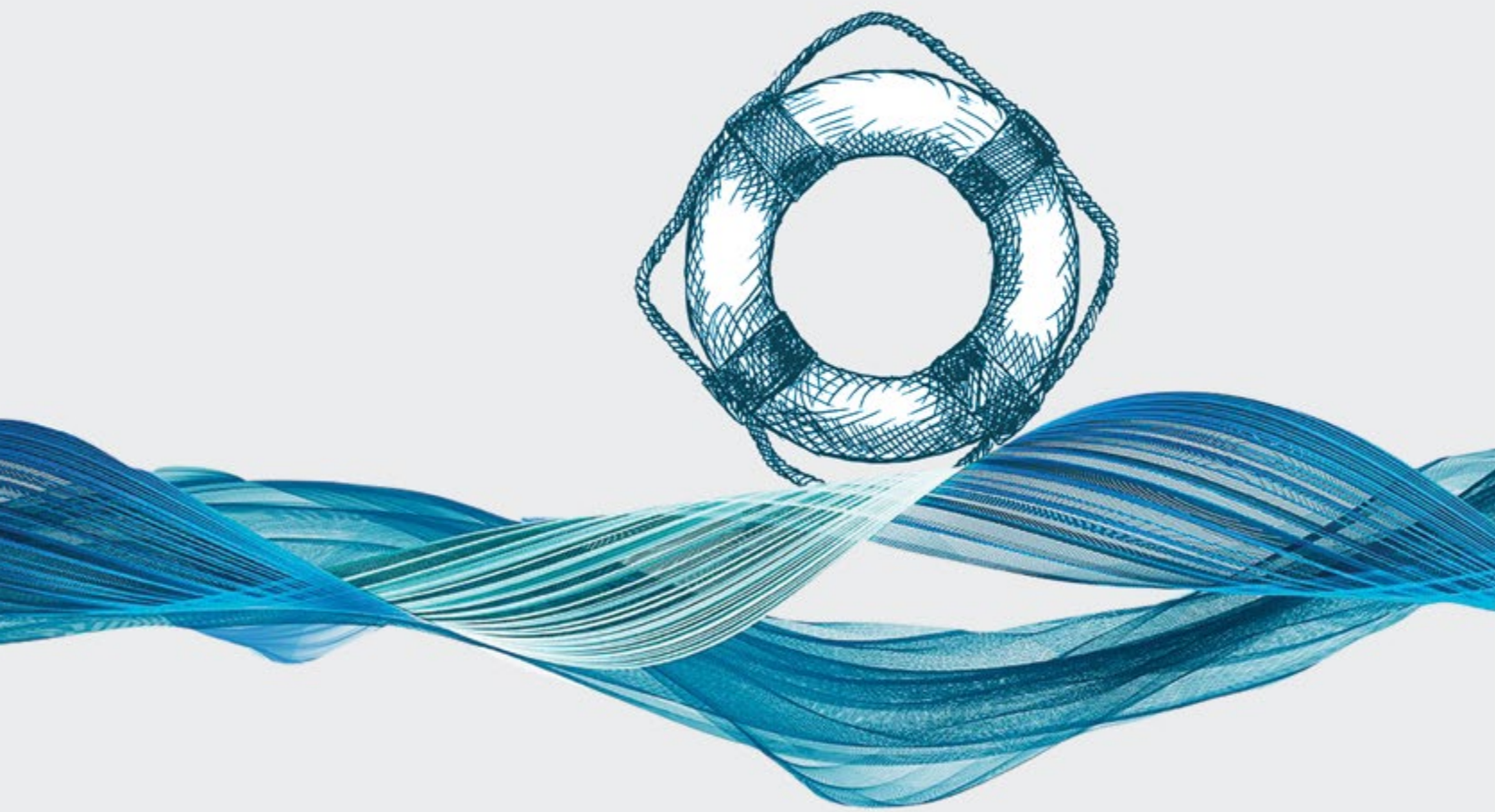
for the year ended 31 December 2023

Taka in Million

Particulars	2023	2022
Face value per share (Tk.)	**10.00**	**10.00**
Market Value per Share (Tk.)	**18.30**	**18.80**
Number of Shares outstanding	1,112,968,351	1,080,551,798
Total market capitalization	20,367.32	20,314.37
Book value of paid up capital	11,129.68	10,805.52
Market Value Addition	**9,237.64**	**9,508.85**



RISK MANAGEMENT



REPORT OF THE BOARD RISK MANAGEMENT COMMITTEE



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 decisions, internal control, and day-to-day operations to enhance ownership and agility in managing risk. The Board Risk Management Committee (BRMC) oversees the governance of risks within the Bank and ensures that there is effective infrastructure in place to manage risk and conduct management activities in identifying, assessing, controlling, and monitoring risks. SJIBPLC 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 the 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 ensuring the strategic objectives through a sound risk management system that promotes the sustainability and resilience capabilities 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 2023) 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 PLC. 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	
	Bank	Committee
Engr. Md. Towhidur Rahman	Director	Chairman
Dr. Anwer Hossain Khan, MP	Director	Member
Mr. Mohiuddin Ahmed	Director	Member
Mr. Khandaker Sakib Ahmed	Director	Member
Mr. Mohammed Younus	Director	Member

The Company Secretary acts as Secretary of the Board Risk Management Committee (BRMC).

Key Responsibilities of the Committee

The Committee holds significant roles and responsibilities including:

- Exercising oversight, on behalf of the Board, of the bank's key risks.
- Formulating and annually reviewing risk management policies and strategies for sound risk management.
- Monitoring the implementation of risk management policies and processes to ensure effective prevention and control measures.
- Ensuring compliance with Bangladesh Bank's instructions regarding the implementation of Core Risk Management.
- Formulating and reviewing risk appetite and limits, and recommending these to the Board of Directors for review and approval.
- Analyzing existing and potential risk issues, making appropriate decisions for risk mitigation, documention of those in meeting minutes, and ensuring follow-up for proper implementation.
- Submitting proposals, suggestions, and summaries of BRMC meetings to the Board of Directors at least quarterly.
- Complying with instructions issued by the regulatory bodies.
- Ensuring the appropriate knowledge, experience, and expertise of lower-level managers and staff involved in risk management.
- Assessing the overall effectiveness of risk management functions annually.

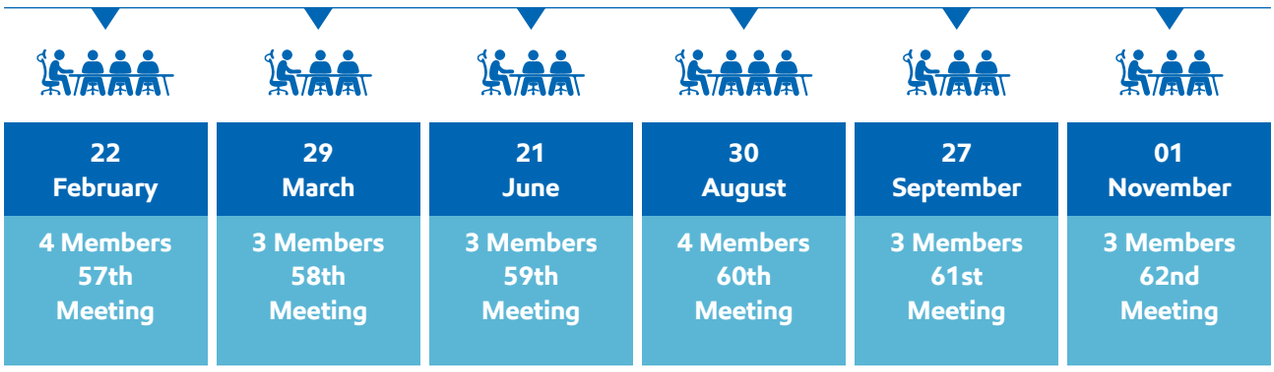
Evaluation Process of Overall Effectiveness of Risk Management Functions



Meetings held by the BRMC during the year 2023

During the year, six (06) meetings were held 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 2023

In 2023, the BRMC conducted six (06) scheduled meetings and fifty seven (57) 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 stated below:

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 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 Policies and Effectiveness of Risk Management Functions:

The committee has reviewed the overall Risk Management Policies, Core Risk Management Policies and Effectiveness of Risk Management Functions for the year 2023.

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 the Central Bank.

BASEL III Implementation:

The Committee has reviewed the key accords and compliance of BASEL III thoroughly and advised to connect strategic decisions with the bank's capital planning.

Quality of Assets:

A sophisticated discussion on asset quality was held, which identified low-performing assets and suggested actions to improve the asset base's quality.

Stress Testing:

The Committee has assessed stress testing reports from the quarter ending March 2023 to the quarter ending December 2023 and advised to adopt financial flexibility to respond to severe but plausible scenarios.

Capital Management:

The Committee advised the Bank to keep and maintain a satisfactory Capital to Risk Weighted Asset Ratio (CRAR) and to strengthen long-term capital plans that can align with the bank's goals while meeting regulatory requirements.

Diversification of Portfolio:

The Committee deeply scrutinized the bank's overall investment position, identifying and pointing out vulnerable ones to confirm risk mitigation at an optimum level.

Recovery Plan:

The Committee has reviewed the recovery plan for the year ended December 2022 and advised adopting the rules and regulations of Bangladesh Bank.

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, and Self-Assessment and Evaluation Reports of Core Risk during the year and recommended complying with the requirements of the regulatory authority on time.

Capacity Building:

The BRMC raised the issue of capacity building, skill enhancement, and knowledge gathering among team members by arranging appropriate aptitude and 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 and Control Strategies:

The BRMC has assessed the bank's existing and potential risk exposures and recommended necessary risk control and mitigation strategies while keeping a close eye on emerging risks that may pose a serious threat in the future.

Cash Recovery and Written-off Position:

The BRMC analyzed and discussed the Cash Recovery Position of Classified Investments and the total position of Written-off Investments incurred during the year.

Audit Findings and Compliance:

The BRMC discussed thoroughly the findings and observations of audits conducted by Bangladesh Bank and advised accordingly to take the necessary action to comply with audit inspections.

Top Borrowers and Defaulters:

A brief discussion was carried out by BRMC on the exposure of the Top-20 Borrowers and Top-20 Defaulters and the status thereof.

Environmental & Social Risk Management:

The Committee is concerned with investing in environment friendly projects like ETP, solar, green factories, etc. that will be advantageous to our planet without posing any threat in the long run. The Committee has also adopted and strictly complied with the in-house Green Office Guide of the Bank to minimize Green House Gas (GHG) emissions. We have no record of human rights violations, child labor, or gender discrimination in SJIBPLC till now. The Bank disburses finance only after consulting the Environmental & Social Risk (ESR) rating of Bangladesh Bank.

Customer Satisfaction:

The Committee discussed the complaints received from the customers, and the Committee advised the concerned division to settle 100% cases immediately and handle the matter strictly to uphold the image of the Bank.

Digitalization:

We move towards a paradigm shift from traditional products and services into digital products and services. In our digital movement, our latest edition is Green Pin, Digital Risk Regsiter, and many more are in the pipeline.

ICT Security Risk Management:

After achieving the prestigious ISO 27001:2013 certification from the UK-based certification body Intertek (one of the big four) on ICE Seciruty, it has become imperative for us to maintain the same standard throughout the year 2024 that we did successfully.

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 2023, the Board Risk Management Committee supported the execution of the overall business strategy within a set of prudent risk parameters that are reinforced by a sound risk management system.

Acknowledgment

The members of the Board Risk Management Committee convey their heartfelt 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



M. M. Saiful Islam
DMD & Chief Risk Officer

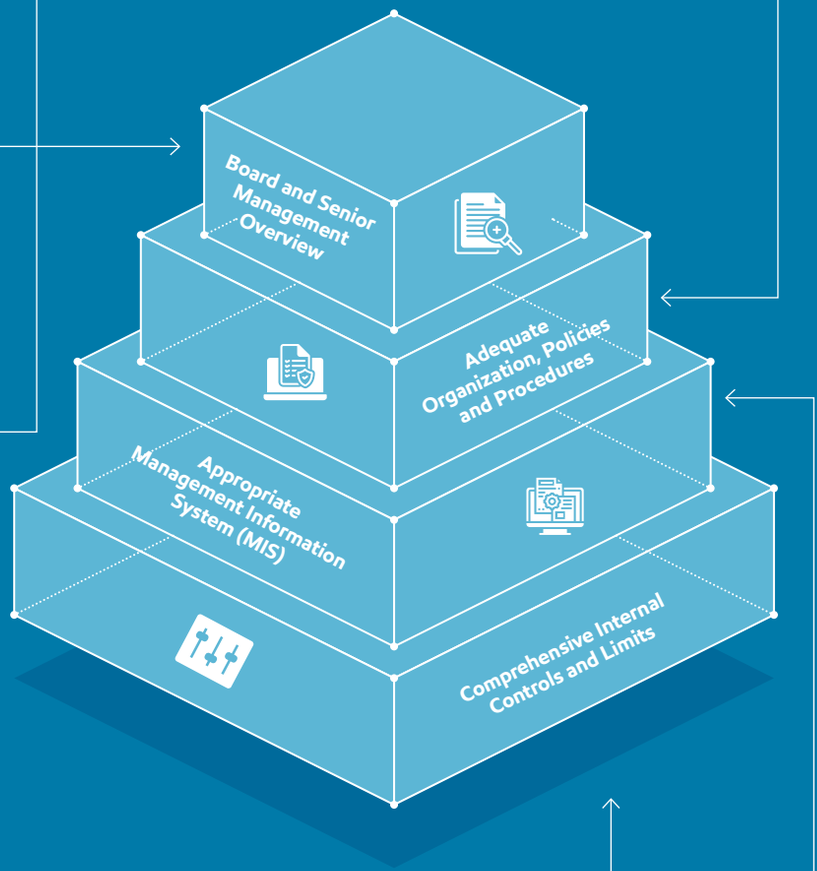
A series of severe and mutually reinforcing shocks hit the world economy in 2023. The war in Ukraine released a new crisis of disrupting food and energy markets, high inflation eroded real incomes and triggered a global cost-of-living crisis, rapid interest rate hikes triggered capital outflows and currency depreciations, and increased balance-of-payment pressures and intensified debt sustainability risks.

With the global shocks, Bangladesh economy also faced several unresolved structural issues which include poor tax revenue performance, a fragile banking sector, ineffective public expenditure management, unsuitable trade and industrial policies for economic and export diversification, low FDI, and weak corporate governance. In response to economic issues, 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 here that, Shahjalal Islami Bank PLC. survived successfully in 2023 and achieved enviable success in all parameters by adopting defined and dynamic strategy.

As a Chief Risk Officer (CRO), I have found SJIBPLC steersing through challenging circumstances. The businesses of the Bank have been driven with a focus on risk-calibrated profitable growth. Shahjalal Islami Bank PLC. continued to maintain its capital adequacy ratios well above the regulatory requirement and reported a robust total CRAR of 15.06% at the end of 2023. The Bank prudently manage risk 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 2023.

Sound Risk Management System

The risk management system of Shahjalal Islami Bank PLC. includes policies, procedures, limits and controls in its foundation 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 or the Board Risk Management Committee for review.

Adequate Organization, Policies and Procedures

The bank's policies and more detailed procedures provide guidance for the day-to-day implementation of broad risk strategies and generally work as safeguard against unexpected 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 2023

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 2023, 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	
			31.12.2023	31.12.2022
Investment Risk: Quality of Investments Portfolio	Gross NPI Ratio	<5%	4.42%	4.78%
	Net NPI Ratio	<3.50%	2.76%	3.12%
	Provision Maintenance Ratio	≥100%	100.13%	103.42%
	Rated Investments of Total Eligible Investments portfolio	80% - 100%	96.38%	94.20%
Liquidity Risk	Investment Deposit Ratio (IDR)	≤92%	85.13%	83.64%
	Liquidity Coverage Ratio (LCR)	≥100%	123.88%	158.23%
	Net Stable Funding Ratio (NSFR)	>100%	126.21%	128.01%
	Cash Reserve Ratio (CRR)	≥4%	4.47%	4.99%
	Statutory Liquidity Requirement (SLR)	≥5.50%	10.79%	12.74%
Strategic Risk	Capital to Risk Weighted Assets Ratio (CRAR) Plus Conservation Buffer	≥12.50%	15.06%	14.38%
	Tier 1 Plus Conservation Buffer	≥8.50%	12.68%	11.33%
	Tier 1 (Going Concern Capital)	≥6%	12.68%	11.33%
	CET 1 Plus Conservation Buffer	≥7%	10.47%	9.22%
	Tier 2 (Gone Concern Capital)*	≤4%	2.38%	3.05%
	Leverage Ratio	≥3.25%	7.19%	6.84%
	Surveillance Rating-ECRL	AA2(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 the Bank are 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 2023, 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.**
- **Introducing Risk Register System digitally across the Bank.**
- **Raising awareness on risk management by providing adequate training.**

Investment Risk

The Bank has a robust Investment Risk policy framework embedded with prudent investment guidelines to minimize investment defaults and manages its investment exposures by diversifying products, geographical area, client segments and industry sectors.

Asset and Liability Risk

The Asset Liability Committee (ALCO) of the Bank has analyzed the market liquidity and investment position as well as profit rate of deposit and investment while reviewing and offering deposit profit rate with attractive deposit products of Bank in line with industry and holds an adequate buffer of HQLA to survive extreme but plausible liquidity stress scenarios for at least 30 days without recourse to extraordinary Central Bank support.

Foreign Exchange Risk

The Bank maintains its Foreign Exchange holdings as per the need faced by the clients and manages Foreign Exchange Risk within the approved Risk Appetite. The Bank is also conscious of managing FX positions so that any FX losses don't cause material damage to its regular FX operation.



Bank's Risk Management Approach

The Bank's Risk Management Framework (RMF) is based on strong Board oversight, multi-tier management supervision, efficient systems, documented risk appetite, and clearly articulated policies and procedures.

In 2023, 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.

Core Risks Managing Process

Internal Control and Compliance Risk

The Bank has effective guidelines to maintain strong internal control systems through which regular and special inspections are conducted by the team of IC&CD and report accordingly to the higher management of the Bank.

Money Laundering Risk

The Bank has formulated "Guidelines on Prevention of Money Laundering and Terrorist Financing" and applies, measures and monitors risk-based Customer Due Diligence (CDD), business relationship and transaction pursuant to national regulations and international standards.

ICT Risk

The Bank continuously enriches its technology risk management capabilities by adopting a strong "Information & Communication Technology (ICT) Security policy" and reviews its system fluctuations and penetration testing and a dedicated IT audit team carries out its functions to ensure findings which are sufficiently addressed to a higher authority.

Apart from dealing with these Core Risks, SJIBPLC as a practitioner of Shariah Based Islami Banking also faces Shariah Non-Compliance Risk and takes action to manage the same risk more efficiently by taking this into consideration as follows:



Managing Process

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 2023

Shahjalal Islami Bank PLC. 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, Risk Management and Sustainability Rating have been improved.

Low Risk

Adequate Capital has been maintained against Risk Weighted Assets.

CRAR 15.06%

Achieved milestone in conducting Credit Rating of clients.

Credit Rating 96.38%

Bank's Risk Profile has been improved due to lessen RWA against total assets.

RWAs to Exposures 57%

NPI ratio has been arrested below the target level (≤ 5%)

NPI 4.42%

Provision has been maintained as per regulatory requirement.

Provision Maintained 100.13%

Liquidity Coverage Ratio (LCR) has been maintained efficiently.

LCR 123.88%

Net Stable Funding Ratio has been maintained above the BB requirement.

NSFR 126.21%

Deposit Mix has been improved by reducing High Cost deposit year-on-year.

High Cost 51.00%

Cash Reserve Ratio (CRR) has been maintained efficiently.

CRR 4.47%

Statutory Liquidity Requirement (SLR) has been maintained efficiently.

SLR 10.79%

Investment-Deposit Ratio (IDR) has been maintained successfully.

IDR 85.13%

Large Deposit to Total Core Deposit has been maintained below the target level.

Large Deposit 6.94%

Capital Market Exposure to Capital has been kept below the regulatory requirement.

CMEs 18.50%

Leverage Ratio has been maintained far above the BB requirement.

Leverage 7.19%

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 PLC. and the Bank is making progress on the risk priorities set out on a need basis:

- **Strengthen the Risk Culture of the Bank:** The Bank's Risk Management Framework (RMF) has been embedded and rolled out to all concerns of the Bank. In 2023, 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:** SJIBPLC 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 96.38% in 2023 which was 94.20% in the previous year.
- **Enhance Information and Cyber Security (ICS):** SJIBPLC has received ISO Certification in ISMS. In 2023, 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 environmental risk, SJIBPLC strictly follows the ESDD checklist in all applicable cases before disbursement of investment. We have no cases of high risk finance in the year 2023. Besides, SJIBPLC substantially grew in terms of green and sustainable finance disbursement in 2023 compared to 2022.

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:

Emerging Risks Managing Process

Tight Monetary policy and slow investment growth

BB has prioritized the containment of inflation as its main policy focus. Continued high inflation not only erodes purchasing power of consumers but can lead to entrenched expectations of higher inflation. BB has embarked on a path of contractionary monetary policy through continuous hikes in the policy rate to anchor inflationary expectations. This tight liquidity conditions may slow private sector investment growth.

BB has enhanced the flexibility of Profit rate caps and introduced a Profit rate corridor to better signal its monetary stance.

Poor asset quality and the weak capital base

Continued regulatory forbearance and weak investment risk assessment systems hamper the productive allocation of investment, thereby risking further deterioration in bank asset quality. Inadequate bank capital is a significant factor constraining investment growth.

Compliance with investment risk management guidelines, implementation of the PCA framework and Recovery Plan are needed to reduce risks of financial instability.

Bank mergers and acquisition

Forced bank mergers may be counterproductive without a thorough assessment of asset quality. A consolidation process will require careful assessment and prudent implementation of procedures to avoid weakening good banks acquiring bad banks. An assessment of the asset quality of weak banks will be required.

Evolution of IT and data infrastructure

The talent pool within the risk function is expected to undergo a substantial shift, with a strong focus on advanced analytics, enhanced collaboration, and a reduced emphasis on operational processes. Automation, real-time systems, and paperless workflows will likely become the norm. The evolution of IT and data infrastructure will bring about increased sophistication, leveraging big data and complex algorithms. This enhanced technological landscape will enable the risk function to make more accurate risk decisions while reducing operating costs, ultimately leading to superior customer experiences.

Climate-related transition Risk

Climate resilience is no longer a paper work but a necessity for the vulnerable population. Exercising Environmental & Social Due Diligence (ESDD) Rating before finance decision making has become crucial and almost obligatory for regulatory importance.

Future Outlook

By 2024, banks' risk functions will need to change significantly to cope with the new regulatory requirements, rising customer expectations, and emerging risks. As hard as it may be to believe, the next ten years in risk management may be subject to more transformation than the last decade. Unless banks take action to prepare for these changes, they may find themselves struggling to meet the new requirements and demands that lie ahead.



M. M. Saiful Islam
DMD & Chief Risk Officer

RISK MANAGEMENT FRAMEWORK

A Risk Management Framework (RMF) is a set of components that provide the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organization. The notion of a risk management framework is essentially equivalent to the concept of Enterprise Risk Management (ERM).

1.0 Risk Management Overview

Shahjalal Islami Bank PLC. (SJIBPLC) embraces risk management as an integral part of its business, operations, and decision-making processes. In order to ensure that SJIBPLC 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:



Broader Risk Management Objectives

- Promote better risk culture
- Ensure that risk-taking activities are consistent with risk policies and the risk appetite
- Improve internal financial soundness and stability
- Adopt and implement an effective risk management framework
- Introduce important risk management tools and techniques

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 PLC. 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 SJIBPLC 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 PLC. has developed a Risk Management Framework (RMF) as a standardized approach to manage its risks and opportunities effectively. 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. 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 risk culture is built upon:



Tone from the top:

Clear and consistent communication from leaders on risk behavior expectations and the importance of SJIBPLC's values.

Accountability:

All SJIBPLC 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:

SJIBPLC 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.

Three Lines of Defense

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

- Have in place effective process to identify, assess measure, monitor, mitigate and report on their risks.
- Operates in accordance with the risk policies and delegated mandates.
- 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.

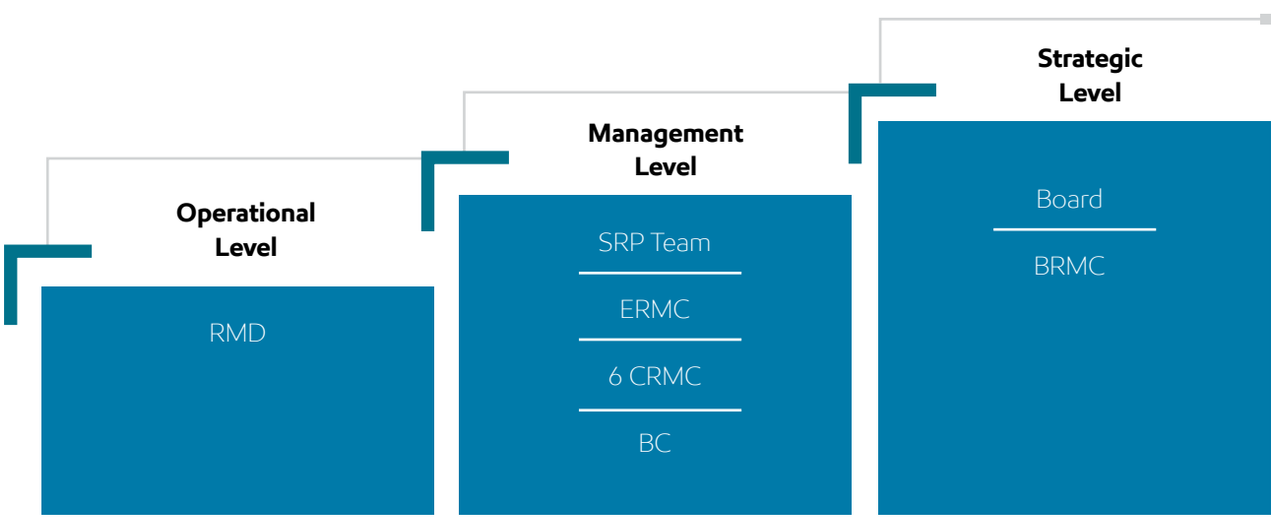
3rd Line of Defense

Internal Audit Division

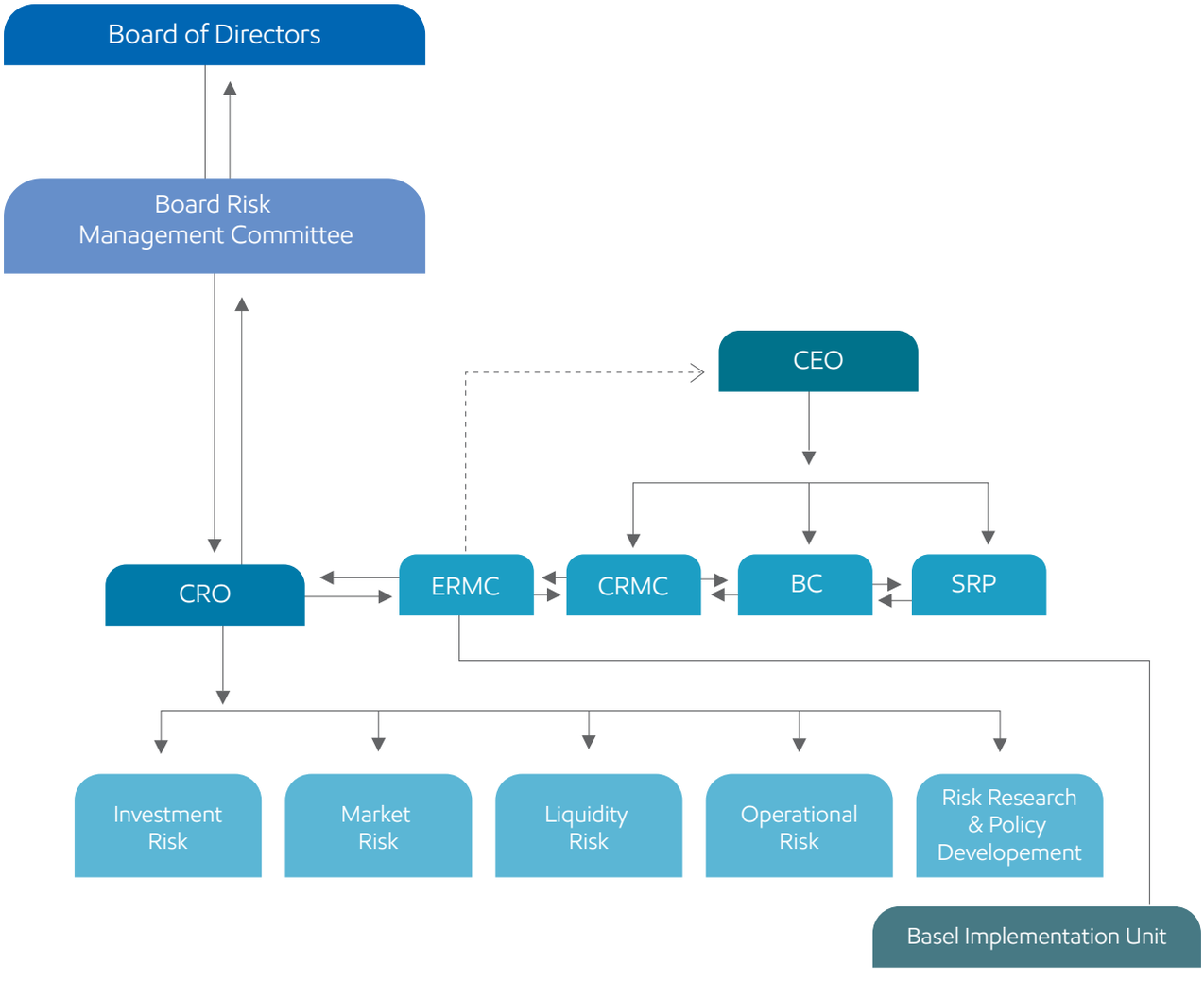
- To conduct independent periodic reviews of the first and second line defense.
- To assess and notify the strengths and weaknesses of the first and second line defense for potential improvement.
- To add value in accomplishing the objectives of operational effectiveness & efficiency.
- To act as an 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 (RMD), Core Risk Units (CRU) and the Basel Implementation Unit (BIU). The risk management structure of SJIBPLC 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.

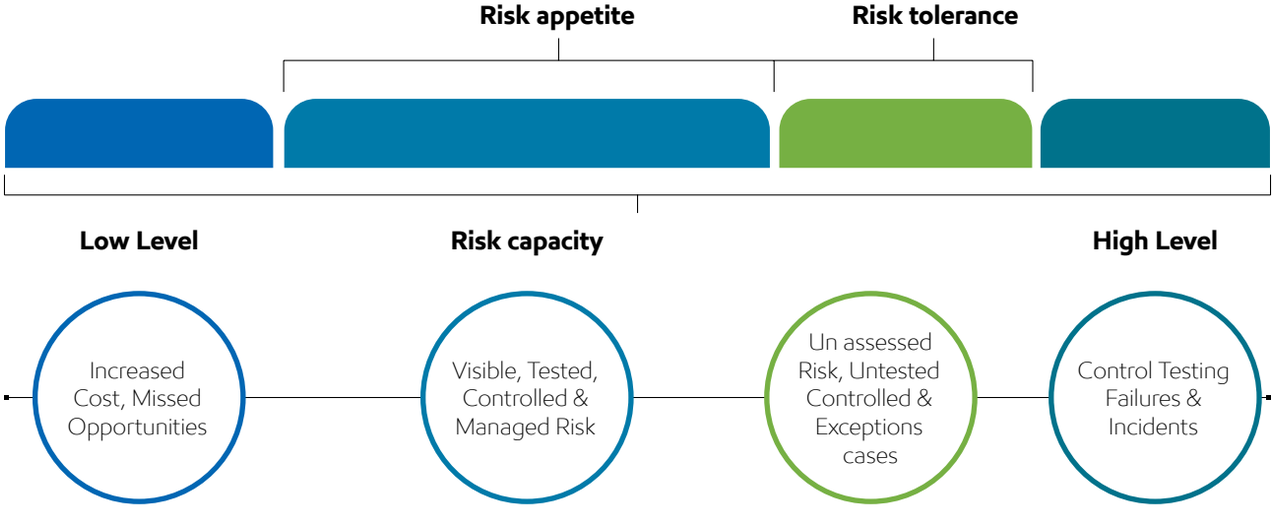
Level	Roles & Responsibilities
Executive Risk Management Committee (ERMC)	SJIBPLC has formed an ERMC comprising of the Chief Risk Officer (as the Chairman), the heads of divisions from ICC, IRM/IAD, Treasury, AML, ICT, ID, Operation, Business, Finance, and Recovery, and representatives of other divisions 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. • Review and approve of the core risk rating and recommend 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.

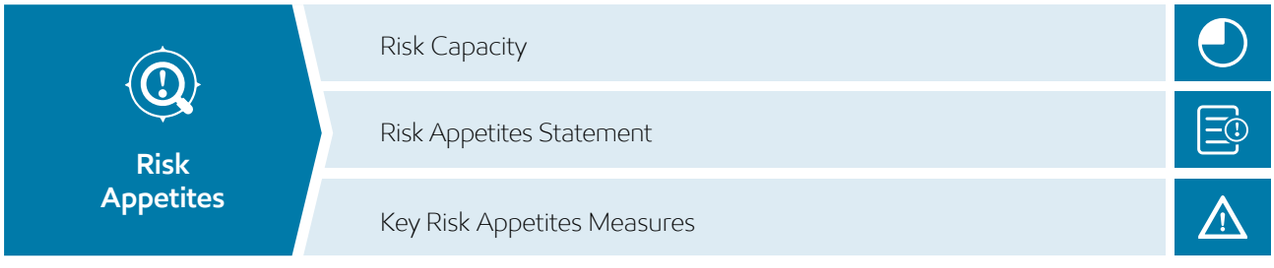
3.3 Risk Strategy and Risk Appetite

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

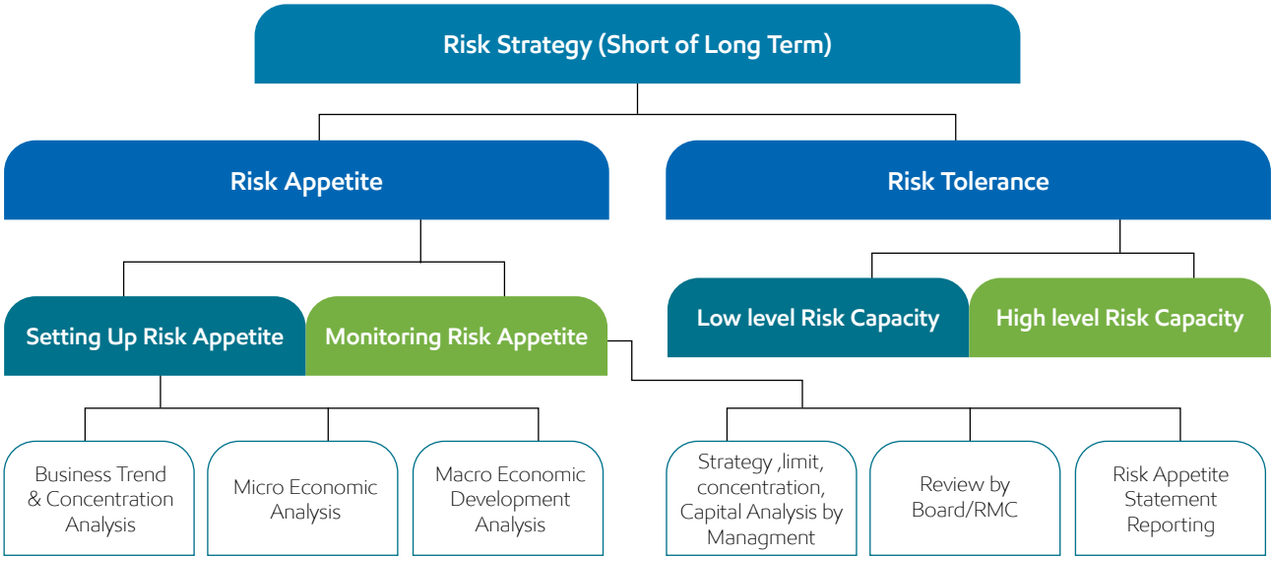
The bank's risk appetite framework consists of risk capacity, risk appetite statement, and key risk appetite measurement. Application of the risk appetite statement and monitoring of the key risk appetite measurement help to ensure the bank stays within appropriate risk boundaries.

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.



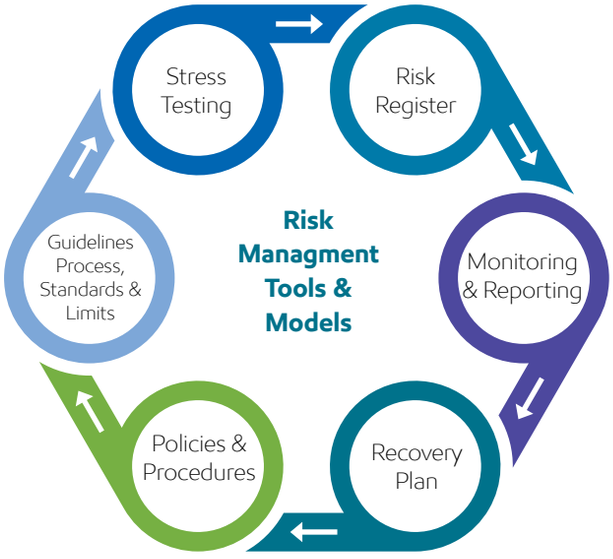


Setting and Monitoring Risk Appetite:



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. 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 management and/or key risk committees approve management level risk policies.

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.

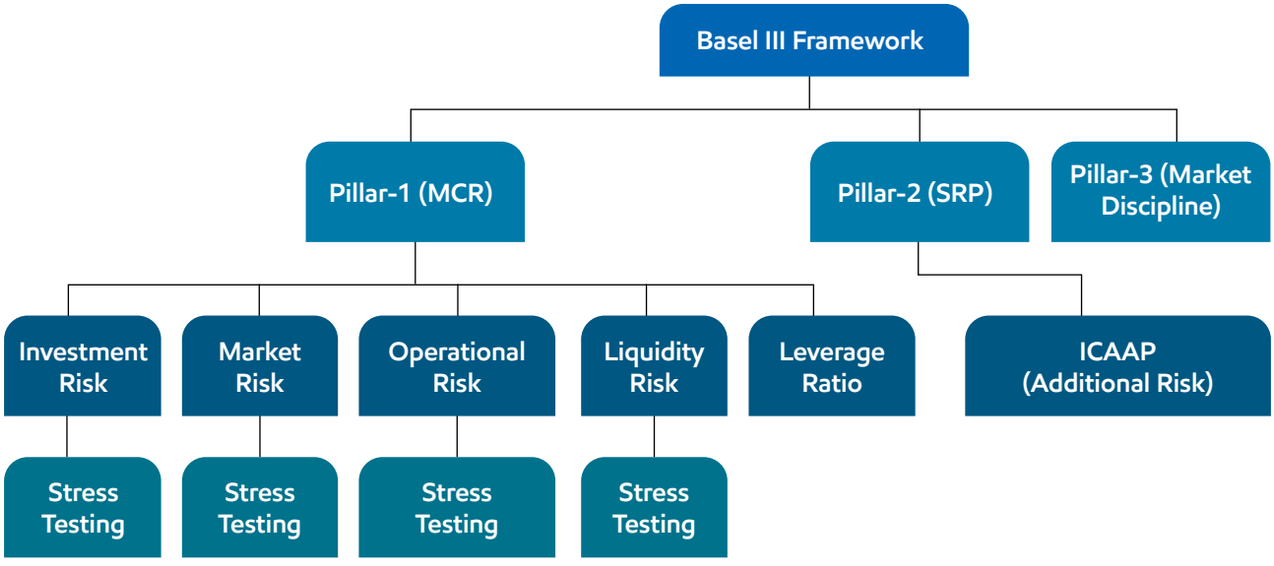
Limits

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:

Risk Register

1	Date	Identification Date	**A**
		Target Date	B
		Completion Date	C
2	Risk Number	Unique identifying number	D
3	Risk Description	Brief Description (Causes and impact)	E
4	Existing Controls	Brief description of the controls (currently in place for the risk)	F
5	Consequence	Using Scales (e.g. 1-5 with 5 being most severe)	G
6	Likelihood	Using Scales (e.g. 1-5 with 5 being most likely)	H
7	Overall risk score	Determined by multiplying likelihood times consequence for a scale ranging from 1-25	I=G*H
8	Risk Ranking	Priority List	J
9	Trigger	Indicates that a risk is about to occur or has already occurred	K
10	Management Action	Action is to be taken if the risk found adverse	L
11	Risk Owners	Mainly Business Line personnel	M

3.4.4 Measurement, Monitoring and Reporting

Risk Measurement

The bank uses models for different purposes, including estimating the value of transactions, measuring risk exposures, determining investment risk ratings and parameters, and calculating economic and regulatory capital. The use of quantitative risk methodologies and models is balanced by a strong governance framework and includes the application of sound and experienced judgment.

Regular Monitoring

Regular monitoring ensures that business activities are within approved limits or guidelines and are aligned with the bank's strategies and risk appetite. Breach (if it occurs) of any of these limits or guidelines is reported to senior management, risk committees, and/or the Board, depending on the limit.

Risk Reports

Aggregate measures of risk, across products and businesses, are used in compliance with policies, limits, and guidelines. They also provide a clear statement of the amounts, types and sensitivities of the different risks in the bank's portfolios. Senior management and the Board use this information to comprehend the bank's risk profile as well as the performance of the portfolio.

3.4.5 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 PLC. 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.

PRINCIPAL RISKS AND UNCERTAINTIES FACED 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.

The Banking sector has a pivotal role in the development of an economy. It is the key driver of economic growth of the country and has a dynamic role to play in converting the idle capital resources for their optimum utilization so as to attain maximum productivity. In fact, the foundation of a sound economy depends on how sound the Banking sector is and vice versa. Banking is considered to be a very risky business. Bank must take risk, but they must do so consciously. However, it should be borne in mind that banks are built on customers' trust, brand reputation and above all dangerous leverage. In case something goes wrong, banks can collapse and failure of one bank is sufficient to send shock waves right through the economy. Therefore, bank management must take utmost care in identifying the type as well as the degree of its risk exposure and tackle those effectively. Moreover, bankers must see risk management as an ongoing and valued activity with the board setting the example.

1.0 Risks in Banks:

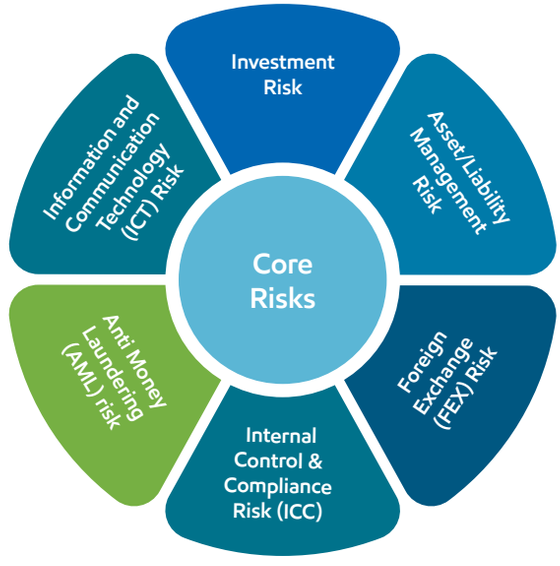
Risk is the potential that an uncertainty, event, action or inaction will adversely impact the ability of the Bank to achieve its organizational objectives. In this context, uncertainties include events which may or may not happen as well as uncertainties caused by ambiguity or a lack of information. Risk in Bank may be defined as 'possibility of loss', which may be financial loss or loss to the image or reputation. Thus, risks in bank are the future events that adversely influence the Bank's objectives and threaten the assets or earning capacity of the Bank. Shahjalal Islami Bank PLC. (SJIBPLC) attached considerable importance to improve the ability to identify, measure, monitor and control the overall risks assumed.

2.0 Types of Risks in Banks:

Banks like any other commercial organization also intend to take risk, which is inherent in any business. Higher the risk taken, higher the gain would be. But higher risks may also result into higher losses. However, banks are prudent enough to identify, measure and price risk, and maintain appropriate capital to take care of any eventuality. 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. The major risks in banking business or 'banking risks', as commonly referred, are Investment or Default Risk, Market Risk, Operational Risk, Liquidity Risk etc.

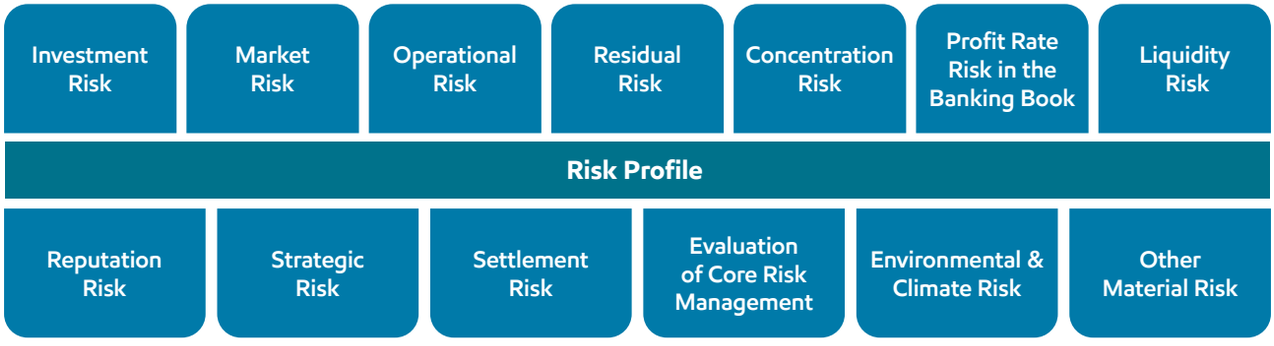
3.0 Core Risks

To strengthen the risk management practices of banks, 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.



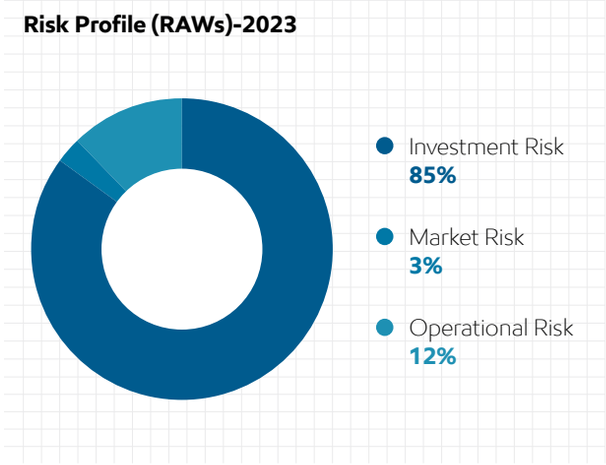
4.0 Risks measured as per Basel-III

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 in the Banking Book, Liquidity Risk, Reputational Risk, Strategic Risk, Settlement Risk, Evaluation of Core Risk Management, 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 as the disclosure of the risk management report.



5.0 Principal Risks and Uncertainties that face by the Bank

Banking sector has witnessed tremendous competition not only from the domestic banks but from foreign banks alike. The liberalized economic scenario of the country has opened various new avenues for increasing revenues of banks. In order to grab this opportunity, commercial banks have launched several new and innovated products, introduced facilities like ATMs, Credit Cards, Mobile banking, Internet banking, Agent banking etc. Apart from the traditional banking products, new products and services are being designed, upgraded and served to attract more customers and sorts of risk also have been diversified. The principal risks of Banking sector of Bangladesh as well as SJIBPLC are as follows:

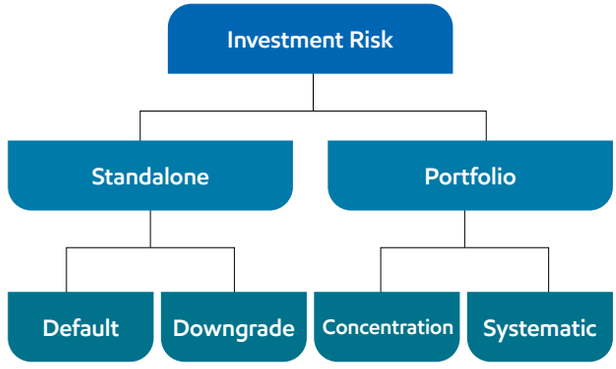


5.1 Investment (Credit) Risk

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. Investment 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 SJIBPLC. The risk profile of Shahjalal Islami Bank PLC. as measured by economic capital allocation by risk types shows the investment risk 85% of risk profile.

5.1.1 Type of Investment Risk

Investment risk not only includes default risk but also downgrade risk. Investment risk may be Standalone/ Transactional Risk or Portfolio Investment Risk which can be shown as below:



5.1.2 Causes of Investment Risk

Selection of wrong borrower with financially unviable project, are believed to be the reasons of standalone investment risk at banks in Bangladesh. Banks suffer investment portfolio risk mainly because of investment concentration, Economic downturn and absence of in-depth portfolio review.

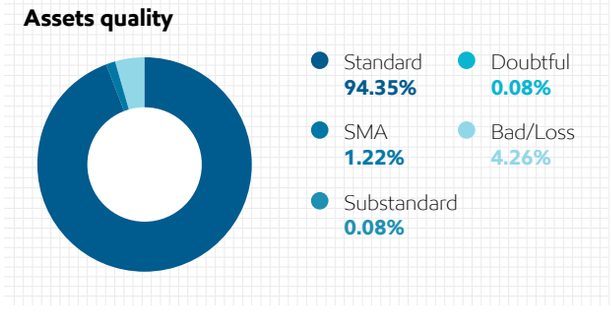
5.1.3 Indicators of Investment Risk

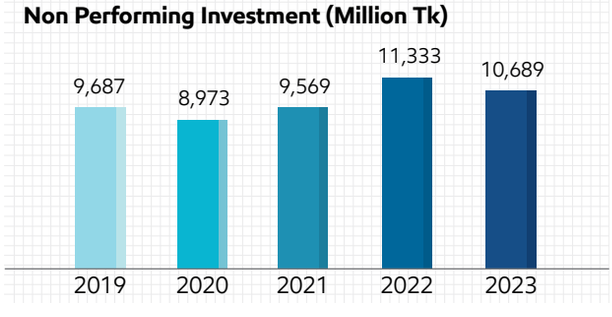
Below are the detailed of some Indicators of existence or high investment risk;

1. The investment is high relative to total assets and equity capital.
2. Investment growth significantly exceed industry growth or peer banks.
3. Higher dependency on profit and fees from investment.
4. One or more large concentrations of investment portfolio.
5. Concentrations have exceeded internal limits.
6. A large volume or number of classified investment.
7. Collateral requirements are liberal.

5.1.4 Investment Risk exposures of SJIBPLC

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 PLC., the most important factors of which are summarized below:





5.2 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. Trading activities includes equities, foreign currencies and commodities.



5.2.1 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.

5.2.2 Profit (Interest) Rate Risk exposures

Shahjalal Islami Bank PLC. 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	2023	2022	Change
RSA ≤ 1 Year	230,446	237,577	(7,131)
RSL ≤ 1 Year	171,632	183,704	(12,072)
Net Gap	58,814	53,873	4,941
Impact on NII (Rate Change by @1%)	588	539	49

The probable impact on net profit (interest) income of SJIBPLC at the end of December-2023 was measured at BDT. 588 million, which was BDT. 539 million in 2022.

5.2.3 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.

Amount in Million

Particulars	2023	2022
Cost Value of Capital Market Exposure	4,046	4,094
Provision Maintained	144.91%	154.53%
Capital Market Exposure to Audited Capital	17.03%	18.72%

SJIBPLC 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

5.2.4 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.

Amount in Million

Particulars	2023	2022
Net Open Position Limit	2,878	2,702
Net Open Position	618	(4,586)
Net Open Position to Regulatory Capital	1.81%	-13.46%
No. of position breached during the period	Nil	Nil

At the end of 2023, the bank's open position was BDT. 618 million against the FEX holding limit equivalent to BDT. 2,878 million as determined by Bangladesh Bank.

5.2.5 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 2023, the bank had no risk-weighted assets for commodity risk.

5.3. 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.

5.3.1 Type of 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:



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.



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.

5.3.2 Liquidity Risk of Bank in 2023

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. Bank maintain strictly key liquidity risk indicators threshold as per Bangladesh Bank instruction.

Liquidity Risk Indicators (LRI)

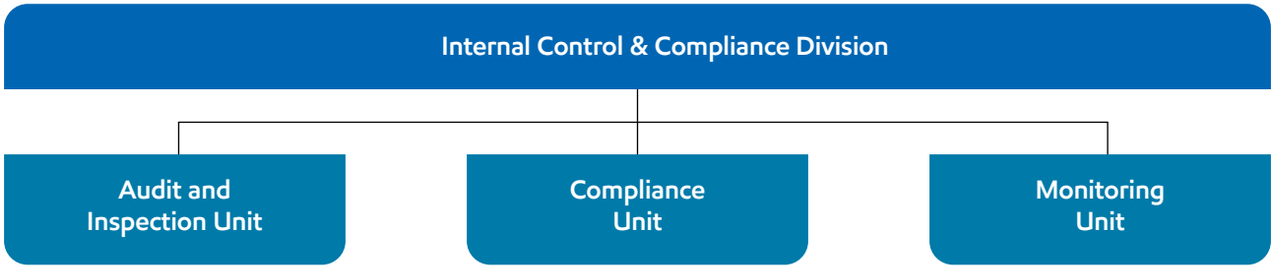
Ratios	2023	2022
Cash Reserve Requirement (CRR)	4.47%	4.99%
Statutory Liquidity Requirement (SLR)	10.79%	12.74%
Investment to Deposit Ratio (IDR)	85.13%	83.64%
Liquidity Coverage Ratio (LCR)	123.88%	158.23%
Net Stable Funding Ratio (NSFR)	126.21%	128.01%

5.4 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. During the year-2023, Bank didn't face and instance of operational risk but adequate capital was maintained under Pillar-2 of Basel-III through ICAAP of SRP.

5.5 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.



Shahjalal Islami Bank PLC. 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.

5.6 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. SJIBPLC is committed to preventing money laundering and combating financing of terrorism at all stages of our banking activities.

Particulars	CTR	STR
No of Accounts	295,108	7
Amount	367,312.20	62.70

5.7 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. During the year-2023, Bank didn't face any instance of above mentioned events.

5.8 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.

Bank assessed residual risk under ICAAP Report -2022 submitted to Bangladesh Bank in 2023, where an investment of BDT. 4,845.90 million was assessed against residual risk. The base for capital charge was BDT. 2,089.10 million and an amount of 208.91 million in capital has been kept. The ICAAP Report-2023 will also be submitted in 2024 as per the time frame of Bangladesh Bank, and the bank is expecting to lower the residual risk.

5.9 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:

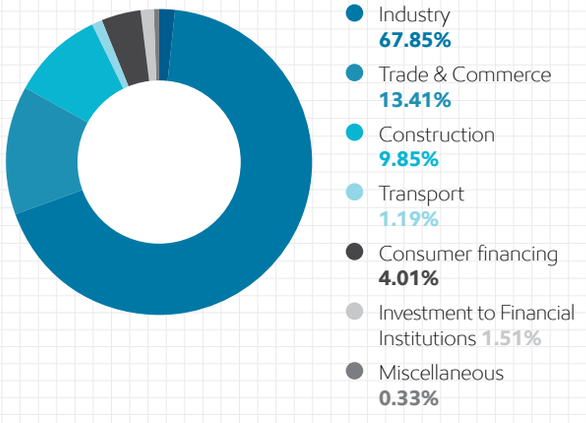
Investment Concentration Risk

Arises when the investment portfolio of the bank is concentrated on a few individuals, entities, or sectors.

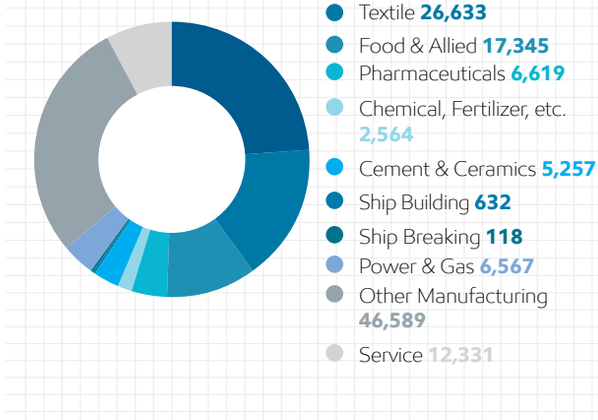
Market Concentration Risk

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.

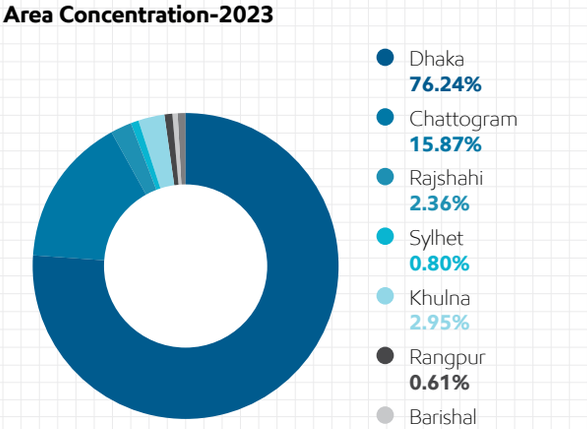
Portfolio Concentration-2023



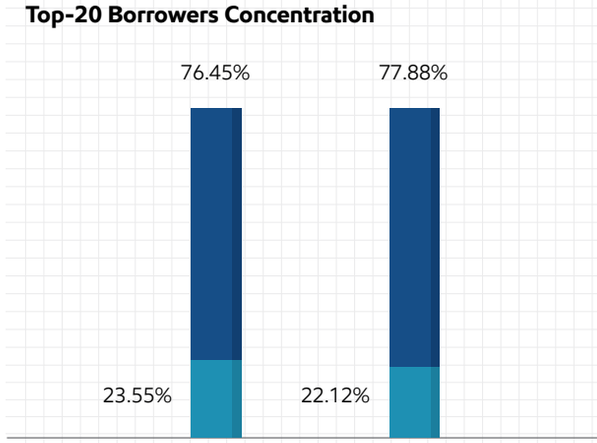
Million Tk



Area Concentration-2023



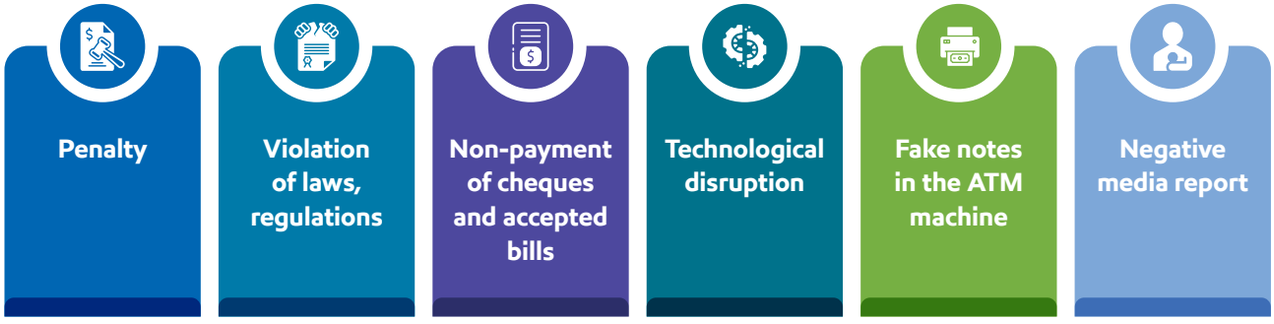
Top-20 Borrowers Concentration



5.10 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.

Shahjalal Islami Bank PLC. always remains vigilant and conscious about the following events to manage and control the reputational risk:



5.11 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.

5.12 Settlement Risk

Settlement Risk arises when an executed transaction is not settled as the standard settlement system suggests or within predetermined method. SJIBPCL has very low settlement risk as it had insignificant overdue accepted receivable bills during the year. ICAAP Report-2023 will also be submitted in 2024, as per the time frame of Bangladesh Bank.

5.13 Environmental & Social Risk (ESR)

Environmental and social change risk refers to the uncertainty or probability of losses that originate from any adverse environmental or climate change events (natural or manmade) and/or the non-compliance of the prevailing national environmental regulations.

5.14 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.

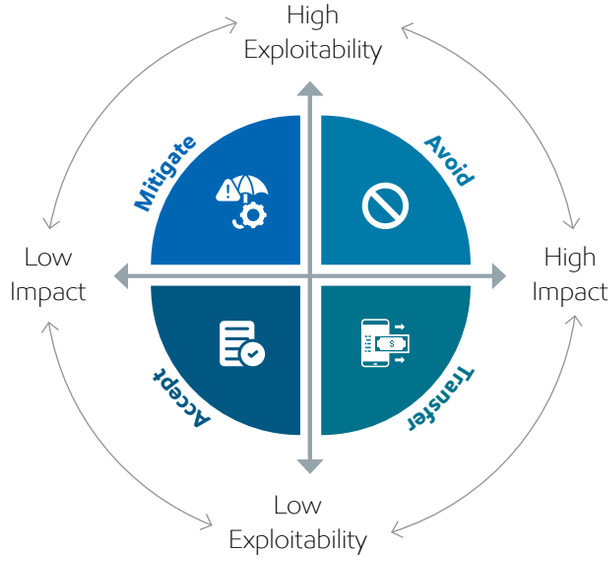
INFORMATION ON RISK MITIGATION STRATEGIES

Risk mitigation involves the process of reducing risk and minimizing the likelihood of adverse incidents. Shahjalal Islami Bank PLC. continually addresses risks to safeguard the Bank by developing and implementing guidelines and various risk management tools tailored to the complexity, size, and nature of its business, as well as in line with Bangladesh Bank guidelines. The Bank takes into account factors such as capital adequacy, expected profitability, market reputation, skilled personnel, logistical support, macro and microeconomic conditions, and risk management practices to formulate its risk strategy. Fundamentally, the risk management strategy revolves around maintaining adequate capital, liquidity, and operational control at all times to protect 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.

1.1 Risk Treatment



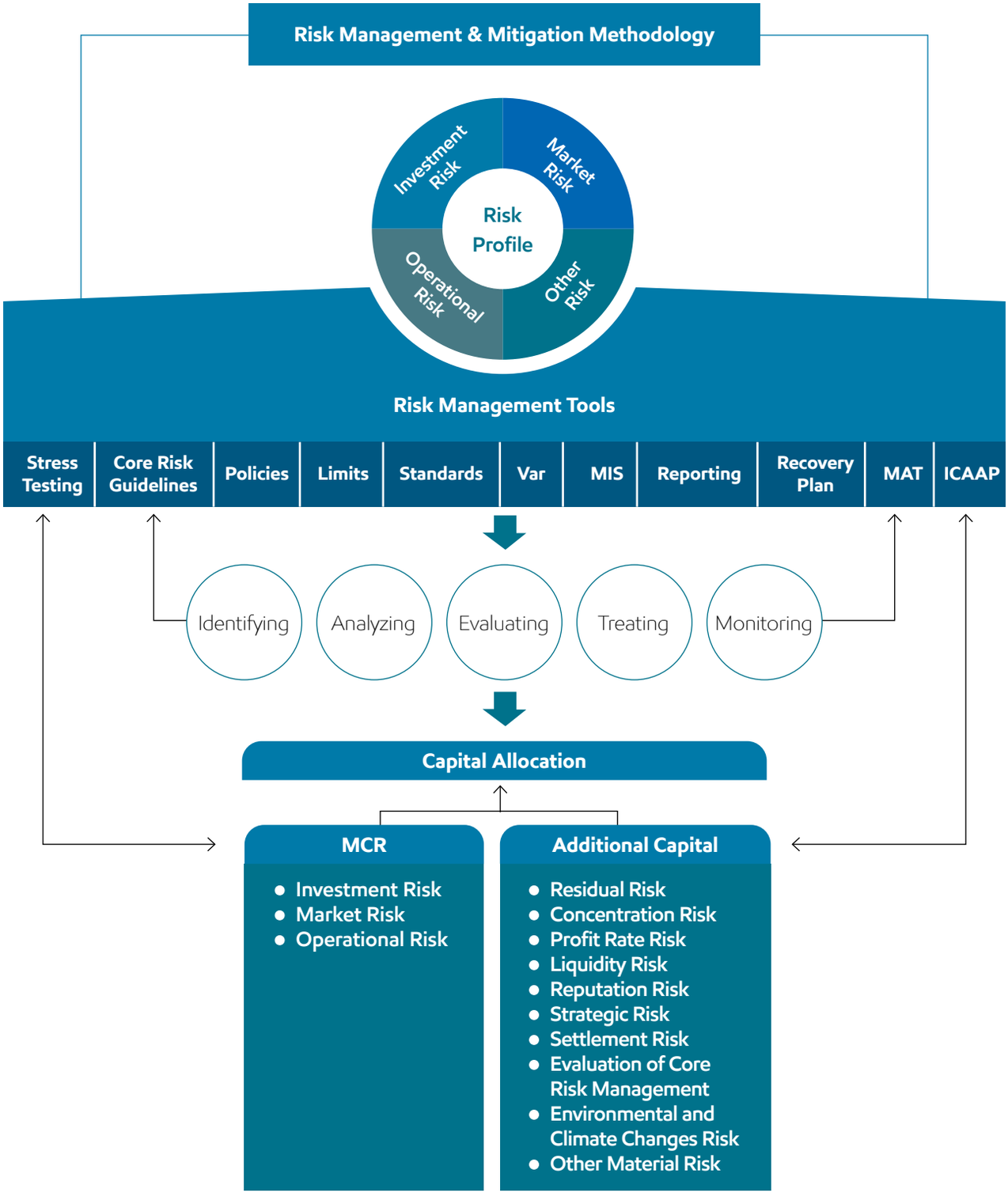
Risk treatment refers to the options and choices available to handle a specific risk. It involves a process to modify a risk by changing the consequences that could occur or their likelihood. Risk can be controlled internally through risk avoidance/prevention or risk reduction/ minimization. Risk can be controlled financially through risk acceptance/retention or risk transfer. Risk treatment are the options that SJIBPLC apply either individually or in combination:

- Avoiding the risk by deciding not to start or continue the activity that gives rise to the risk.
- Accepting and retaining the risk by making informed decision and having plans for managing and funding the consequences of the risk if it occurs.
- Reducing the likelihood of the risk through staff training, changing procedures, or by reducing the impact through diversifying credit portfolio, setting up off-site data backup etc.
- Sharing the risk with another party or parties through insurance, consortium financing, etc.

2.0 Risk Management and Mitigation Tactics

Risk mitigation tactics need to be dynamic to establish sound risk management. However, there are certain types of risks that are more likely to occur and impede business goals. Hence, effective policies or action plans

need to be in place to ensure highly effective risk management. In the banking business, risk is inherent. As a result, risk management can have a significant impact on financials. The acknowledged risks that the bank is currently mitigating are represented in the below diagram:



2.1 Risk Management Guidelines & Policies implementation

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.

2.2 Risk Management Organization

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.

2.3 Functioning of Risk Management Committees

Besides, the bank has different high powered committees to monitor and ensure smooth risk management activities. SJIBPLC arranged meetings of different risk-related committees according to the direction of Bangladesh Bank. During 2023, 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: 2023

SL	Meeting	Members	Meeting Nos.	Agenda
1	ERMC	17	12	All Risks
2	SRP Team	17	06	Capital Adequacy (ICAAP)
3	Basel Unit	13	04	Basel Implementation (Basel-III)
4	Basel Working Team	06	04	Calculation Accuracy
5	BRMC	05	06	All Risks

2.4 Capital Allocation (Basel-III Implementation)

Capital is allocated as per the risk profile, i.e., the amount or type of risk the bank is exposed. 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.

Amount in Million

Risk Types	2023	2022
Investment Risk Weighted Assets	192,748	203,815
Market Risk Weighted Assets	6,416	10,259
Operational Risk Weighted Assets	27,463	22,863
Total Risk-Weighted Assets	**226,627**	**236,937**
Total Regulatory Capital	**34,126**	**34,064**
Minimum Capital Required @ 10% of RWAs	22,663	23,694
Buffer @ 2.50% of RWAs	5,666	5,923
Excess /(Shortfall)	**5,797**	**4,447**

2.5 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 take measures against the solvancy risk.

Capital Plan for 5 Years:

Amount in Million

Particulars	2023 (Actual)	2024	2025	2026	2027
Tier 1 Capital	28,736	32,960	42,990	47,990	53,620
Tier 2 Capital	5,390	9,600	9,350	9,230	15,260

Particulars	2023 (Actual)	2024	2025	2026	2027
Total Eligible Regulatory Capital	34,126	42,560	52,340	57,220	68,880
Total Risk Weighted Assets	226,627	319,030	362,810	406,320	456,150
CRAR	15.06%	13.34%	14.43%	14.08%	15.10%

2.6 Recovery Plan execution

The Recovery Plan is integrated, among other Group tools, with the Risk Appetite Framework (RAF) and the Risk Appetite Statement (RAS), the Internal Capital Adequacy Assessment Process (ICAAP), including capital planning, the liquidity risk management framework, including the Liquidity Contingency Plan (LCP) and the Business Continuity Plan (BCP). Implementation of this document in stress situation enables the Bank to bring back in expected ''green'' and "safe" position.

2.7 Risk research and Policy Development:

SJIBPLC 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 reviewed and developed a number of policies during the year 2023.

2.8 Reporting & Compliance

Aggregate measures of risk, across products and businesses, are used in compliance with policies, limits, and guidelines. 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 2023:

Compliance of Reporting: 2023

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 Executive Risk Management Committee Meeting	Quarterly	ERMC/BRMC/BB	Complied
3.	Implementation Report of ERMC & BRMC 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

2.9 Training and Development

To combat against the bank's existing and emerging risks, officials are required to acquire sufficient understanding of risk and risk management. To do so, training was provided to bank officials at different level through both online and offline.

Sl	Subject	No. of Courses	Total Participants
1	Asset Liability Risk Management	6	288
2	Investment Risk Management	69	3,003
3	Foreign Exchange Risk Management	29	604
4	Internal Control and Compliance Risk Management	11	326
5	Money Laundering Risk Management	30	3,411
6	ICT Risk Management	21	2,084
7	Comprehensive Risk Management	8	10
8	Basel Accord	3	97
9	Overview on Stress Testing	4	286
10	Others	83	5,482
Total		**264**	**15,591**

2.10 Building Risk Culture & Awareness

In order to raise risk management awareness and build a strong risk management culture across the bank, SJIBPLC arranged a day long The bank has organized a day long Annual Risk Conference (ARC-2023) 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 2023. 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.

3.1 Investment (Credit) Risk

3.1.1 Approach to Managing Investment Risk

Shahjalal Islami Bank PLC. adopts a holistic approach towards investment risk management (IRM). In this regard, the Bank maintains the following functions for Investment Risk Management.



Selecting qualified/known customers

Assure that all investment facilities are properly selected and approved in favor of qualified/ known customers.



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.



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.



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.



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.



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.



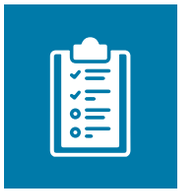
Approval of exceptions

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.



Corporate governance

Ensure support to attain the highest standard of corporate governance.



Annual investment plans

Ensure delivery of annual investment plans and goals and to promote strong asset quality.



Periodical review

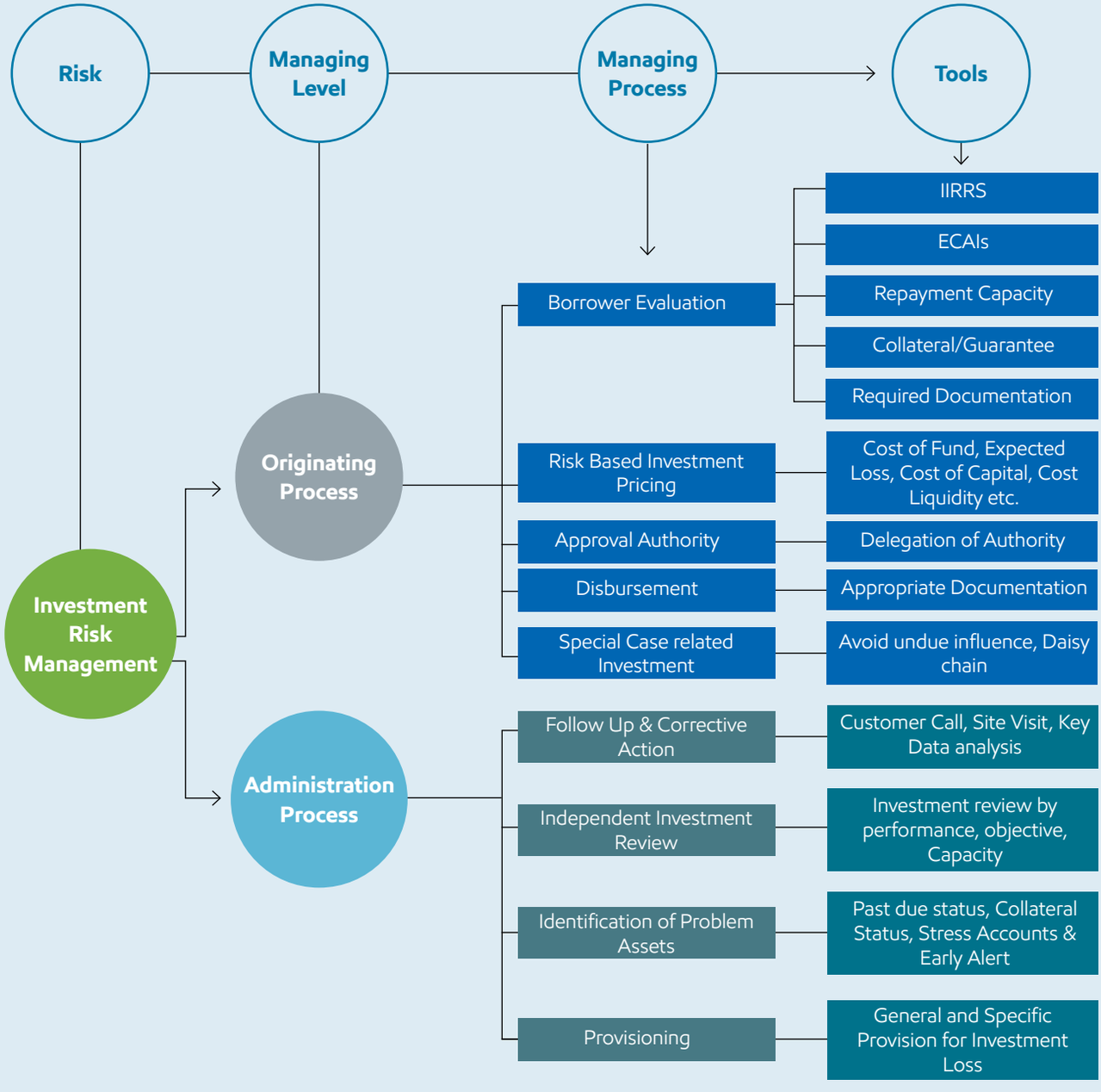
Affirm customers' investment information is updated periodically and reviewed from time to time.



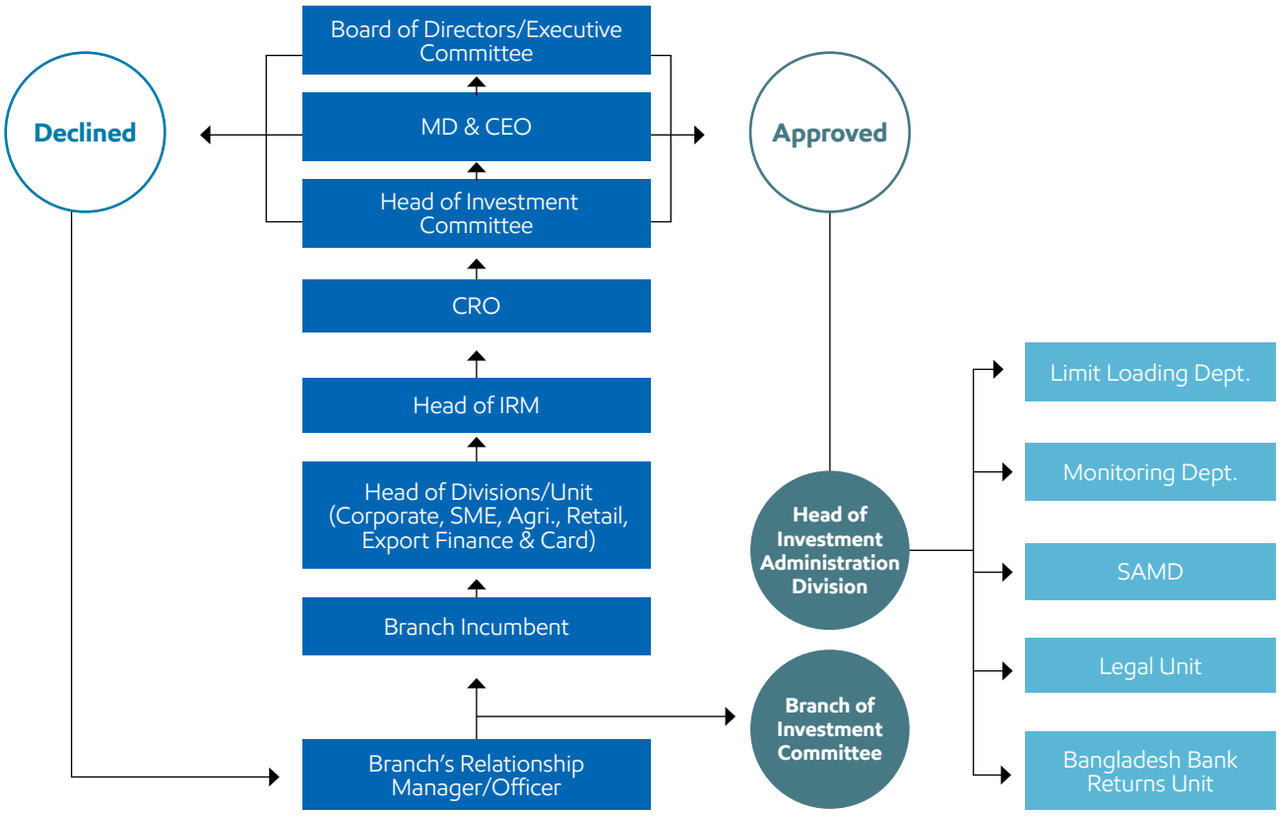
Monitoring

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.

3.1.2 Investment Risk Management Process



3.1.3 Investment Management Process



3.1.4 Investment Risk Measurement and Mitigation

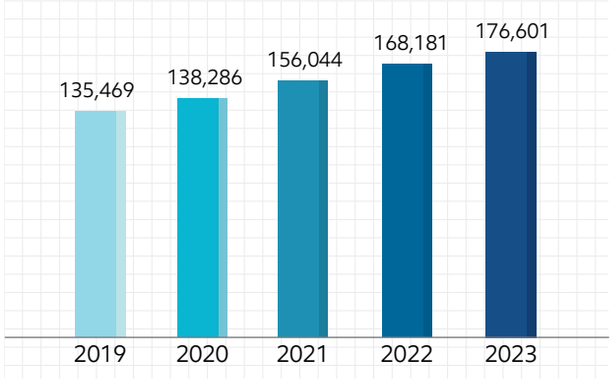
Shahjalal Islami Bank PLC. uses a number of tools and programs to control and mitigate its investment risk at the operational level to which it is exposed. The control and mitigation tools of the bank are mentioned below:

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

3.1.5 Investment Risk Mitigation Status during-2023

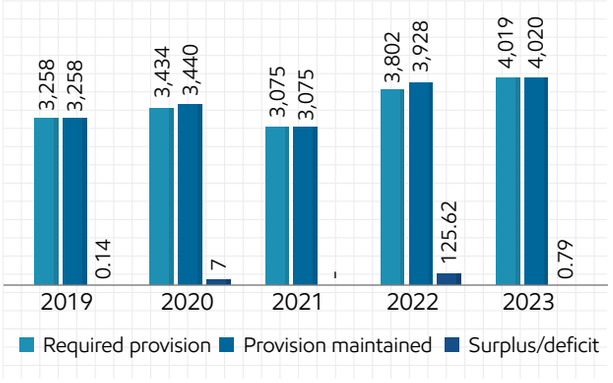
Credit rating

Shahjalal Islami Bank PLC. always gives emphasis to the client's credit rating as it is the most important tool for managing investment risks. The bank gives more attention to increase the number of rated-investment clients to reduce risk-weighted assets (RWAs).



Provision maintenance

NPI Ratio of Shahjalal Islami Bank PLC. stood at 4.42% in 2023 which was 4.78% in 2022. The bank's management prudently maintains the NPI and also shown expertise in maintaining the provision against its Non Performing Investment that stood at 100.02% at the end of 2023 which was 103.30% in 2022.



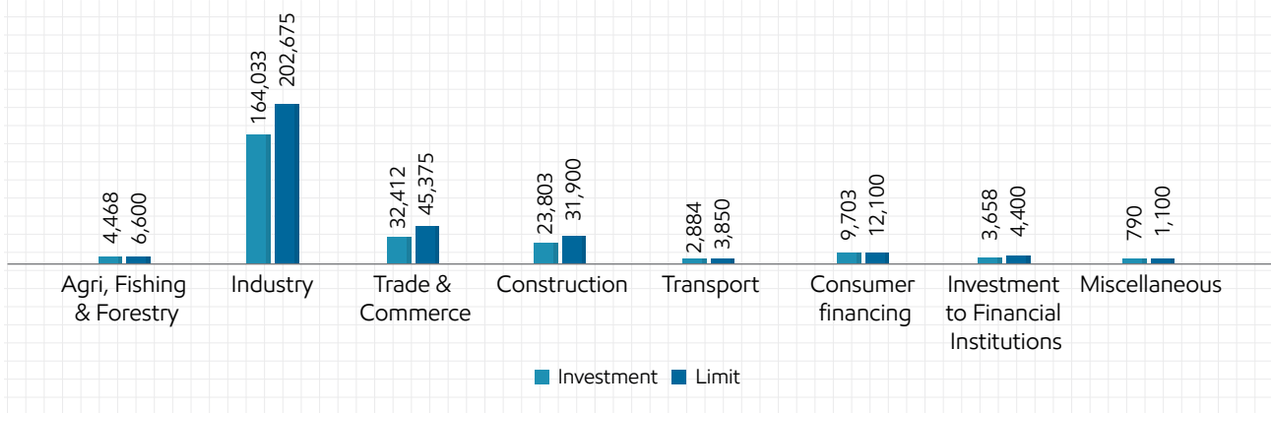
Cash Recovery against NPI

In spite of having Russia Ukraine war related financial hardship in economy worldwide, Shahjalal Islami Bank PLC. has recovered Cash of BDT. 611 million and regularized BDT 1,288 million from Non Perfuming Investment clients during the year of 2023 which is 17.77% of total NPIs and is higher than the 11.47% of the last year of 2022.

Particulars	2023	2022
Cash Recovery	611	1,056
Regularization	1,288	244
Total Recovery & regularization	1,899	1,300
Cash Recovery to NPI	5.72%	9.31%
Total Recovery & Regularization to NPI	**17.77%**	**11.47%**

Exposures Limit

SJIBPLC 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.



Collateral against Investment:

SJIBPLC focuses on collateral based investment to secure its quality of investment. At the end of December-2023, the collateral coverage ratio was 61% which was up from 66% in 2022.

Amount in Million

Particulars	2023	2022
Total Investment	241,751	237,230
Collateral (FSV)	146,351	155,586
Collateral Coverage Ratio	61%	66%

3.2 Market Risk

3.2.1 Approach to Managing Market Risk

Shahjalal Islami Bank PLC. 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.

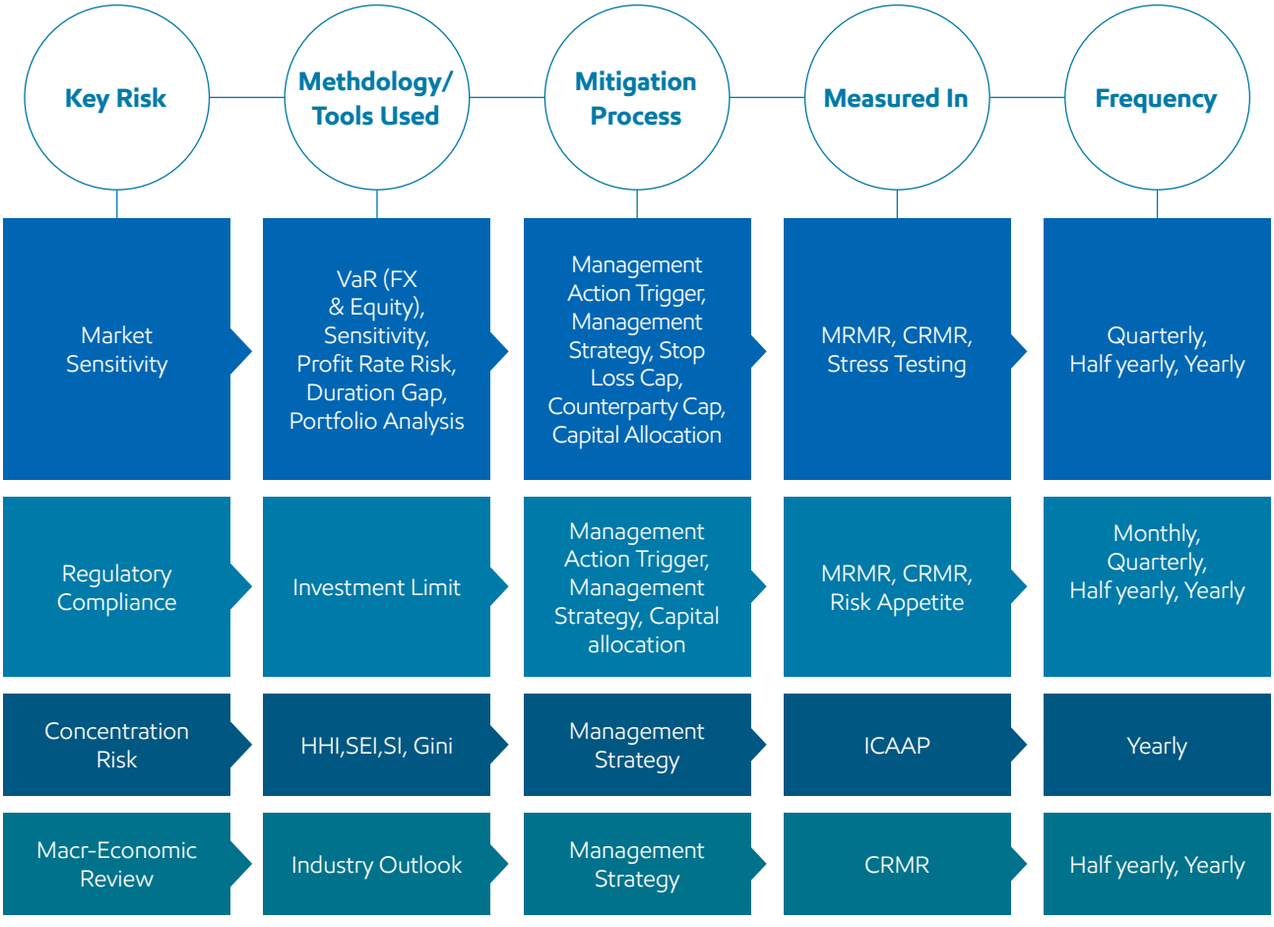


Reconcile and Randomly Test

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 Measurement and Mitigation

Shahjalal Islami Bank PLC. deals with the following mitigation tools and programs to control and mitigate its market risk at the operational level to which it is exposed.



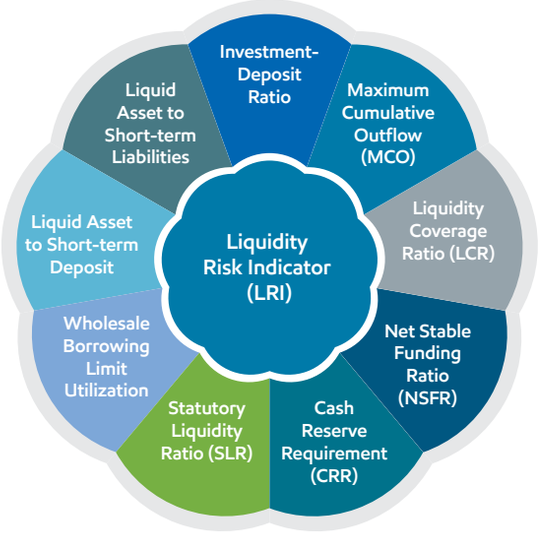
3.3 Liquidity Risk

3.3.1 Approach to Managing Liquidity Risk

Shahjalal Islami Bank PLC. has developed an extraordinary approach to managing liquidity risk. In this regard, the bank maintains the following major functions:

Meet Current and Future Cash Flow	Market Liquidity	Balance Sheet Management	Structural Liquidity Profile	High Liquidity Coverage
Bank is able to meet its current and future cash flow and collateral needs without affecting its daily operations or its financial condition.	Bank will able to offset or sell a position easily without incurring a loss.	Bank will be managing the balance sheet as per recommendations of the ALCO to minimize risk and maximize returns.	Bank will minimize the maturity gap between its assets and liabilities	Bank will maintain high quality liquid assets adequately against bank's commitment to reduce the liquidity risk.

Diversified and Stable Funding	Key Liquidity Ratio	Contingency Funding Plan (CFP)	Regulatory Compliance
SJIBPLC maintains diversified and stable funding base comprising of core retail, corporate and institutional deposits to manage liquidity risk.	A sound liquidity risk management employed in measuring, monitoring and controlling liquidity risk is critical to the viability of the Bank	Bank should have 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.	Bank will maintain regulatory compliances as per the Asset Liability guidelines and other instruction.



3.3.2 Liquidity Risk Measurement and Mitigation

Shahjalal Islami Bank PLC. 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 PLC. 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

3.4.1 Approach to Managing Operational Risk

Shahjalal Islami Bank PLC. 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.



Periodical Review

Review the operational risk management framework regularly to ensure that the Bank is managing the operational risks.



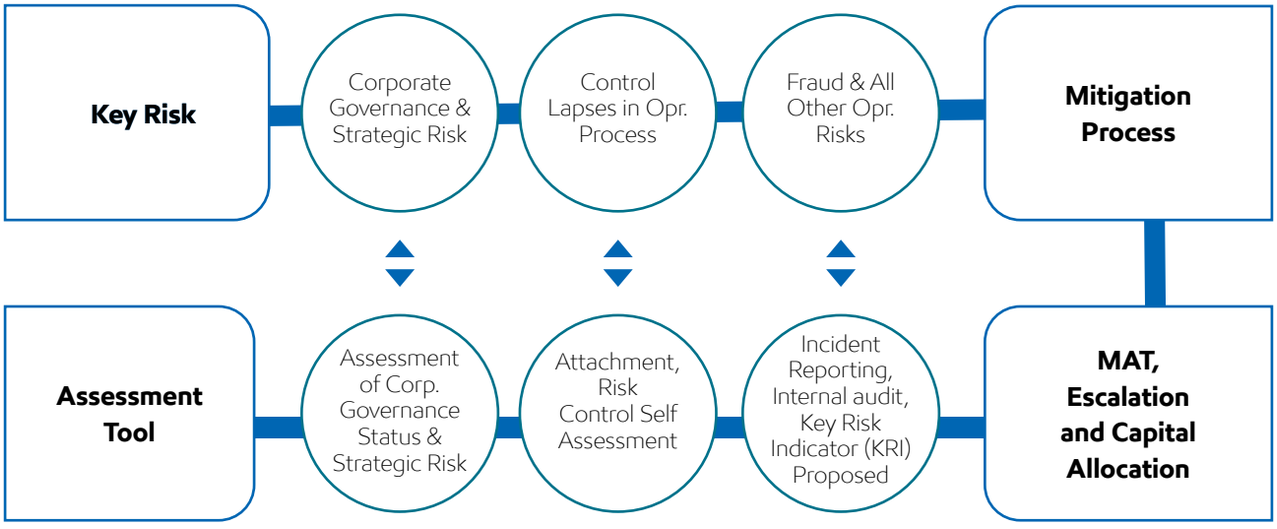
Business Continuity Plan (BCP)

Ensure the maintenance of the bank's Business Continuity Plan (BCP).

3.4.2 Operational Risk Measurement and Mitigating

Some significant operational risks have low probabilities but potentiality considerable financial impact. Shahjalal Islami Bank PLC. 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

3.5.1 Approach to Managing Internal Control and Compliance Risk

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 Measurement and Mitigation

To mitigate and control internal control and compliance risk at the operational level, Shahjalal Islami Bank PLC. 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

3.6.1 Approach to Managing Money Laundering Risk

Shahjalal Islami Bank PLC. 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 a DMD 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 2023, 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 Measurement and Mitigation

Shahjalal Islami Bank PLC. 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	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

3.7.1 Approach to Managing ICT Risk

Shahjalal Islami Bank PLC. manages ICT risk in the following manner:

Up-to-date ICT security policy	Periodical system review	Risk tolerance	Framework for best practice	Definite job responsibilities
Maintains an up-to-date ICT security policy that is aligned with the latest Bangladesh Bank ICT guidelines as well as international standards.	The IT processes, assets, and inventories are adequately maintained and reviewed periodically.	Works on determining acceptable IT risk levels for the bank and ensuring that IT environments are adequately protected from potential risks and threats.	Maintains a framework for best practice to be followed by all employees while ensuring overall data and information assurance for the organization according to the ICT policy.	It outlines the responsibilities and requirements of Shahjalal Islami Bank PLC. and its employees regarding its IT resources.

3.7.2 ICT Risk Mitigation Measurement

Shahjalal Islami Bank PLC. 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

Automated collection and interpretation of CIB reports.

24/7 Call center

Enhanced capabilities of the call center systems.

SOC and NOC

Enhanced capabilities of the SOC and NOC.

Update software

Regularly update software to the latest versions.

Data Recovery System

Data backups that include off-site and remote storage.

Key Risk	Risk Type	Mitigation
▪ Network Risk ▪ Data Center Risk ▪ Hardware & Software Risk	▪ Improper Configuration ▪ Server Failure ▪ Power Outage, Unauthorized access through pendrive	▪ Router, Firewall ▪ Data Recovery Center ▪ Strict Maintain & Control of Administrative Password

3.7.2.1 Cyber Security Management:

Shahjalal Islami Bank PLC. 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

3.8.1 Approach to Managing Residual Risk

Shahjalal Islami Bank PLC. 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 Measurement and Mitigation

To mitigate and control residual risk at the operational level, Shahjalal Islami Bank PLC. 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

Bangladesh Bank in 2023, where an investment of BDT. 4,845.90 million was assessed against residual risk. The base for capital charge was BDT. 2,089.10 million and an amount of 208.91 million in capital has been kept. The ICAAP Report-2023 will also be submitted in 2024 as per the time frame of Bangladesh Bank, and the bank is expecting to lower the residual risk.

3.9 Concentration Risk

3.9.1 Approach to Managing Concentration Risk

Shahjalal Islami Bank PLC. 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.

Randomly Test

Randomly test all aspects of concentration risk management activities.

3.9.2 Concentration Risk Mitigation Measurement

Shahjalal Islami Bank PLC. uses the following tools and programs to mitigate and control the concentration risk at operational level.

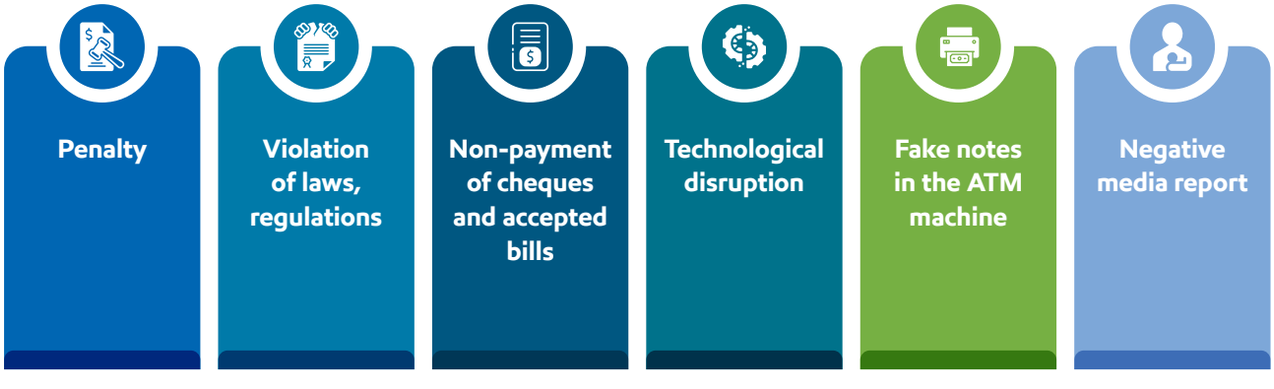
Key Risk	Tools and Programs	Measured In	Frequency	Mitigation Process
Investment Concentration	HHI, Gini, SEI, SI	CRMR, ICAAP	Half-yearly, Yearly	Sectoral Investment Cap, Capital Allocation
Market Concentration	HHI, Gini, SEI, SI	ICAAP	Yearly	Market Risk Cap, Capital Allocation

The concentration risk of the bank has been measured and reported in the ICAAP-2022 submitted to Bangladesh Bank in 2023, where the capital charge was BDT. 236.90 million. The ICAAP Report-2023 will also be submitted in 2024, as per the time frame of the Bangladesh Bank.3.9 Concentration Risk.

3.10 Reputation Risk

3.10.1 Approach to Managing Reputational Risk

Shahjalal Islami Bank PLC. always remains vigilant and conscious about the following events to manage and control the reputational risk:



3.10.2 Reputation Risk Mitigation Measurement

Shahjalal Islami Bank PLC. utilizes the following tools and programs to mitigate and control the reputation 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	

The reputation risk of the bank has been measured and reported in the ICAAP-2022 submitted to Bangladesh Bank in 2023, where no capital was charged. ICAAP Report-2023 will also be submitted in 2024, as per the time frame of Bangladesh Bank.

3.11 Strategic Risk

3.11.1 Approach to Managing Strategic Risk

Shahjalal Islami Bank PLC. 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 Measurement and Mitigation

Shahjalal Islami Bank PLC. 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	

Strategic risk of the bank has been measured and reported to the ICAAP-2022 submitted to Bangladesh Bank in 2023, where BTD 245.70 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-2023 will also be submitted in 2024, as per the time frame of Bangladesh Bank.

3.12 Settlement Risk

3.12.1 Approach to Managing Settlement Risk

Shahjalal Islami Bank PLC. 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 PLC. 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

The settlement risk of the bank has been measured and reported in the ICAAP-2022 submitted to Bangladesh Bank in 2023, 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-2023 will also be submitted in 2024, as per the time frame of Bangladesh Bank.

3.13 Environmental & Social Risk (ESR)

3.13.1 Approach to Managing Environmental & Social Risk

Shahjalal Islami Bank PLC. develops an effective approach to managing environmental and social risk. In this regard, the bank manages environmental and social risk in the following manner:



3.13.2 Environmental & Social Risk Measurement and Mitigation

Shahjalal Islami Bank PLC. 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

ICAAP-2022 and submitted it to Bangladesh Bank in 2023, where no capital was charged. ICAAP Report -2023 will also be submitted in 2024 as per the time frame of Bangladesh Bank.

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-2 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 on continuous basis.

4.0 Achievement in Risk Management-2023

During the year 2023, the Risk Management Division (RMD) of the bank took different initiatives to strengthen the overall risk management functions of the bank. The following are the major initiatives taken by RMD for the year 2023:

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. SJIBPLC 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 96.38% at the end of December 31, 2023.

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 56.68% at the end of December 31, 2023.

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 2023, the bank was able to maintain an adequate CRAR of 15.06% against a requirement of 12.50% and, more specifically, CET-1 Capital with Buffer at 10.47% against 7.00%, which is 3.47% higher than the standard.

Low Risk Bank:

It was a major challenge for the bank to keep it at a low-risk category in terms of risk management and capital management. Through effective risk management activities and appropriate risk governance, the bank has been able to hold the status. During the year-2023, 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. 208.91 million under ICAAP-2022, submitted in the last year-2023.

Sectoral Lending Cap:

The investment portfolio of the banking industry is concentrated in a few sectors, areas or some large groups, and SJIBPLC is no exception to the industry. To avoid the concentration risk, the bank has duly adopted the lending cap for 2023 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 2023.

Review of Top-20 Borrowers & Defaulters:

The top 20 borrowers are reviewed periodically on their latest performance, with the help of the IRMD, and a new initiative has been taken to review the top 20 borrowers' funding structures, uses, credit ratings, repayment performance, and other metrics. On the other hand, to evaluate the latest status of the top-20 defaulters, a joint collaboration between the members of RMD and the Special Asset Management Division (SAMD) has been started to review the top NPI files.

Review Pending Court Cases:

In the year 2023, 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.

ISO/IEC 27001:2013 Certification:

Shahjalal Islami Bank PLC. (SJIBPLC) has been certified with the ISO 27001:2013 standard in recognition of compliance with the highest standards in developing and implementing an Information Security Management System to protect clients' data and maintain the security of stakeholders' information assets. It is a globally recognized and accepted standard for information security management systems. This certification covers a wider scope of activities such as Information Security, IT, and Data Centre Functions.

Payment Card Industry Data Security Standard (PCI DSS) Compliance Certification:

The Payment Card Industry Data Security Standards Council (PCI SSC) developed a compliance standard intended to secure credit and debit card transactions with the aim of preventing card data fraud. Payment Card Industry Data Security Standard (PCI DSS) certification is an internationally prestigious recognition for maintaining maximum data security or information protection for customers' PCI DSS is a security standard for organizations that store, process and transmit cardholder's data. To ensure security at the International Standard of ATM Cardholders' Information and Operation, Shahjalal Islami Bank PLC. (SJIBPLC) has achieved the Payment Card Industry Data Security Standard (PCI DSS) certification.

Arrange Annual Risk Conference (ARC)-2023:

The bank has organized a day long Annual Risk Conference (ARC-2023) 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 2023. 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-2023

- Maintained efficiently CET-1 Capital at 10.47% against Basel-III requirement of 7.00% with Buffer.
- Maintained CRAR to 15.06% far above the Bangladesh Bank requirement of 12.50%.
- Decreased documentation lapses and reduced capital requirement under Residual Risk at BDT. 208.91 million (2022) under ICAAP.
- Achieved milestone of clients Credit Rating at 96.38% of eligible Clients.
- Able to decreased RWAs to Total Exposures (On & Off Balance Sheet) at 56.68%.
- Arranged Annual Risk Conference (ARC)-2023 successfully.
- Low Risk Bank for comprehensive Risk and Capital Management.
- Awarded as one of the Top-7 sustainable Banks in the Sustainability Rating-2022 declared by Bangladesh Bank in 2023.
- Published Sustainability Report-2022 based on Global Reporting Initiatives (GRI) Standards in 2023.
- Core Risk Guidelines have been reviewed effictively.
- SJIBPLC prepared 5 years Capital Plan successfully.
- Recovery Plan & Broader MAT has been reviewed effectively.
- SJIBPLC has been recognized with ISO/IEC 27001:2013 Certification.
- Developed Payment Card Industry Data Security Standard Compliance Certifications.

Achievemnt-2023

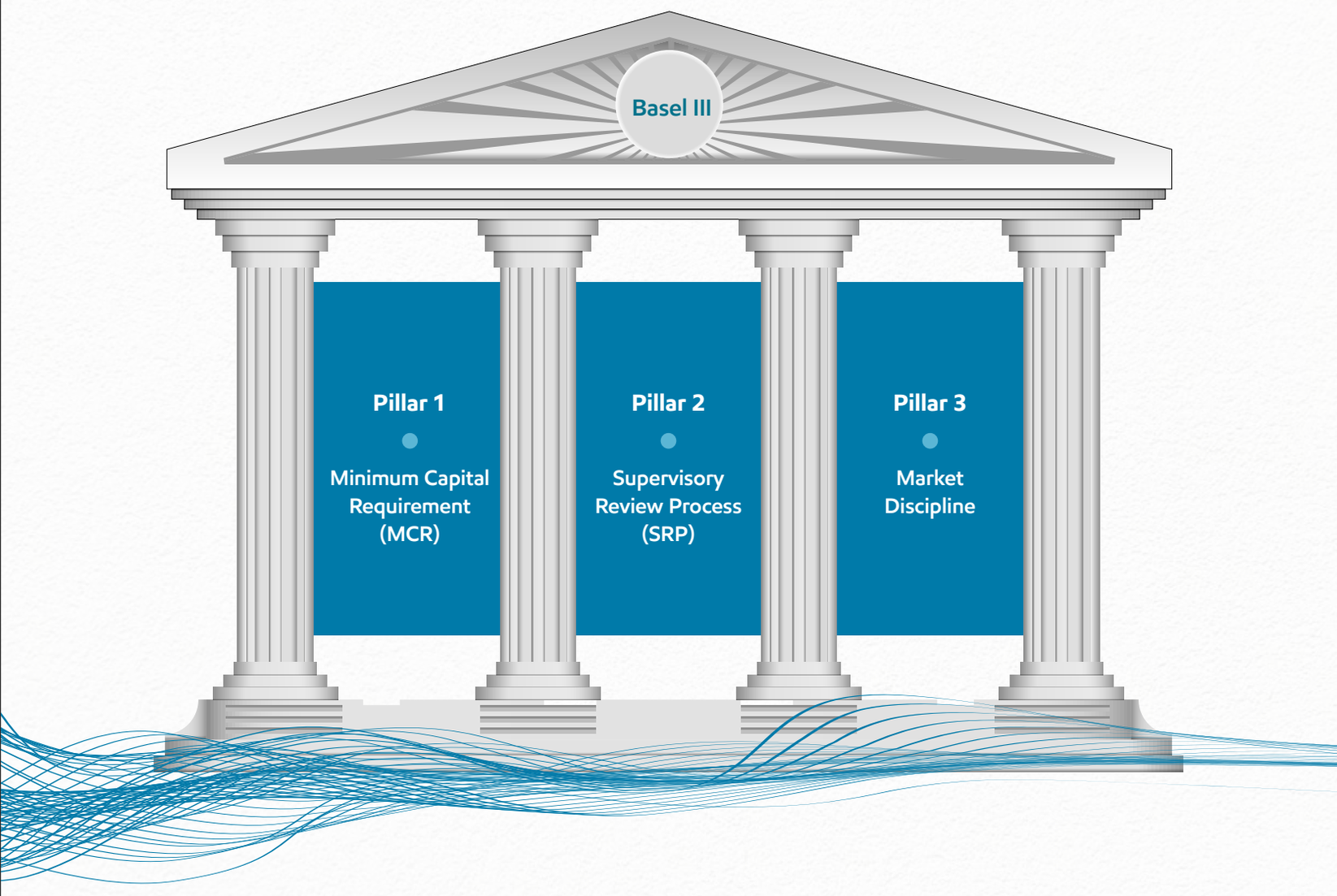
- CRAR 15.06%
- Client Rating 96.38%
- CET-1 10.47%
- RWA to Total Exposures 56.68%
- Low Resudual Risk
- Published GRI based Sustainability Report
- Low Risk Bank
- Sustainable Bank
- ISO/IEC 27001:2013 Certification
- Payment Card Industry Data Security Standard Compliance Certification

23.0 Future Plan-2024

- To maintain adequate capital, the bank will effect 3rd Mudaraba subordinated bond for an amount of BDT 5,000 million in capital base.
- 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 PLC. has tuned the existing risk management practices to align with global best practices. The risk management activities are running with the motto that 2023 was the year of risk management awareness and 2024 will be the year of strengthening the risk management structure. Being an active part of the country's banking industry, SJIBPLC always undertakes an active approach to risk management and remains consistent in forming a best-in-class capability. The core mottos of risk management practice at SJIBPLC are: solid understanding of material risks of the bank and continuous formulation of effective strategies for active risk mitigation.

Shahjalal Islami Bank PLC.
Committed to Cordial Service



MARKET DISCIPLINE DISCLOSURES ON RISK BASED CAPITAL (PILLAR 3 OF BASEL III)

For the Year Ended December 31, 2023

MARKET DISCIPLINE DISCLOSURES ON RISK BASED CAPITAL (PILLAR 3 OF BASEL III)

For the Year Ended December 31, 2023

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 PLC. (SJIBPLC) has given special attention to implement Basel III inside the Bank. As per Bangladesh Bank guidelines, SJIBPLC has formed "Basel Implementation Unit (BIU)" which is under the supervision of a supervisory committee and includes senior management of the Bank. SJIBPLC 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 PLC. 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 PLC. (SJIBPLC) and its subsidiaries for the year ended December 31, 2023. 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

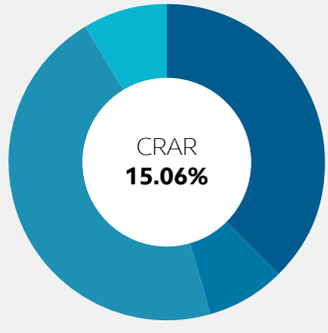
Accountants of Bangladesh (ICAB) and, in addition to this, the Bank also complied with the provisions of the "Guidelines for Islamic Banking" issued by Bangladesh Bank through BRPD Circular No. 15 dated November 09, 2009 with reference to the provisions of the Bank Companies Act, 1991 and amendment thereon, 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-2023 of SJIBPLC and its subsidiary. The report is prepared once a year and is available on the bank's website (https://.sjiblbd.com).

Key Metrics (Solo Basis)

(Taka in Million)

Year-2023



- CET 1 **10.47%**
- AT 1 **2.21%**
- Tier 1 **12.68%**
- Tier 2 **2.38%**

Key Items	Particulars	2023	2022
1.RWAs	Investment Risk	192,747.72	203,815.35
	Market Risk	6,416.48	10,258.91
	Operational Risk	27,462.62	22,863.23
	Total RWAs	**226,626.82**	**236,937.49**
2. Capital	CET 1 Capital	23,735.65	21,846.54
	AT 1 Capital	5,000.00	5,000.00
	Tier 1 Capital	28,735.65	26,846.54
	Tier 2 Capital	5,390.59	7,217.94
	Total Regulatory Capital	**34,126.24**	**34,064.48**
3. MCR	Tier 1 @6.00%	13,597.61	14,216.25
	Buffer @2.50%	5,665.67	5,923.44
	Tier 1 plus Buffer @8.50%	19,263.28	20,139.69
	MCR @10%	22,662.68	23,693.75
	MCR plus Buffer@12.50%	28,328.35	29,617.19
4. Surplus/ Shortfall	Tier 1 plus Buffer	9,472.37	6,706.85
	MCR plus Buffer	5,797.89	4,447.29
5. Leverage	Exposures	399,867.37	392,710.56
	Leverage (%)	7.19%	6.84%
	RWAs to Exposures (%)	56.68%	60.33%

Presentation of Information

In this report, the information of Shahjalal Islami Bank PLC. 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 PLC. (SJIBPLC)**
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. ithat 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 PLC. including Off-Shore Banking Unit (OBU) and (ii) Shahjalal Islami Bank Securities Limited. Shahjalal Islami Bank PLC. holds 91.79% shares of Shahjalal Islami Bank Securities Limited. A brief description of the Bank including OBU and its subsidiary are given below:

Shahjalal Islami Bank PLC. (hereinafter called the 'Bank' or 'SJIBPLC') was established as a public limited company (Banking Company) on 01 April 2001 in the name of "Shahjalal Islami Bank Limited" which was subsequently renamed as "Shahjalal Islami Bank PLC." vide RJSC Certificate No. C-42778 dated 06 August 2023 under the Companies Act, 1994 as interest free Islamic Shariah based Commercial Bank. The Bank 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, 132 (one hundred thirty two) ATM booths, 119 (one hundred nineteen) agent banking outlets and 2,875 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 PLC and Chittagong Stock Exchange PLC.

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-04, Block-CWN(C), Gulshan Avenue, Gulshan, Dhaka-1212.

Off-shore Banking Unit

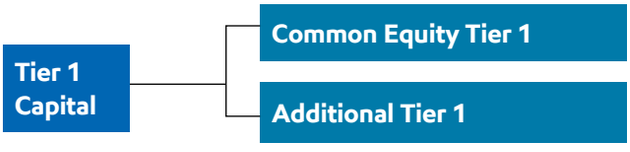
Offshore Banking Unit (OBU) is a separate business unit of Shahjalal Islami Bank PLC., governed under the rules and guidelines of Bangladesh Bank. The Bank commenced the operation of its Offshore Banking Unit on 21 December 2008 with the permission from Bangladesh Bank vide letter no. BRPD(P-3)744(99)/2008-2800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

Agent Banking

Shahjalal Islami Bank PLC. obtained permission from Bangladesh Bank on 16 October 2019 vide reference no. BRPD(P-3)745(54)/2019-8354 to commence Agent Banking services and subsequently started commercial operations on 02 January 2020. Till 31 December 2023 there were 119 Agent Banking Outlets in 43 districts and 96 upazillas across the country. Services that are currently being dispensed include account opening i.e., Al-Wadeeah Current A/C, Mudaraba Savings A/C, Mudaraba Scheme Deposit A/C, Mudaraba Term Deposit A/C, cash deposit and withdrawal from agent banking outlets and SJIBPLC branches, fund transfer (P2P), inward/outward cheque payment, remittance disbursement, balance inquiry, SMS banking, EFTN & RTGS etc.

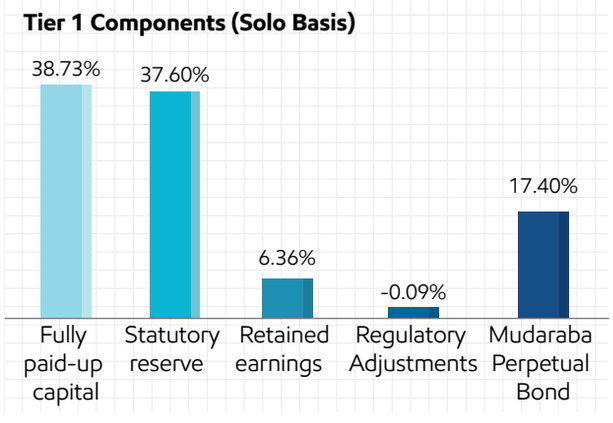
Shahjalal Islami Bank Securities Limited

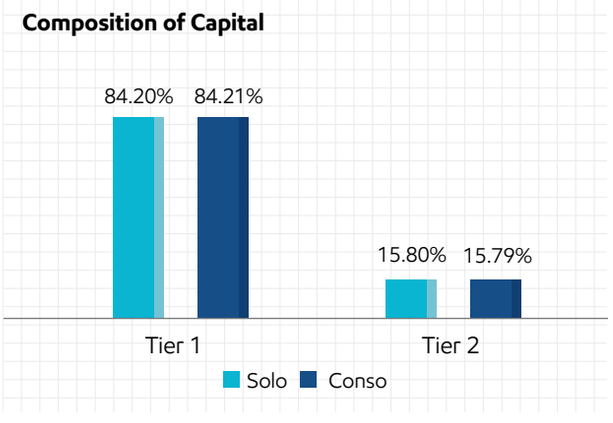
Shahjalal Islami Bank Securities Limited is a subsidiary company of Shahjalal Islami Bank PLC. incorporated as a public limited company under the Companies Act, 1994 vide Certificate of Incorporation No. C-86917/10 dated 06 September 2010 and commenced its operation on 25 May 2011. Presently the company is operating its business through Head Office with 02 extension office and 08 branches with 78 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 PLC and Chittagong Stock Exchange PLC. Shahjalal Islami Bank PLC. holds 91.79% shares of Shahjalal Islami Bank Securities 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 SJIBPLC is classified into two tiers which will consist of sum of the following categories: **1. Tier 1 Capital** (going-concern capital): Tier 1 Capital (going-concern capital): Tier 1 capital also called core capital is the high quality capital that can absorb losses. The Tier 1 capital of SJIBPLC is divided into two categories which are:  **a) Common Equity Tier 1 capital:** Common Equity Tier 1 capital (CET1) is the highest quality of regulatory capital, as it absorbs losses immediately when they occur. CET 1 of SJIBPLC consists of Paid-up Capital, Statutory Reserve, Retained Earnings and Minority Interest in Subsidiaries. **b) Additional Tier 1 capital:** Additional Tier 1 capital (AT 1) also provides loss absorption on a going-concern basis. AT 1 of SJIBPLC consists of Mudaraba Perpetual Bond issued by the Bank meeting the qualifying criteria for Additional Tier 1. **2. Tier 2 Capital** (gone-concern capital): Tier 2 is an additional component of the bank's core capital base under the Basel accord. Tier 2 of SJIBPLC 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	11,129.68	11,129.68
2.	Statutory reserve	10,803.11	10,803.11
3.	General reserve	-	34.82
4.	Retained earnings	1,827.40	1,831.26
5.	Minority interest in subsidiaries	-	228.46
6.	Regulatory Adjustments: Goodwill and all other Intangible Assets	(24.54)	(24.81)
i.	**Common Equity Tier-1 (CET1) Capital (1 to 5)**	**23,735.65**	**24,002.52**
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)**	**28,735.65**	**29,002.52**
1.	General provision against unclassified investments/loans and off balance sheet exposures (including OBU)	4,190.59	4,240.05
2.	Subordinated debt/instruments issued by the Banks that meet the qualifying criteria for Tier 2 capital	1,200.00	1,200.00
3.	Others (if any item approved by Bangladesh Bank)	-	-
B.	**Total Tier 2 Capital (1 to 3)**	**5,390.59**	**5,440.05**
C.	**Regulatory Adjustments/Deductions from Capital**	**-**	**-**
D.	**Total Regulatory/Eligible Capital (A+B-C)**	**34,126.24**	**34,442.57**



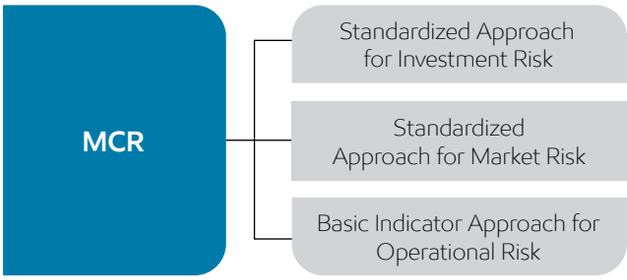


3. CAPITAL ADEQUACY

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 PLC. 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 approaches.

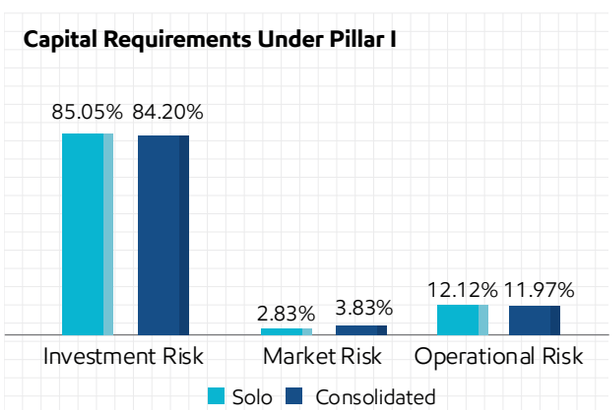


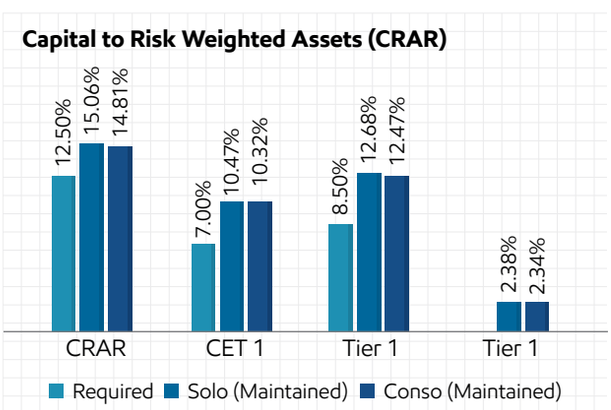
The Bank has maintained Capital to Risk Weighted Assets Ratio (CRAR) of 14.81% & 15.06% on the basis of "Consolidated" and "Solo" respectively against the minimum regulatory requirement of 12.50% (MCR 10% + Conservation Buffer 2.50%). The Bank's policy is to manage and maintain adequate capital that is sufficient to absorb all material risks associated with the Bank and to comply with regulatory requirements and to satisfy the external rating agencies and all other stakeholders including depositors. The main objective of the capital management process in the Bank is to ensure that Bank has adequate capital to meet up its losses.

Quantitative Disclosures

Particulars	Taka in Million	
	Solo	Consolidated
b) Capital requirements for Investment (Credit) Risk	19,274.77	19,584.81
c) Capital requirements for Market Risk	641.65	889.50
d) Capital requirements for Operational Risk	2,746.26	2,784.54
Minimum Capital Requirement (b+c+d)	22,662.68	23,258.85
Total Regulatory Capital	34,126.24	34,442.57
Total Risk Weighted Assets (RWA)	226,626.82	232,588.46
e) Capital to Risk-weighted Asset Ratio(CRAR) (iii to iv)	15.06%	14.81%
i. CET 1 capital ratio	10.47%	10.32%
ii. AT 1 capital ratio	2.21%	2.15%
iii. Total Tier 1 capital ratio (i to ii)	12.68%	12.47%
iv. Tier-2 capital ratio	2.38%	2.34%
f) Capital Conservation Buffer (2.50%)	5.06%	4.81%
g) Available Capital under Pillar 2 Requirement*	5,797.89	5,369.01

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





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:** Any Continuous Loan if not repaid/renewed within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date. Any Demand Loan if not repaid within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date. Whereas, In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue after six months of the expiry date. **Impaired:** A Continuous Loan, Demand Loan, Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan which will remain past due/overdue for a period of 03 (three) months or beyond but less than 09 (nine) months, the entire loan will be treated as impaired (NPI)
	Bangladesh Bank issued Circulars from time to time for strengthening Investment (Credit) discipline and brings provisioning. All Investments/Loans & Advances will be grouped in to four (4) categories for the purpose of classification, namely **(a) Continuous Investment (Loan):** The Investment accounts in which transactions may be made within certain limit and have an expiry date for full adjustment will be treated as Continuous Investment. Examples are: Cash Credit, Overdraft, etc.
	Bangladesh Bank issued Circulars from time to time for strengthening Investment (Credit) discipline and brings provisioning. All Investments/Loans & Advances will be grouped in to four (4) categories for the purpose of classification, namely **(a) Continuous Investment (Loan):** The Investment accounts in which transactions may be made within certain limit and have an expiry date for full adjustment will be treated as Continuous Investment. Examples are: Cash Credit, Overdraft, etc. **(b) Demand Investment (Loan):** The Investments that become repayable on demand by the Bank will be treated as Demand Investment. If any contingent or any other liabilities are turned to forced investment (i.e. without any prior approval as regular investment) those too will be treated as Demand Investment. Such as: Forced Investment against Imported Merchandise, Payment against Document, FBP and IBP etc. **(c) Fixed Term Investment (Loan):** The Investments, which are repayable within a specific time period under a specific repayment schedule, will be treated as Fixed Term Investment. **(d) Short Term Agricultural & Micro Investment (Loan):** Short-term Agricultural Investment will include the short-term investments as listed under the Annual Credit 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 Mention Account, SS = Sub Standard, DF = Doubtful, BL = Bad & Loss

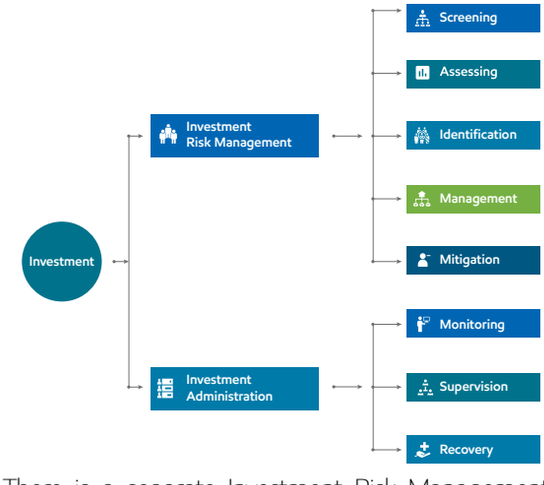
Investments have to be treated as defaulted investment as per section 5 (GaGa) of the Banking Companies Act, 1991 and to be reported accordingly. In this regard, a portion of the "Sub-standard (SS) Investment will be reported as defaulted Investment.

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 February 6, 2019 and BRPD Circular letter no. 01 dated January 05, 2023. 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

Particulars		Percentage (%) of Provision Requirement				
		Un-classified		Classified		
		Standard	SMA	SS	DF	BL
Cottage, Micro & Small Investments Under CMSME		0.25%	0.25%	5%	20%	100%
Medium Enterprise Financing under SMEF		0.25%	0.25%	20%	50%	100%
Consumer	Investment to Professional	2%	2%	20%	50%	100%
	Investment for House Building	1%	1%	20%	50%	100%
	Other than House Building & Professional	2%	2%	20%	50%	100%
Short-term Agricultural and Micro-Credits		1%	1%	5%	5%	100%
Investment to Stock Dealers & Stock Broker		1%	1%	20%	50%	100%
Credit Card		2%	2%	20%	50%	100%
All Other Investments		1%	1%	20%	50%	100%
Staff Investment		0%	0%	20%	50%	100%
Off-balance Sheet Exposures		1%	N/A	N/A	N/A	N/A
Special General Provision for COVID-19		1%	BRPD circular letter no. 56; Date: 10 December 2020			
Special General Provision for COVID-19		2%	BRPD circular letter no. 50 & 53; Date: 14 & 22 December 2021 & 2022			

iii) Discussion of the Bank's investment risk management policy	The Board of SJIBPLC 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.

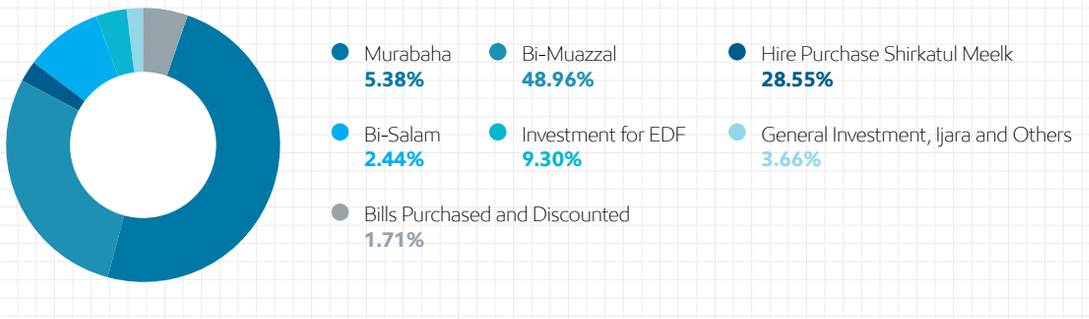
Quantitative Disclosures

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	13,012.92
Bi-Muazzal	118,366.89
Hire Purchase Shirkatul Meelk	69,026.50
Bi-Salam	5,894.31
Investment for EDF	22,477.36
General Investment, Ijara and Others	8,837.08
Bills Purchased and Discounted	4,135.74
Total	**241,750.80**

Type of Investments

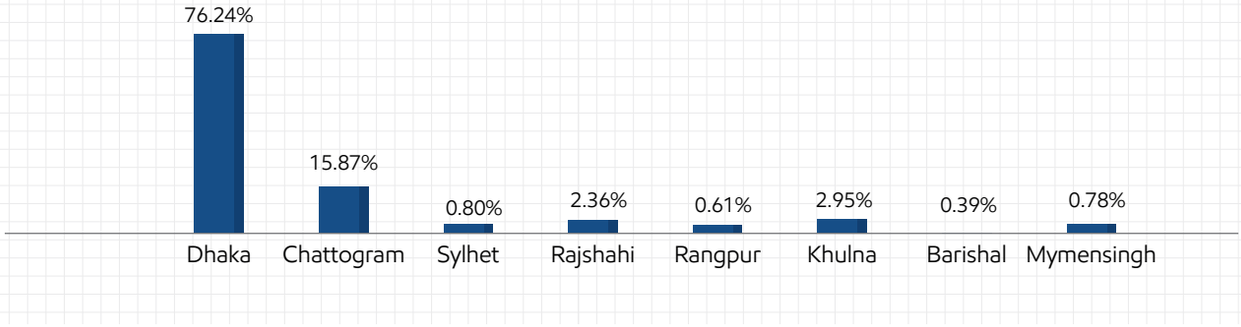


b) Geographical distribution of exposures, broken down in significant areas by major types of investment exposure.

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

Particulars	Taka in Million
i. Area-wise:	
Urban	235,481.48
Rural	6,269.32
Outside Bangladesh	0.00
Total	**241,750.80**
ii. Division- wise:	
Dhaka	184,279.83
Chattogram	38,346.74
Sylhet	1,941.92
Rajshahi	5,716.78
Rangpur	1,474.93
Khulna	7,143.22
Barishal	950.56
Mymensingh	1,896.82
Total	**241,750.80**

Geographical Distribution of Exposures (Division-Wise)



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

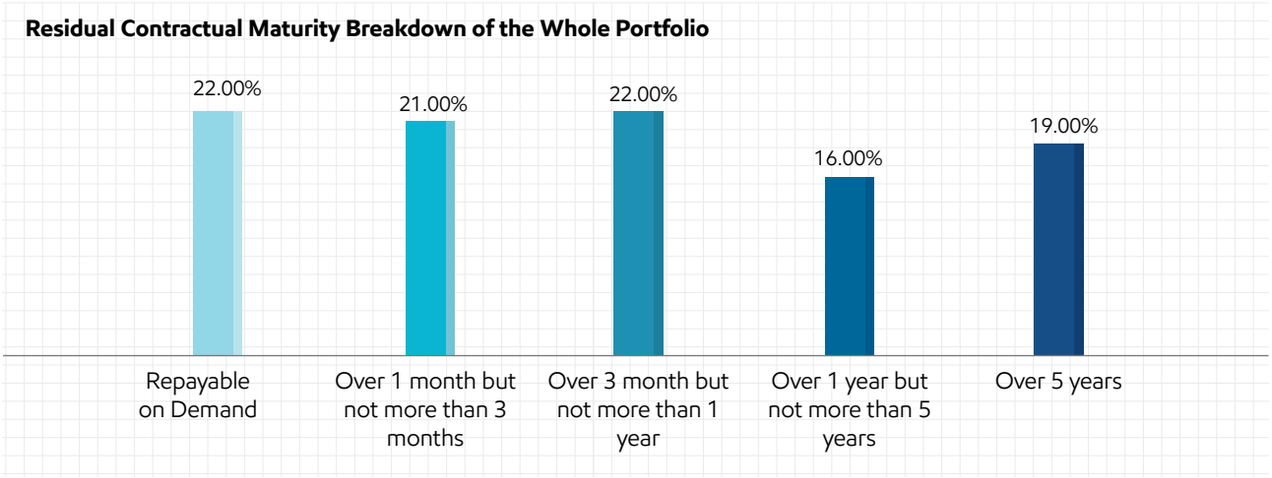
Industry or counterparty type distribution of exposures, broken down by major types of investment exposure of the Bank are as under:

Particulars	Taka in Million
i. Industry-wise:	
Agriculture & Fishing	4,467.87
Cotton & Textile	26,633.43
Garments	39,378.27
Cement	5,257.32
Pharmaceuticals & Chemicals	9,135.49
Real Estate	11,212.55
Transport	2,883.54
Information Technology	865.37
Non-Banking Financial Institutions	1,578.34
Steel & Engineering	11,671.71
Food Processing & Beverage	18,110.47
Power & Energy	6,566.55
Paper & Paper Products	1,688.41
Plastic & Plastic Product	7,615.15
Electronics	7,714.00
Services Industries	8,171.43
Trading	32,412.14
Construction incl. Work Order Financing	18,024.09
Share business	1,942.58
Staff Investment	2,322.43
Others	24,099.66
Total	**241,750.80**
i. Counterparty-wise:	
Investments to allied concern of Directors	2,159.20
Investments to Executive/Officers	2,322.43
Investments to Customer Groups	85,566.75
Industrial Investment	151,702.22
Others	0.20
Total	**241,750.80**

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:

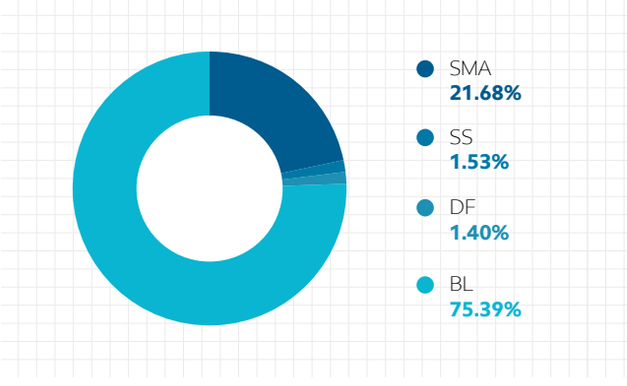
Particulars	Taka in Million
Repayable on Demand	53,185.18
Over 1 month but not more than 3 months	50,767.67
Over 3 month but not more than 1 year	53,185.17
Over 1 year but not more than 5 years	38,680.13
Over 5 years	45,932.65
Total	**241,750.80**



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)	2,958.49
Sub Standard	209.08
Doubtful	191.47
Bad & Loss	10,288.47
Total	**13,647.51**



Particulars	Taka in Million
ii. Specific and general provisions	
Unclassified Investment	2,865.79
Classified Investment	4,019.93
Off-Balance Sheet Exposure	1,324.80
Total	**8,210.52**
iii. Charges for specific allowances during the period	
Provision on Unclassified Investment	194.06
Provision on Classified Investment	1,570.92
Provision on Off-Balance Sheet Exposure	(31.40)
Provision for other Assets	-
Total	**1,733.58**

f) Gross Non-Performing Assets (NPAs)	i. Non-Performing Assets (NPAs) to outstanding Investments	4.42%
	ii. Movement of Non-Performing Assets (NPAs)	
	Particulars	**Taka in Million**
	Opening Balance	11,332.83
	Additions	-
	Reductions	643.81
	Closing Balance	**10,689.02**
	iii. Movement of specific provisions for NPAs	
	Opening Balance	3,927.53
	Recovery amount previously written-off	22.10
	Provisions made during the period	1,570.92
	Fully provided Investment write-off	(1,500.62)
	Adjustment and Provision transferred	**-**
	Closing Balance	**4,019.93**

5. EQUITIES: DISCLOSURES FOR BANKING BOOK POSITION

Qualitative Disclosures

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

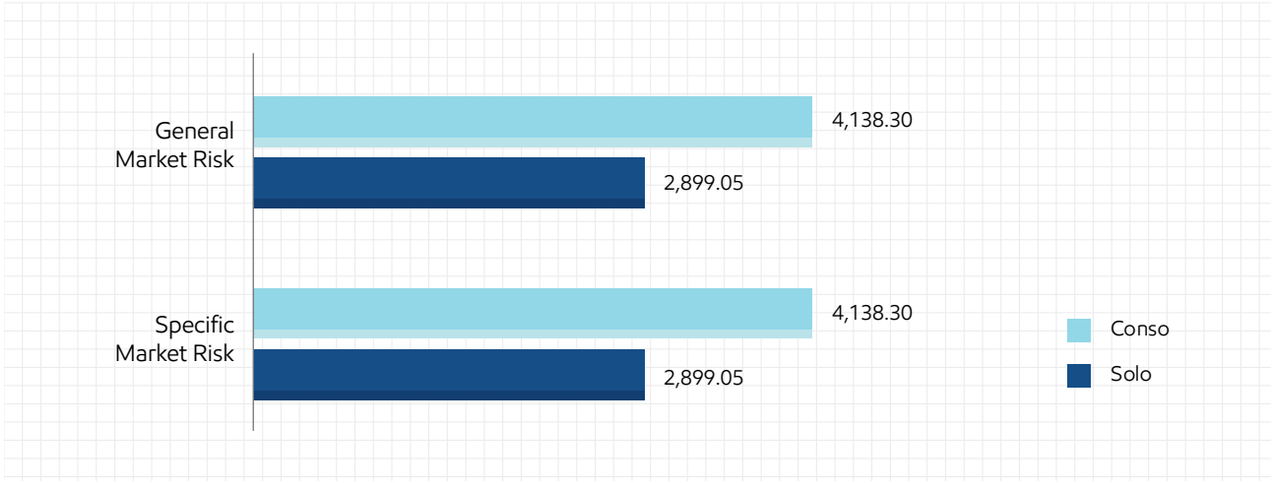
Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and	Investment in equity securities are broadly categorized into two parts:
	i) Quoted Securities that are traded in the secondary market (Trading Book Assets).
	ii) Unquoted securities that 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.	2,899.05	4,138.30
c) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	18.75	22.02
d) Total un-realized gains (losses)	(497.33)	(835.13)
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	2,899.05	4,138.30
• General Market Risk	2,899.05	4,138.30



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.

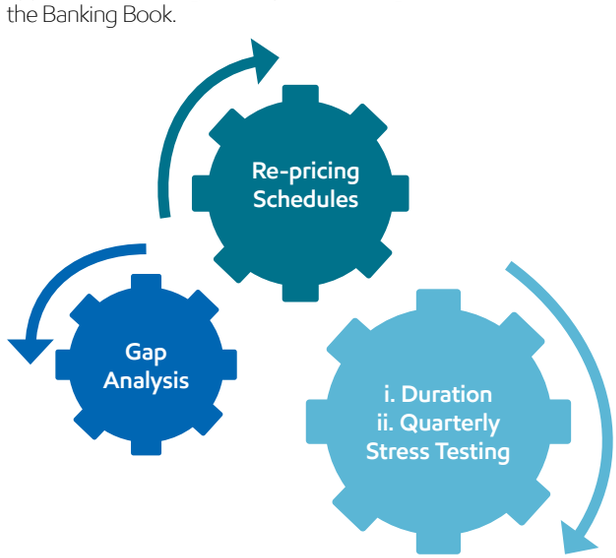
Profit rate risk is the risk where changes in market profit rates might adversely affect Bank's financial condition. Changes in profit rates have two following types of affect:

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 PLC., 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 PLC. is 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			351,224.80
Market Value of Liabilities			326,826.10
Weighted Average of Duration of Assets (DA)			0.91%
Weighted Average of Duration of Liabilities (DL)			0.77%
Duration GAP (DA-DL)			0.20%
Yield to Maturity (YTM-Assets)			5.73%
Yield to Maturity (YTM-Liability)			2.48%
Magnitude of Profit Rate Change	1%	2%	3%
Change in Market Value of Equity due to an Increased in Profit Rate	-651.64	-1,303.28	-1,954.93
Stress Testing	**Minor**	**Moderate**	**Major**
Regulatory Capital (After Shock)	33,474.60	32,823.00	32,171.30
RWA (After Shock)	226,606.40	226,606.40	226,606.40
CRAR (After Shock)	14.77%	14.48%	14.20%

7. MARKET RISK

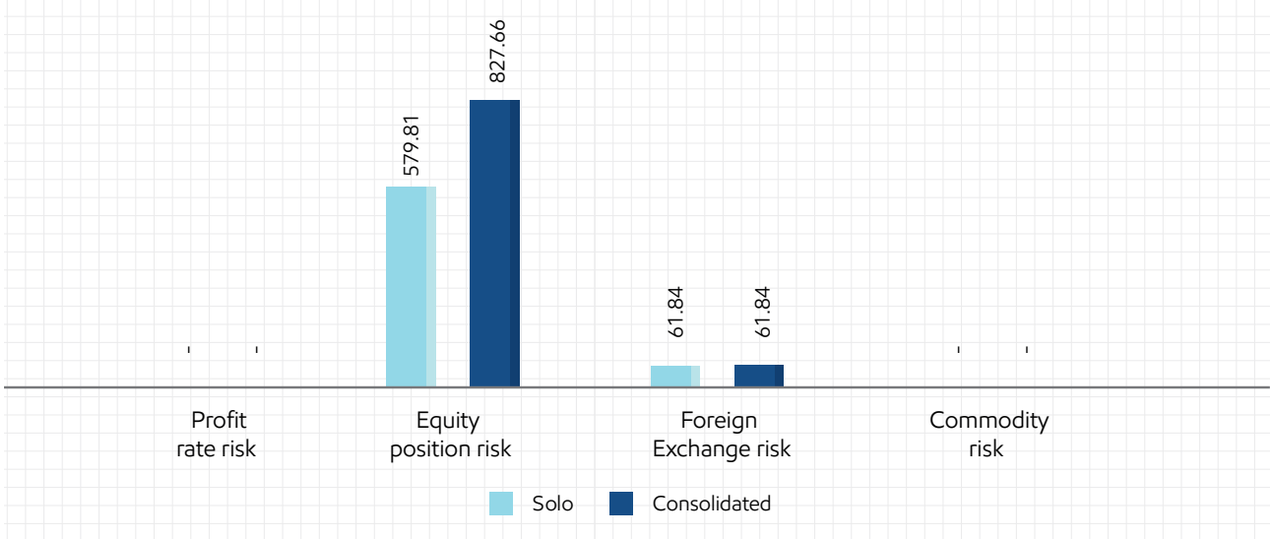
Qualitative Disclosures

a) i) Views of BOD on trading / investment activities	The Board approves all policies related to market risk, setting of limits and review on Core Risk compliance on a regular basis. The objective is to provide cost effective funding to finance asset growth and trade related transactions.
ii) Methods used to measure market risk	Standardized approach has been used to measure the market risk. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk sub-categories. For each risk category, minimum capital requirement is measured in terms of two separately calculated capital charges for "specific risk" and "general market risk".
iii) Market Risk Management system	The Treasury Division manage market risk covering liquidity, profit rate and foreign exchange risks with oversight from Asset-Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director. ALCO meets at least once in a month.
iv) Policies and processes for mitigating market risk	There are approved limits for Investment (Credit) to deposit ratio, liquid assets to total assets ratio, maturity mismatch, commitments for both on-balance sheet and off-balance sheet items and borrowing from money market and foreign exchange position. The limits are monitored and enforced on a regular basis to protect the loss against market risks. The exchange rate of the Bank is monitored regularly and the Bank reviews the prevailing market condition, exchange rate, foreign exchange position and transactions to mitigate foreign exchange risks.

Quantitative Disclosures

b)The capital requirements for

Particulars	Taka in Million	
	Solo	Consolidated
Profit rate risk	-	-
Equity position risk	579.81	827.66
Foreign Exchange risk and	61.84	61.84
Commodity risk	-	-
Total Capital Requirement	**641.65**	**889.50**



8. OPERATIONAL RISK

Qualitative Disclosures

a) i) Views of BOD on system to reduce Operational Risk	Operational risk is the risk of loss or harm resulting from inadequate or failed internal processes, people and systems or from external events. 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 PLC. 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. SJIBPLC's strong brand image also plays an important role in employee motivation. SJIBPLC 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, SJIBPLC 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) is 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	Taka in Million	
	Solo	Consolidated
b) The capital requirements for :		
Operational risk	2,746.26	2,784.54

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 own liquidity condition, industry's liquidity scenarios as well as Bank's balance sheet strategy are discussed in every Board meeting to reduce liquidity risk. The Board of Directors approves the strategy and significant policies related to the management of liquidity. According to the strategy and policies, SJIBPLC 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 CRR, SLR, IDR, SLP, 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. Liquidity Coverage Ratio (LCR); vi. Net Stable Funding Ratio (NSFR); vii. Commitment; and viii. Wholesale Borrowing 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 fund. 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%	4.47%
Statutory Liquidity Ratio (SLR)	≥5.50%	10.79%
Investment to Deposit Ratio (IDR)	≤92%	85.13%
Liquidity Coverage Ratio (LCR)	≥100%	123.88%
Net Stable Funding Ratio (NSFR)	>100%	126.21%

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% was prescribed by Bangladesh Bank both at solo and consolidated basis as per RBCA guideline. Now the central bank has directed all banks to get prepared to increase leverage ratio 0.25% annually from 2023 in line with Basel-III. According to the circular, the banks will be required to preserve 4% leverage ratio in 2026 from the existing 3%. 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	Taka in Million	
	Solo	Consolidated
Tier 1 Capital (A)*	28,735.65	29,002.52
Exposure Measure:		
On Balance Sheet Exposure*	347,699.40	349,847.43
Off-Balance Sheet Exposure*	52,192.50	52,376.39
Total deduction from On and Off Balance Sheet Exposure/ Regulatory adjustment made to Tier-1 capital	(24.54)	(24.82)
Total Exposure (B)	399,867.36	402,199.00
Leverage Ratio (A/B)	7.19%	7.21%
*Considering all regulatory adjustments		

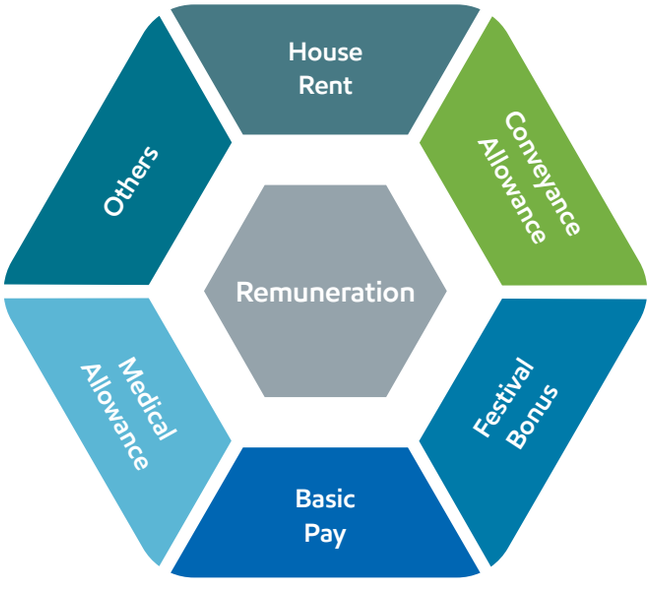
11. REMUNERATION

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.	SJIBPLC 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, 2023, 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 119 Executives of the Bank up to the rank of Vice President as on December 31, 2023 has been considered as senior managers as follows:

Designation	Number
Managing Director	1
Additional Managing Director	4
Deputy Managing Director	5
Senior Executive Vice President	11
Executive Vice President	20
Senior Vice President	40
Vice President	38
Total	**119**

b) Information relating to design and structure of remuneration process.	
i. An overview of the key features and objectives of remuneration policy.	The Bank has a well-structured, competitive and rewarding scale of pay for the regular employees of the Bank duly approved by the Board of Directors. The pay package of all employees other than Managing Director and Contractual Employees are determined by the management in accordance with the approved scale of pay. The compensation package of Managing Director is determined by the Board of Directors and subject to the approval of the Central Bank, i.e. Bangladesh Bank. Remuneration Package of Contractual Employees, as and when required, are determined and approved by Board of Directors on case to case basis prior to appointment. The annual increment and incentive bonuses for the eligible employees are paid on the basis of performances under the purview of Board approved policies in this regard. The main objective of the remuneration policy of the Bank is to retain the existing human resources, attract/hire the talented & experienced professionals and to motivate the workforce to put their best efforts for sustainable growth of the Bank. The components of remuneration are mentioned in the diagram: 

	The basic pay & other allowances like house rent, medical allowance are increased at a fixed rate annually subject to satisfactory performance of past year. The employees are also rewarded by way of special promotion, increment for their outstanding performance. Other than monthly remuneration, Bank offers a number of facilities/benefits like Leave Fare Assistance (LFA); Executive Car Facility; Corporate Mobile Phone facility, Maternity benefits for female employees; Employees' House Building Investment Facility; Employees' House Building Safety Scheme; House Furnishing Allowance, Superannuation & 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.	SJIBPLC follows financial capacity of the Bank to measure remuneration packages. Besides, it considers operational impacts, cost of living adjustments, relevant compliances, industry-competitive remuneration in relation to the market reputation and other effective risk-adjusted measures in determine remuneration.
iii. A discussion of the ways in which these measures affect remuneration.	SJIBPLC 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 SJIBPLC does not offer any variable remuneration that may be deferred or vested either in the form of cash, shares or share-linked instruments. However, employees are eligible for variable remuneration arrangement in the form of Incentive Bonus (non-deferred cash awards), applicable to their positions.
ii. A discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements.	Not Applicable
f) Description of the different forms variable remuneration that the Bank utilizes and the rationale for using these different forms.	
i. An overview of the forms of variable remuneration offered (i.e. cash, share and share-linked instrument and other forms).	The structure of remuneration arrangements for all employees primarily consists of a fixed remuneration component, which is made up of basic salary, allowances and other benefits. Employees are also eligible for variable remuneration arrangements applicable to their position. Variable remuneration consists of Incentive Bonus (cash awards) for most of SJIBPLC'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 | 292.12
h) iii. Number and total amount of sign-on awards made during the financial year.	Not Applicable
h) iv. Number and total amount of severance payments made during the financial year.	Not Applicable
i) i. Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Not Applicable
i) ii. Total amount of deferred remuneration paid out in the financial year.	Not Applicable
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).	**Sl.** | **Particulars** | **(Taka in Million)** i. | Fixed and variable | 3,635.78 ii. | Deferred and non-deferred | Nil iii. | Different forms used | Cash
k) i. Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.	Not Applicable
k) ii. Total amount of reductions during the financial year due to ex post explicit adjustments.	Not Applicable
k) iii. Total amount of reductions during the financial year due to ex post implicit adjustments.	Not Applicable

MANAGEMENT OF NON PERFORMING INVESTMENT (NPI)

The amount of NPIs is increasing day by day in Bangladesh and becoming an alarm for this frontier economy in which sustainable economic growth is a prime concern for each and every stakeholders. The underlying reason of NPIs in Bangladesh is the motive of "unwillingness to pay" of the borrower. Hence, historical and social observations indicate NPIs in Bangladesh are treated as white-collar crime. For this purpose, analyzing social, cultural, political, law compliance, psychological, internal control mechanism and economic contexts of the Bangladesh is necessary to address the negative impact of NPIs. The confirmatory factor variables are involved here, such as lack of proper monitoring, inadequate collateral, moral hazard, nepotism, business risk, credit assessment, investment profit rate and repayment flexibility. Different study finds that moral hazard, lack of proper monitoring, inadequate collateral and nepotism have significant positive impact on the raising of NPIs. Besides, business risk, poor credit assessment and repayment flexibility have significant impact on NPIs. These factors are largely related to the sanctioning process ranges from scrutinizing of loan proposal to using of funds by investment client .

Therefore, following guidelines can be applied:

1. credit behavior or history of each investment client must be thoroughly checked;
2. political affiliation should not be considered in sanctioning;
3. personal guarantee should not be considered as collateral;
4. banks must follow the qualitative basis for investment rescheduling;
5. social, culture and psychological context of each investment client should largely be analyzed;
6. independence of the Bank Management, audit committee and risk management committee, and proper governance mechanism must be ensured for establishing proper monitoring.

Non Performing Investment (NPI) Management has become more challenging and critical since the economy has become more volatile 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 SJIBPLC and it is being carried out.

Major Challenges faced by SJIBPLC in 2023:

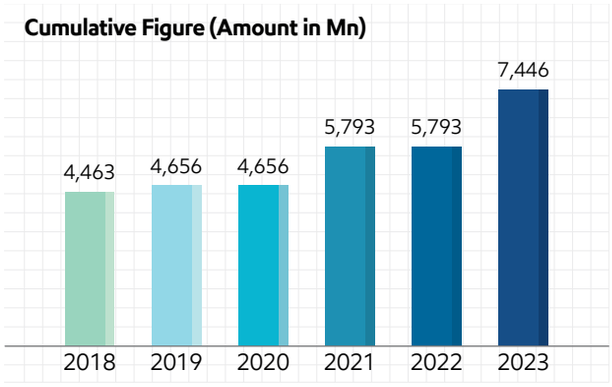
On top of negative impact of COVID-19, persistently high inflation, fueled by supply-chain disruption and soaring energy prices, had been the primary setback derailing a fragile recovery in 2023. Despite these facts, SAMD had been devoted and enthusiastic in recovery drive and it resulted in significant recovery of nonperforming investment in 2023. Moreover, the rate of classified investment of SJIBPLC is 4.42% in 2023 where as it was 4.78% in 2022.

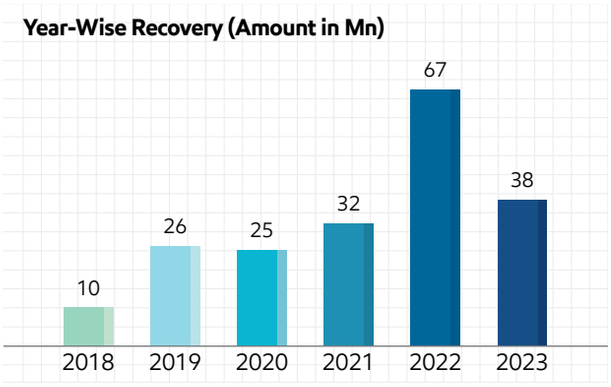
Non-Performing Investment Recovery challenges faced by SJIBPLC:

- Implementation of variable Investment Profit Rate and Margin and the difficulties faced by Investment client for adoption
- Insufficient reserve of USD held in Central Bank
- Scarcity of Foreign Currency in market to meet up import payment
- Negative impact in manufacturing and export oriented industry
- Price hike of raw material, spare parts, equipment, utility and all sorts of commodities
- Industrialists refrained from new investment and ventures due unpredictability in political, social and economic arena.
- Lack of Socio-cultural environment for de-motivation of being defaulter.
    - No social restriction exists on defaulters.
    - 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.

Written-off position and recovery:

As per Bangladesh Bank's rules and regulations, SJIBPLC has got written-off liability of total amount of Tk. 7,446 Million and the Bank Management, specially SAMD has got the outcome of Tk. 38 Million of recovery from Written-off liability in 2023.





Strategy for 2024 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.

SJIBPLC 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:

Targent oriented Planning

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.

Incentive for the client by weiver and flexibility

All sorts of NPI cubing tools and techniques will be conducted on priority basis through rescheduling, weiver and write-off approvals.

Achievement oriented incentive declaration

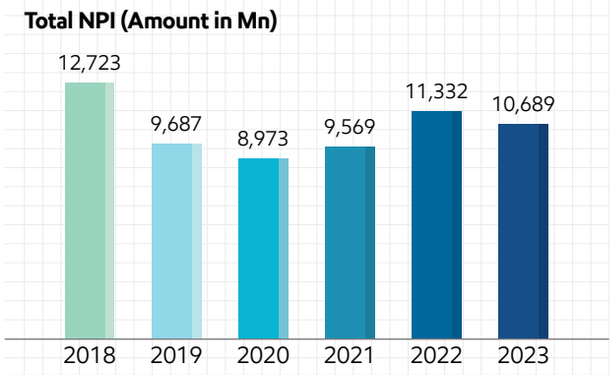
Targetting reduction of NPIs and its achievement will be rewarded in all possible arn rational manner

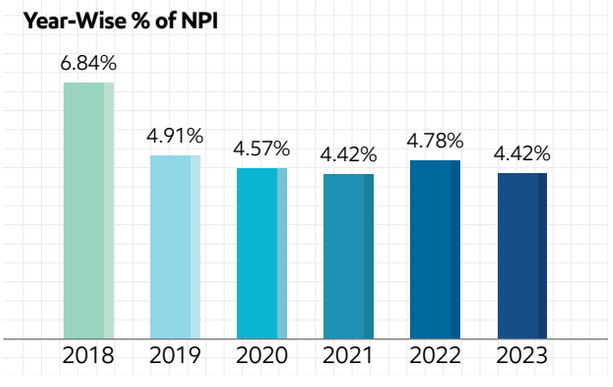
Lequidation of security

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 SJIBPLC management has been prudent and astute enough to maintain the steady declining trend in classification rate throughout the last few years.

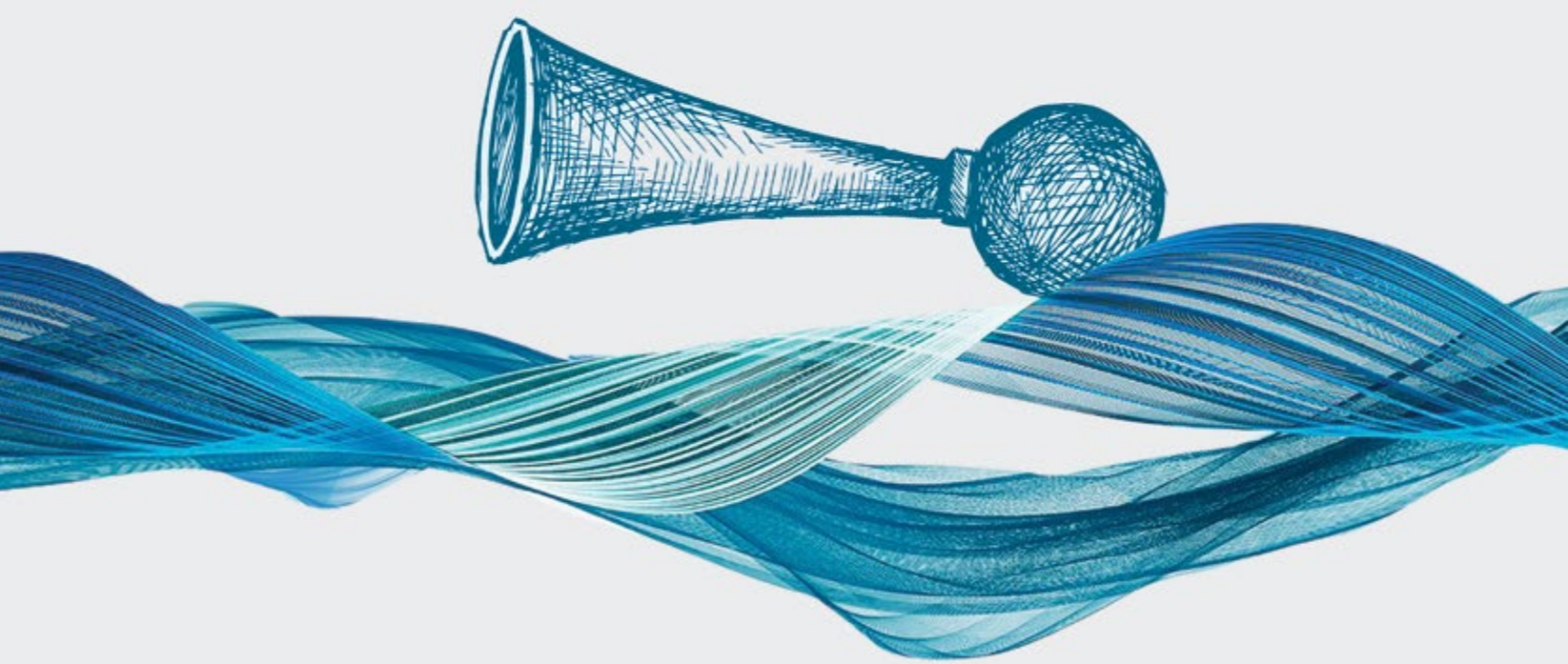




Ultimate Goal of NPI Management in coming future:

- Classification percentage to be brought down below 4% in coming year 2024.
- 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.

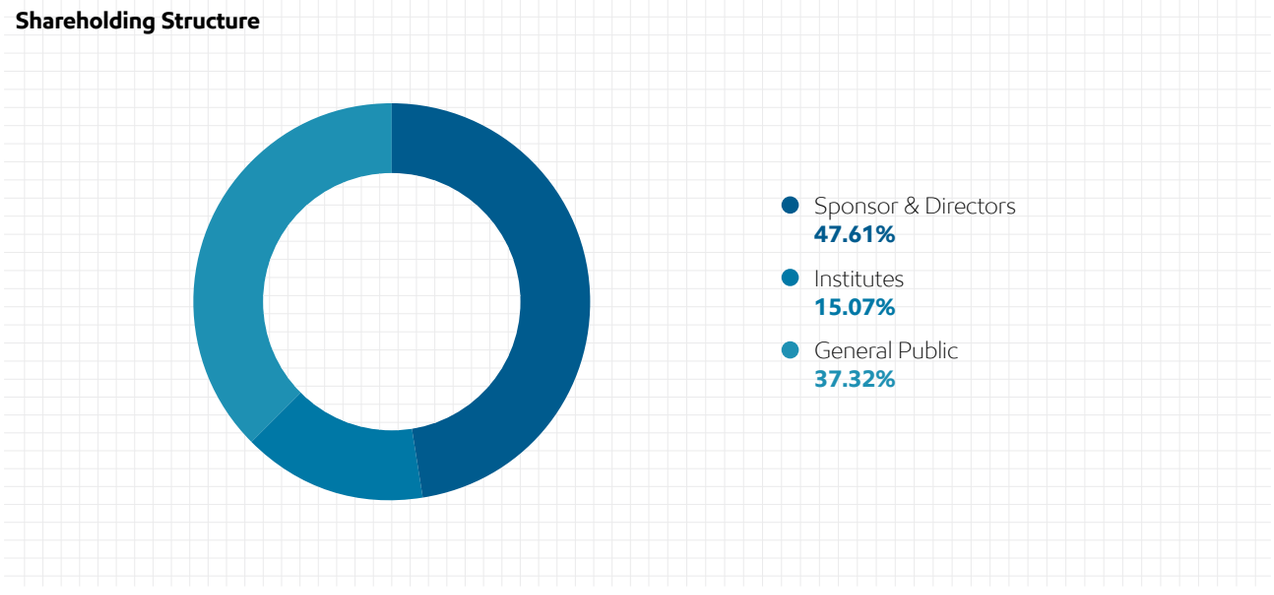
STAKEHOLDERS INFORMATION



SHAREHOLDING STRUCTURE

Shareholding Structure as on 31 December 2023

SL. No.	Type of Owner	No. of shares	Value of shares BDT	% of holding
1	Sponsor & Directors	529,839,476	5,298,394,760	47.61%
2	Institutes	167,727,577	1,677,275,770	15.07%
3	General Public	415,401,298	4,154,012,980	37.32%
	Total	**1,112,968,351**	**11,129,683,510**	**100.00%**



SHAREHOLDING BY DIRECTORS

Name of Directors and their shareholdings as at 31 December 2023

SL	Name of Directors	Position	No of Shares	Amount Taka	% of Share
1	Mr. A.K. Azad	Chairman	42,430,946	424,309,460	3.81%
2	Mr. Mohammed Younus	Vice-Chairman	27,515,773	275,157,730	2.47%
3	Mr. Mohiuddin Ahmed	Vice-Chairman	22,271,085	222,710,850	2.00%
4	Dr. Anwer Hossain Khan, MP	Director	33,270,405	332,704,050	2.99%
5	Mr. Md. Sanaullah Shahid Rep. of Electra International Ltd	Director	28,481,986	284,819,860	2.56%
6	Mr. Abdul Karim (Nazim) Rep. of Shams Uddin Khan & Harun Miah Ltd.	Director	22,259,439	222,594,390	2.00%
7	Mr. Md. Abdul Barek	Director	22,259,536	222,595,360	2.00%
8	Mr. Abdul Halim	Director	27,074,243	270,742,430	2.43%
9	Mr. Akkas Uddin Mollah Rep. of Akkas Uddin Mollah Ltd.	Director	22,348,900	223,489,000	2.01%
10	Mr. Khandaker Sakib Ahmed	Director	22,260,338	222,603,380	2.00%
11	Engr. Md. Towhidur Rahman	Director	25,009,097	250,090,970	2.25%
12	Mr. Fakir Akhtaruzzaman	Director	22,259,997	222,599,970	2.00%
13	Mr. Md. Moshiur Rahman Chamak Rep. of Fresh Export Import Ltd.	Director	22,471,147	224,711,470	2.02%
14	Mrs. Tahera Faruque	Director	34,463,724	344,637,240	3.10%
15	Mrs. Jabun Nahar Rep. of Daffodils Trading International	Director	22,805,516	228,055,160	2.05%
16	Mr. Fakir Mashrikuzzaman Rep. of Fakir Knitwear Ltd.	Director	33,338,067	333,380,670	3.00%
17	Mr. Ekramul Hoque	Independent Director	-	-	-
18	Mr. K.A.M. Majedur Rahman	Independent Director	-	-	-
19	Mr. Nasir Uddin Ahmed FCA, FCS	Independent Director	-	-	-
20	Mr. Mosleh Uddin Ahmed	Managing Director	-	-	-
Total			**430,520,199**	**4,305,201,990**	**38.69%**

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 SJIBPLC's website https://.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 PLC.
Shahjalal Islami Bank Tower
Plot – 4, Block – CWN(C)
Gulshan Avenue, Gulshan,
Dhaka - 1212

SJIBPLC 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: https://.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

2023

1st Quarter Results issued — 03 May	2nd Quarter Results issued — 26 Jul	3rd Quarter Results issued — 18 Oct	
Annual Results issued — 17 Apr	23nd Annual General Meeting — 30 May		

2022

1st Quarter Results issued — 28 Apr	2nd Quarter Results issued — 27 Jul	3rd Quarter Results issued — 19 Oct	
Annual Results issued — 05 Apr	22nd Annual General Meeting — 24 May		

Dividend Information (Distribution of Dividend- 2022)

Dividend Rate:
3% (Stock) and 12% (Cash)

Declaration Date:
05th April 2023

Record Date:
Cash- 27th April 2023
Stock- 23rd May 2023

AGM Date:
24th May 2023

Distribution Date:
Cash- 25th May 2023– 18th June 2023
Stock- 30th May 2023

EVALUATION OF QUARTERLY PERFORMANCE

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). SJIBPLC prepares quarterly financial statements as per requirement of Bangladesh Securities and Exchange Commission (BSEC) and in accordance with International Accounting Standard (IAS)-34: "Interim Financial Reporting".

Key highlights of interim results of the bank is stated below:

(Amount in million)

Balance Sheet	31 Dec 23	31 Dec 22	30 Sep 23	30 Sep 22	30 Jun 23	30 Jun 22	31 Mar 23	31 Mar 22
Placement with other Banks & FI's	14,115.80	21,276.96	24,726.02	26,141.02	32,666.02	28,678.77	21,616.02	11,246.63
Inv in Shares & Securities	31,950.86	33,486.50	33,958.42	34,656.90	33,449.64	34,325.52	33,538.37	29,060.08
Investment	241,750.80	237,229.98	230,234.52	237,409.89	233,913.32	237,855.53	232,628.68	229,487.03
Placement from other Banks & FI's	27,511.35	42,036.65	32,057.45	46,587.93	39,031.41	54,333.94	40,033.24	46,493.97
Deposit & Other accounts	249,585.02	227,982.06	244,216.98	238,302.51	244,811.95	230,059.15	238,331.06	212,027.86
Paid up Capital	11,129.68	10,805.52	11,129.68	10,805.52	11,129.68	10,805.52	10,805.52	10,290.97
Total Shareholder's equity	23,760.19	21,870.14	23,949.15	21,895.40	23,095.46	21,029.89	22,843.31	19,713.32
Total Assets	351,719.34	339,818.87	352,186.23	355,366.55	356,668.38	352,204.48	350,401.30	324,187.34
Off Balance Items	164,382.13	154,272.18	158,743.70	174,389.25	158,000.53	190,992.92	163,548.17	190,353.22

Profit and Loss Account	01 Jan 23 to 31 Dec 23	01 Jan 22 to 31 Dec 22	01 Jan 23 to 30 Sep 23	01 Jan 22 to 30 Sep 22	01 Jan 23 to 30 Jun 23	01 Jan 22 to 30 Jun 22	01 Jan 23 to 31 Mar 23	01 Jan 22 to 31 Mar 22
Net Investment Income	9,095.37	7,550.31	7,309.97	6,171.18	4,335.48	3,793.95	1,999.06	1,708.22
Non Investment Income	6,118.82	6,570.51	4,641.07	5,116.96	3,659.26	3,791.47	1,527.49	1,643.10
Operating Expenses	6,327.35	5,786.18	4,361.46	3,954.84	2,898.79	2,598.58	1,258.31	1,191.27
Operating Profit	8,886.83	8,334.64	7,589.57	7,333.30	5,095.95	4,986.84	2,268.23	2,160.05
Net Profit After Taxation	3,624.87	3,525.06	3,676.26	3,450.38	2,727.60	2,475.95	1,074.66	948.91
Earnings per share(EPS)	3.26	3.17	3.30	3.10	2.45	2.22	0.99	0.88

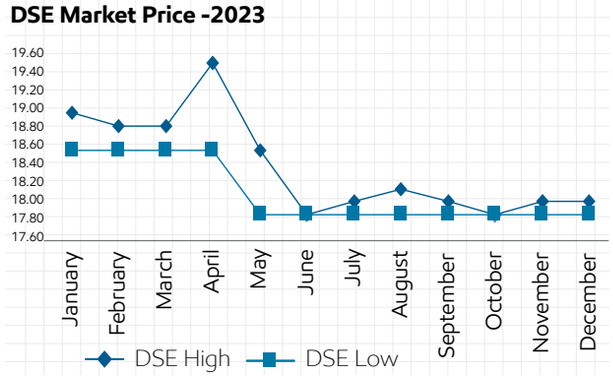
Other Information	31 Dec 23	31 Dec 22	30 Sep 23	30 Sep 22	30 Jun 23	30 Jun 22	31 Mar 23	31 Mar 22
Net Asset Value (NAV) per share	21.35	19.65	21.52	19.67	20.75	18.90	21.14	18.24
NOCFPS	10.08	3.49	11.90	12.83	6.49	5.62	12.83	2.17

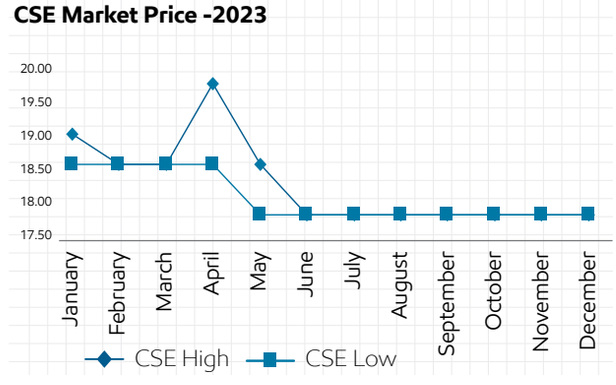
The interim result is reviewed by the Audit Committee of the Board before publishing and then referred it to the Board of Directors for its approval. After being approved by the Board of Directors, the interim financial statements are submitted to the Bangladesh Securities and Exchange Commission (BSEC), 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 https://.sjiblbd.com.

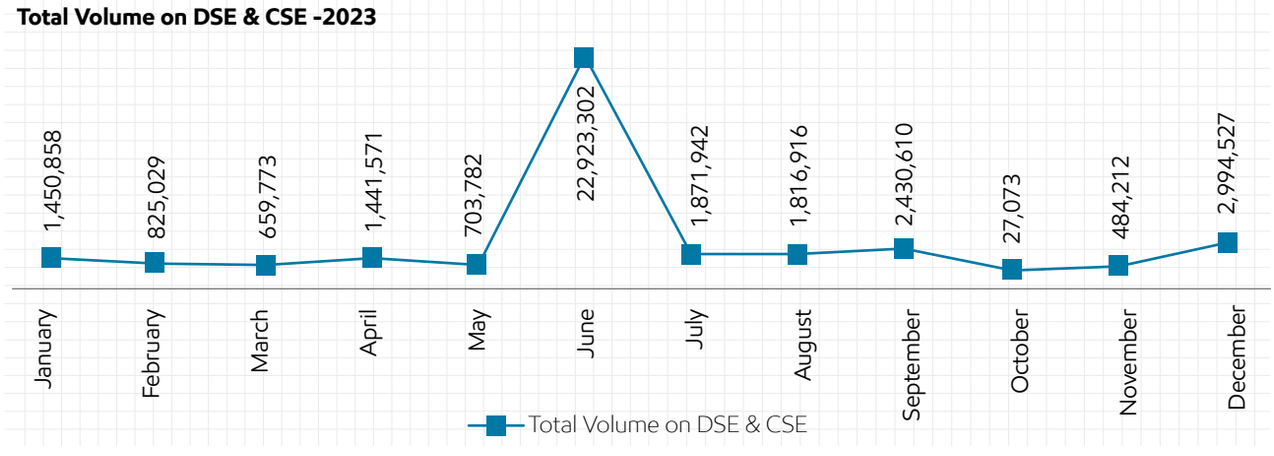
STOCK PERFORMANCE - 2023

Closed Price of Shares of Shahjalal Islami Bank PLC. during the year 2023 on Dhaka Stock Exchange PLC. and Chittagong Stock Exchange PLC. are given below:

Month	DSE			CSE			Total Volume on DSE & CSE
	High Taka	Low Taka	Volume	High Taka	Low Taka	Volume	
January	19.10	18.80	1,431,808	19.30	19.00	19,050	1,450,858
February	19.00	18.80	805,891	19.00	19.00	19,138	825,029
March	19.00	18.80	641,452	19.00	19.00	18,321	659,773
April	19.50	18.80	1,419,102	19.80	19.00	22,469	1,441,571
May	18.80	18.30	702,836	19.00	18.50	946	703,782
June	18.30	18.30	553,722	18.50	18.50	22,369,580	22,923,302
July	18.40	18.30	1,868,947	18.50	18.50	2,995	1,871,942
August	18.50	18.30	1,807,689	18.50	18.50	9,227	1,816,916
September	18.40	18.30	2,428,759	18.50	18.50	1,851	2,430,610
October	18.30	18.30	24,431	18.50	18.50	2,642	27,073
November	18.40	18.30	482,792	18.50	18.50	1,420	484,212
December	18.40	18.30	2,991,394	18.50	18.50	3,133	2,994,527







PROFITABILITY/DIVIDENDS/ PERFORMANCE AND LIQUIDITY RATIOS

SL	Items	2023	2022	2021	2020	2019
A) Net Investment Income Ratio						
1	Net Income Ratio (%)	14.95	15.70	14.14	9.44	7.28
2	Net Profit (Interest) Income Ratio (%)	3.21	2.74	2.52	2.42	3.40
3	Net Profit (Interest) Income as a percentage of Working Funds (%)	2.63	2.31	2.12	2.01	2.82
B) Profit Before Provisions and Tax						
1	Profit Before Provisions and Tax (in Million Tk)	8,887	8,335	6,004	4,095	5,865
2	Cost/Income ratio (%)	41.59	40.98	44.92	53.50	44.17
C) Price Earnings Ratio						
1	Price Earning Ratio (Times)	5.62	5.94	9.11	12.35	13.35
D) Capital Adequacy Ratio						
1	Tier I Capital Ratio (%)	12.68	11.33	10.92	9.15	9.03
2	Tier II Capital Ratio (%)	2.38	3.05	4.12	5.28	6.55
3	Total Capital Adequacy Ratio (Basel-III/II) (%)	15.06	14.38	15.04	14.43	15.58
D) Return on Capital Employed						
1	Return on Capital Employed (ROCE) (%)	11.32	11.00	8.74	7.11	6.70
2	Return on Equity (%)	15.89	16.92	13.70	11.08	10.98
3	Return on Assets (ROA) (%)	1.05	1.08	0.85	0.68	0.67
E) Debt Equity Ratio						
1	Debt Equity Ratio (Times)	13.80	14.54	14.84	15.35	15.11
2	Investment to Total Deposit Ratio (%)	85.13	83.64	84.48	79.62	87.47
3	Net Asset Value per Share (Taka)	21.35	19.65	18.33	17.44	16.84

Business Ratio/Information

SL	Items	2023	2022	2021	2020	2019
1	Statutory Liquidity Ratio (SLR) (%)	10.79	12.74	14.73	11.50	7.43
2	Net profit income as a percentage of working funds/ Operating cost-efficiency ratio (%)	2.63	2.31	2.12	2.01	2.82
3	Return on Average Asset (%)	1.05	1.08	0.85	0.68	0.67
4	Cost/Income ratio (%)	41.59	40.98	44.92	53.50	44.17
5	Net Asset Value per Share (Tk)	21.35	19.65	18.33	17.44	16.84
6	Profit per Employee (in Million Tk)	3.09	2.94	2.19	1.54	2.21
7	Capital to Risk Weighted Assets/Capital Adequacy Ratio (%)	15.06	14.38	15.04	14.43	15.58
8	Cost of Deposit (%)	3.47	3.32	3.19	4.98	6.05
9	Cost of Fund (%)	5.64	5.27	5.28	7.39	8.42
10	Operating profit as a percentage of working funds (%)	2.57	2.55	1.98	1.46	2.30
11	Cash Reserve Ratio/Liquid Asset Ratio (%)	4.47	4.99	4.58	4.74	5.94
12	Dividend Coverage Ratio (%)	2.33	2.17	1.67	1.63	1.84
13	Gross Non-Performing Assets to Gross Investment (Advances)/Non-Performing Investment (Advances) (Assets) to Total Investment (Advances) (Assets) (%)	4.42	4.78	4.42	4.57	4.91

FIVE YEARS FINANCIAL SUMMARY

Figures in million Taka unless otherwise specified

SL	Items	2023	2022	2021	2020	2019
A. Financial Position						
1	Authorized Capital	15,000	15,000	15,000	15,000	10,000
2	Paid up Capital	11,130	10,805	10,291	9,801	9,334
3	Reserve and Surplus	12,631	11,065	9,512	8,148	7,173
4	Total Shareholders' Equity	23,760	21,870	19,803	17,949	16,507
5	Total Deposits	249,585	227,982	217,289	218,443	203,273
6	Total Investment	241,751	237,230	216,587	196,513	197,286
7	Investment in Share and Securities	31,951	33,486	36,268	27,610	15,639
8	Fixed Assets	5,235	5,273	5,077	4,741	4,504
9	Total Assets (excluding off-balance sheet items)	351,719	339,819	313,731	293,518	265,993
10	Total Contingent Liabilities and Commitment	164,382	154,272	171,224	120,035	113,090
11	Profit Earning Assets	281,805	285,103	266,235	244,232	219,818
12	Non-profit Earning Assets	69,914	54,716	47,496	49,286	46,175
B. Operating Result						
1	Investment Income	18,130	15,885	13,805	17,034	20,291
2	Profit Paid on Deposit	9,034	8,335	7,382	11,418	13,112
3	Net Investment Income	9,095	7,550	6,424	5,615	7,178
4	Total Income	24,249	22,456	18,282	20,224	23,618
5	Total Expenditure	15,362	14,121	12,279	16,129	17,753
6	Operating Profit	8,887	8,335	6,004	4,095	5,865
7	Profit before Tax	7,153	7,226	4,837	3,643	3,894
8	Profit after Tax	3,625	3,525	2,585	1,908	1,718
C. Capital Adequacy						
1	Risk Weighted Assets	226,626	236,937	224,654	196,155	182,776
2	Capital Requirement	22,663	23,694	22,465	19,615	18,278
3	Tier I Capital	28,736	26,846	24,532	17,949	16,507
4	Tier II Capital	5,391	7,218	9,246	10,360	11,970
5	Total Equity (Tier I & Tier II)	34,126	34,064	33,778	28,308	28,477
6	Capital Surplus	11,464	10,371	11,313	8,693	10,200
7	Tier I Capital Ratio (%)	12.68	11.32	10.92	9.15	9.03
8	Tier II Capital Ratio (%)	2.38	3.05	4.12	5.28	6.55
9	Total Capital Adequacy Ratio (Basel-III) (%)	15.06	14.38	15.04	14.43	15.58
D. Investment Quality						
1	Volume of Non-performing Investment	10,689	11,333	9,569	8,973	9,687
2	Amount of Provision against classified Investment	4,020	3,927	3,075	3,440	3,258
3	Amount of Provision against unclassified Investment	2,866	2,662	2,419	2,224	1,901
4	Amount of Provision against Off Balance Sheets Exposures	1,325	1,356	1,356	935	869
5	Classified Investment as % of Total Investment	4.42	4.78	4.42	4.57	4.91
E. Foreign Exchange Business						
1	Import Business	266,912	254,756	248,934	148,469	157,060
2	Export Business	247,526	265,942	191,899	133,580	147,052
3	Inward Foreign Remittance	55,822	13,411	11,888	7,755	7,849
F. Dividend						
1	Cash Dividend	*14%	12%	10%	7%	5%
2	Bonus Dividend	-	3%	5%	5%	5%
3	Dividend Cover Ratio (Times)	2.33	2.17	1.67	1.63	1.84
4	Market Capitalization	20,367	20,314	22,434	22,444	21,842
		*Proposed by the Board of Directors				
G. Shareholders Information						
1	No. of Share Outstanding (million share)	1,112.97	1,080.55	1,029.10	980.09	933.42
2	Earnings Per Share (Taka)	3.26	3.17	2.51	1.85	1.75
3	Number of Shareholders	23,505	24,172	26,060	28,924	31,022
5	Market Value Per Share (Taka)	18.30	18.80	21.80	22.90	23.40

FINANCIAL AND NON-FINANCIAL RATIOS

Financial Ratios

SL	Items	2023	2022	2021	2020	2019
A. Profitability Ratios						
1	Return on Assets (ROA) (%)	1.05	1.08	0.85	0.68	0.67
2	Return on Equity (%)	15.89	16.92	13.70	11.08	10.98
3	Gross Income Ratio (%)	62.74	62.88	59.62	43.54	44.48
4	Net Profit (Interest) Income Ratio (%)	3.21	2.74	2.52	2.42	3.40
5	EBITDA			N/A		
6	Return on Capital Employed (%)			N/A		
7	Return on General Investment (%)	7.14	6.36	6.76	8.34	10.07
8	Operating Income Ratio (%)	36.65	37.12	32.84	20.25	24.83
9	Net Profit (Interest) Income as a percentage of Working Funds (%)	2.63	2.31	2.12	2.01	2.82
10	Net Income Ratio (%)	14.95	15.70	14.14	9.44	7.28
11	Profit Per Employee (in Million Tk)	3.09	2.94	2.19	1.54	2.21
B. Liquidity Ratios						
1	Current Ratio			N/A		
2	Quick Ratio/Acid Test Ratio			N/A		
3	Investment to Total Deposit Ratio (%)	85.13	83.64	84.48	79.62	87.47
4	Liquidity Coverage Ratio (LCR) (%)	123.88	158.23	181.95	390.52	204.10
5	Net Stable Funding Ratio (NSFR) (%)	126.21	128.01	127.96	130.31	150.47
6	Cash Reserve Ratio (CRR) (%)	4.47	4.99	4.58	4.74	5.94
7	Statutory Liquidity Requirement (SLR) (%)	10.79	12.74	14.73	11.50	7.43

Non-Financial Ratios

1	Customer Retention Rate (%)	79.54	75.40	75.40	74.64	68.44
2	Employee Productivity Rate (EPR) (in Million Tk)	3.09	2.94	2.19	1.54	2.21
3	Training Participants (Number)	12,518	5,751	10,552	10,135	7,016

Other Ratios

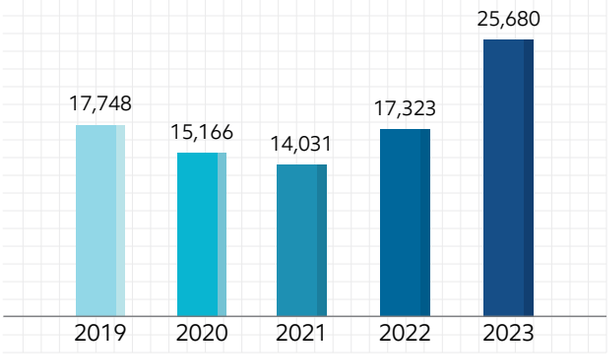
A. Market Ratios						
1	Dividend Yield (%)	7.65	7.98	6.88	5.24	4.27
2	Price Earnings Ratio (Times)	5.62	5.76	9.11	12.35	13.35
3	Dividend Payout (%)	48.43	51.80	59.76	61.54	54.35
B. Leverage Ratios						
1	Debt Equity Ratio (Times)	13.80	14.54	14.84	15.35	15.11
2	Debt Ratio (Times)	0.93	0.94	0.94	0.94	0.94
3	Interest Coverage Ratio (Times)			N/A		
C. Activity Ratios						
1	Trade Payable Turnover			N/A		
2	Trade Receivable Turnover			N/A		

Other Information

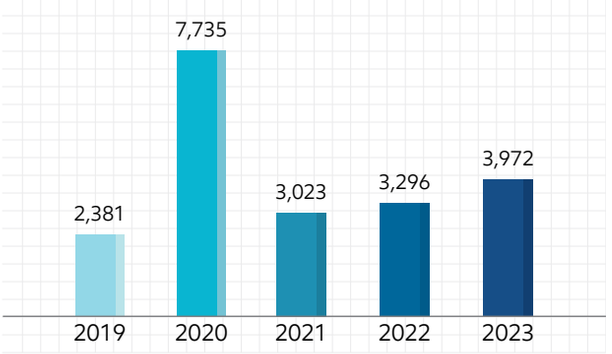
1	Number of Branches	140	140	132	132	132
2	Number of Brokerage House	8	8	8	8	8
3	Number of Employees	2,875	2,835	2,741	2,657	2,652
4	Number of foreign Correspondents	433	437	436	412	416

GRAPHICAL PRESENTATION

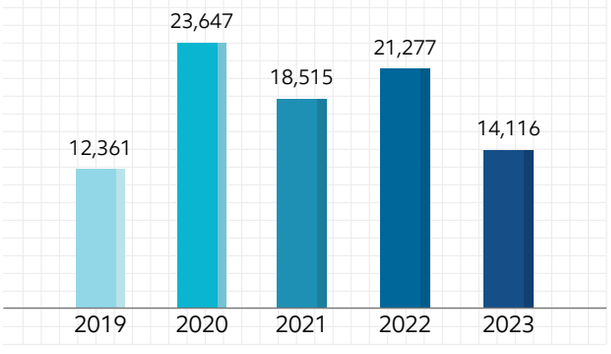
Cash in hand & Balance with BB (BDT million)



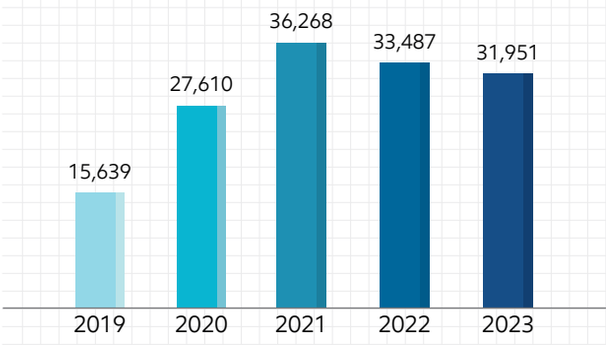
Balance with other Banks and Financial Institutions (BDT million)



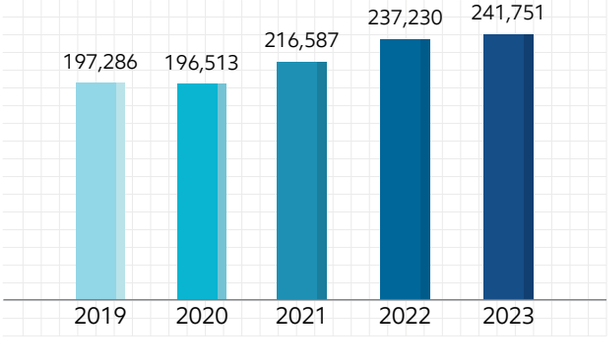
Placement with other Banks & Financial Institutions (BDT million)



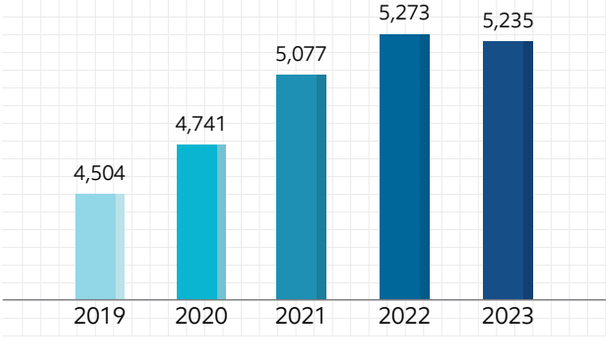
Investments in Shares & Securities (BDT million)



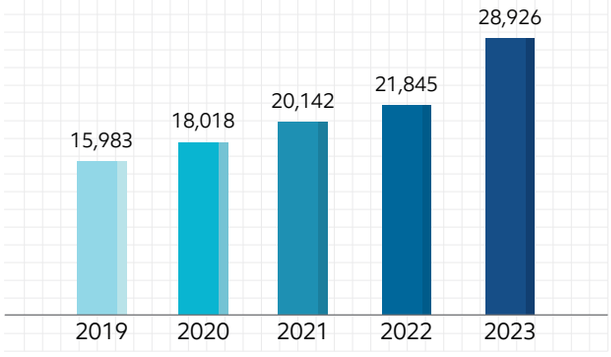
Investments (BDT million)



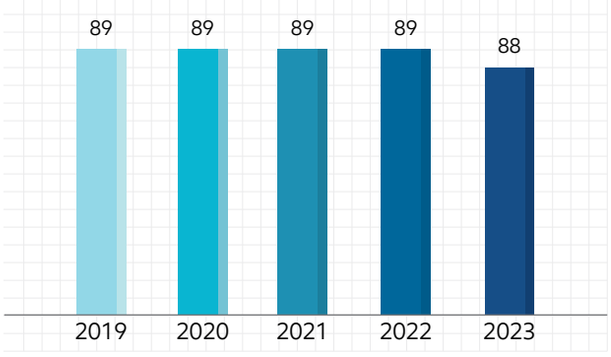
Fixed Assets Including Premises (BDT million)



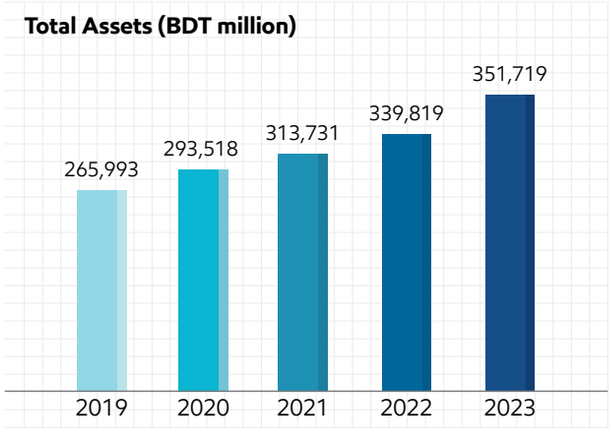
Other Assets (BDT million)



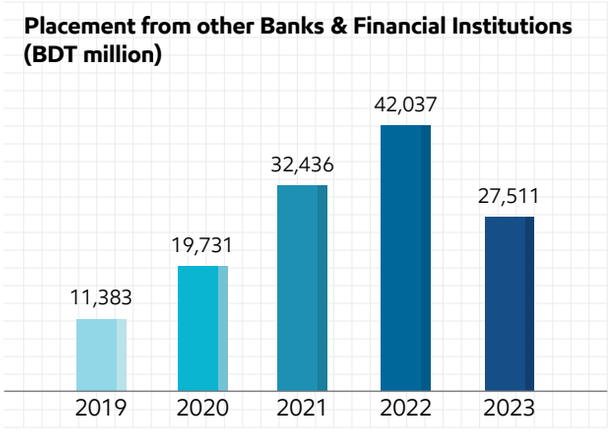
Non Banking Assets (BDT million)



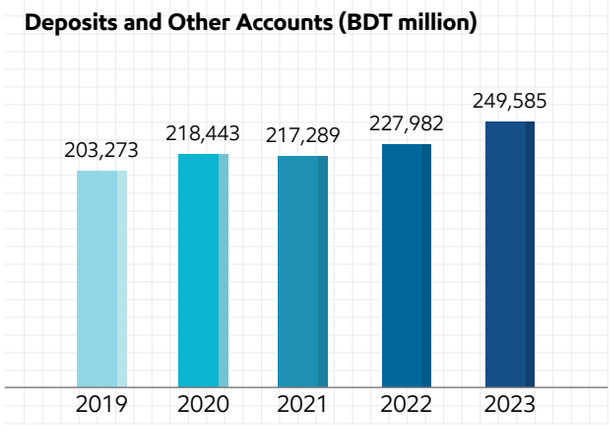
Total Assets (BDT million)



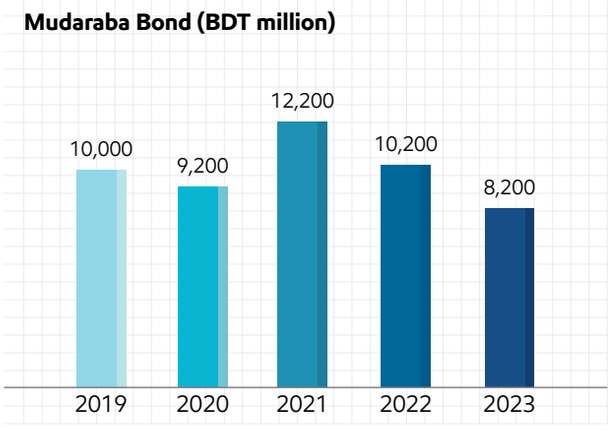
Placement from other Banks & Financial Institutions (BDT million)



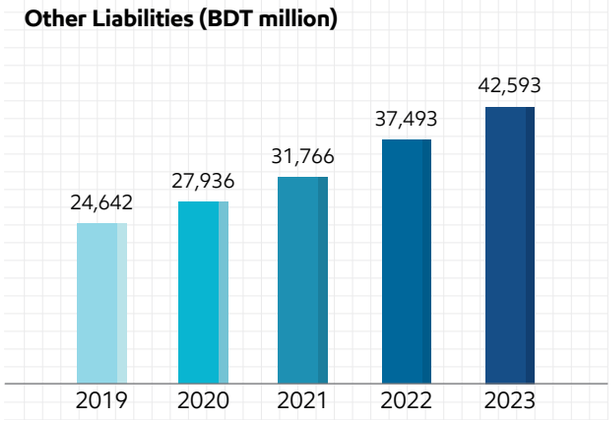
Deposits and Other Accounts (BDT million)



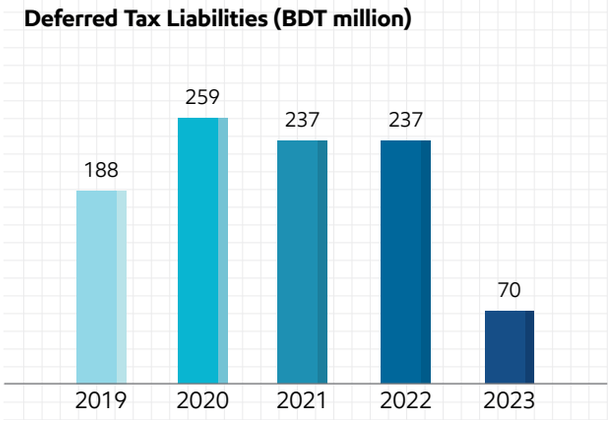
Mudaraba Bond (BDT million)



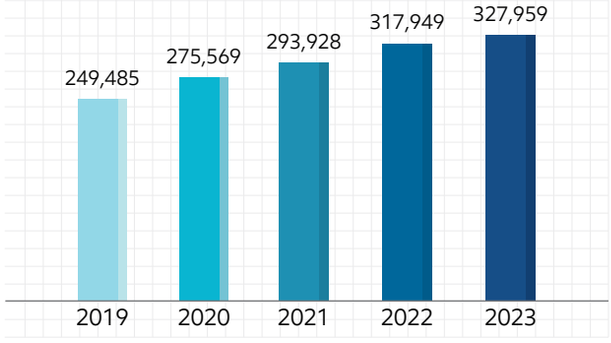
Other Liabilities (BDT million)



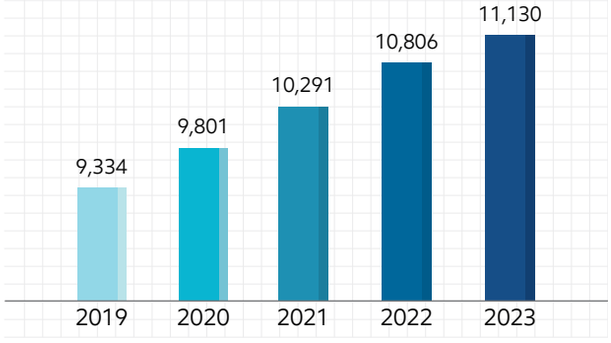
Deferred Tax Liabilities (BDT million)



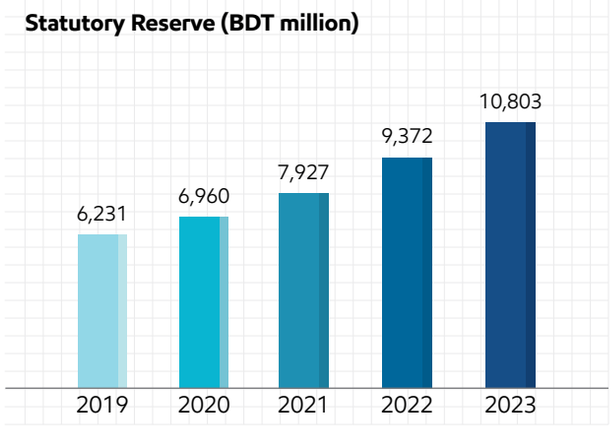
Total Liabilities (BDT million)



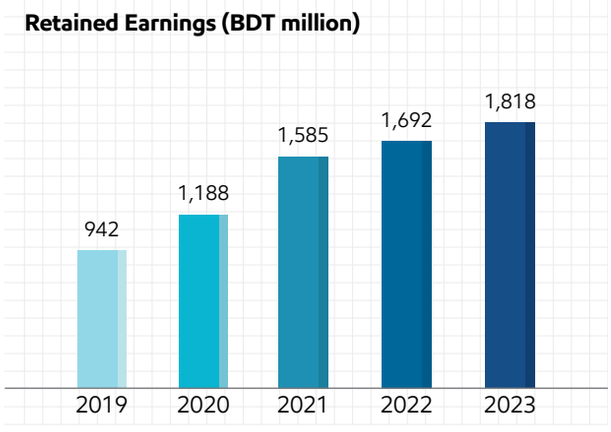
Paid-up Capital (BDT million)



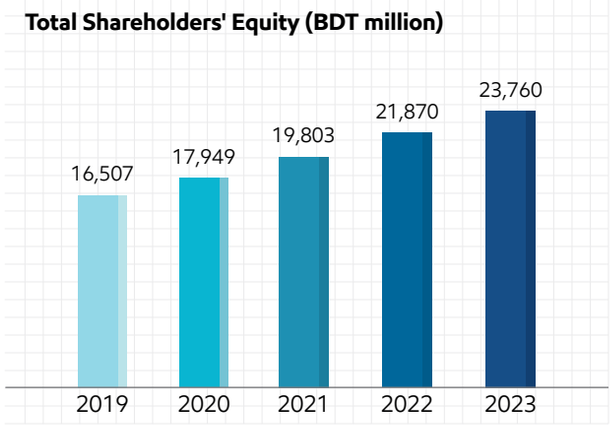
Statutory Reserve (BDT million)



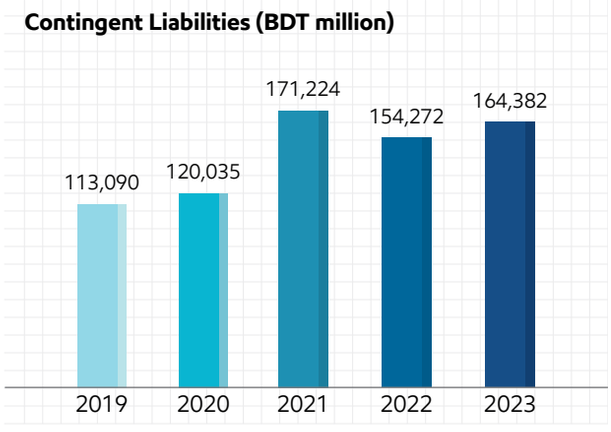
Retained Earnings (BDT million)



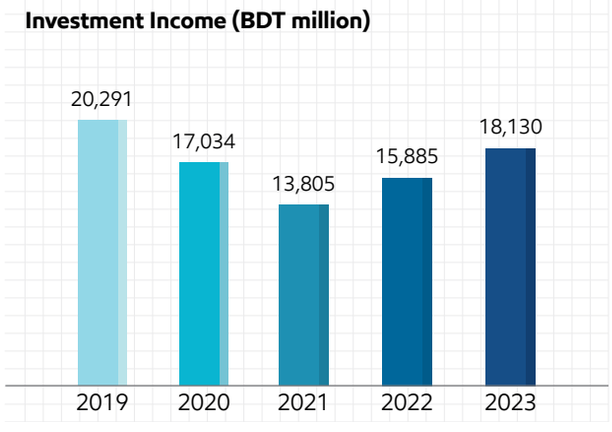
Total Shareholders' Equity (BDT million)



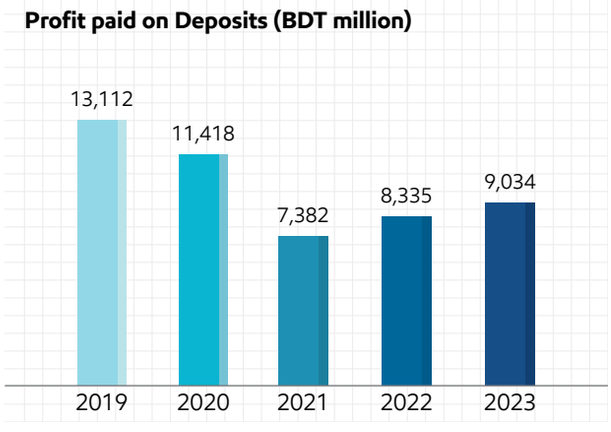
Contingent Liabilities (BDT million)



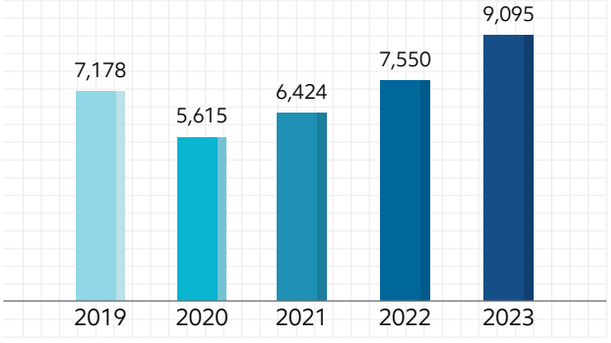
Investment Income (BDT million)



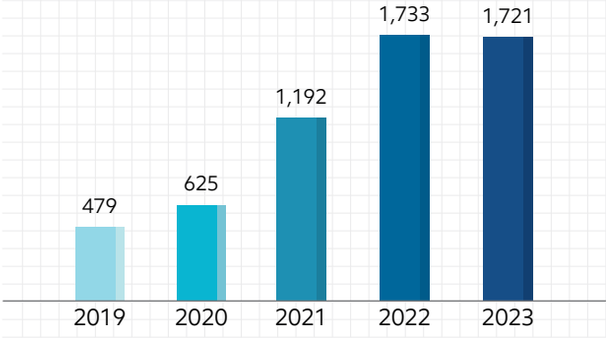
Profit paid on Deposits (BDT million)



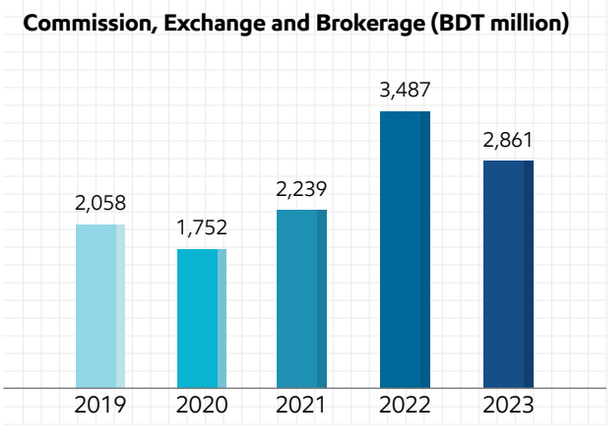
Net Investment Income (BDT million)



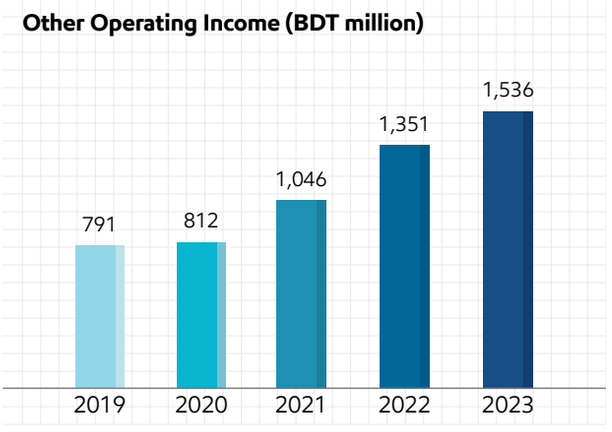
Income from Investment in Shares/securities (BDT million)



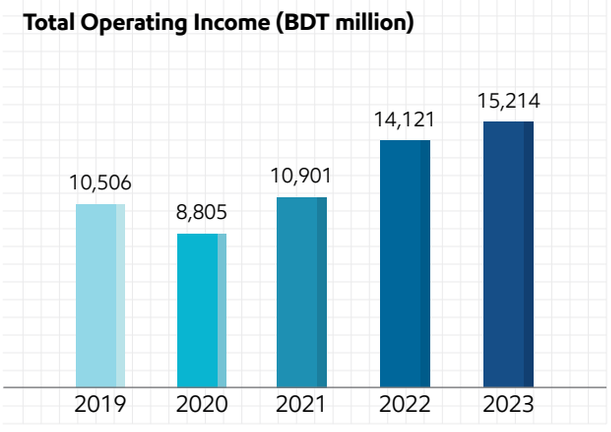
Commission, Exchange and Brokerage (BDT million)



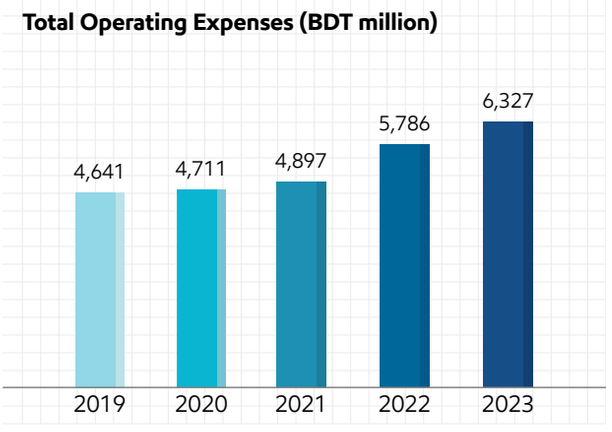
Other Operating Income (BDT million)



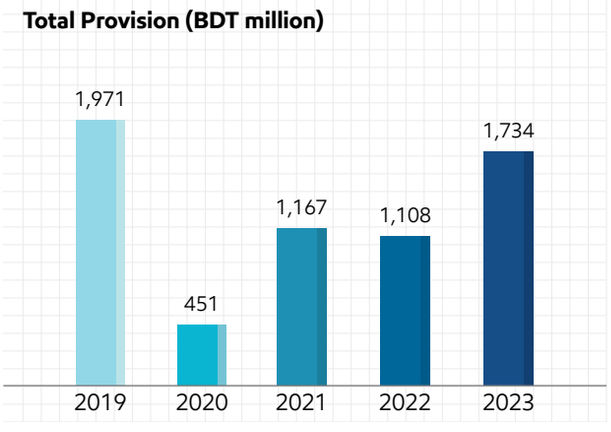
Total Operating Income (BDT million)



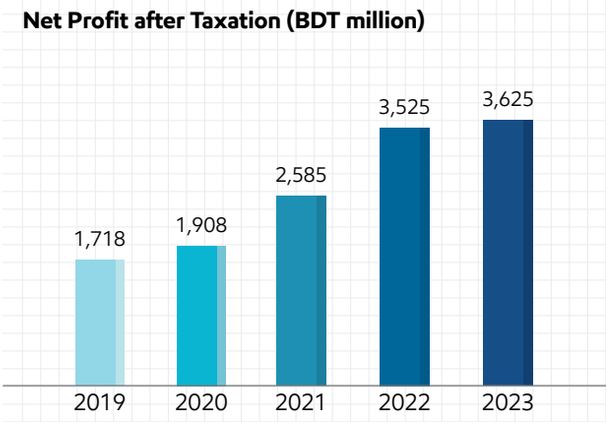
Total Operating Expenses (BDT million)



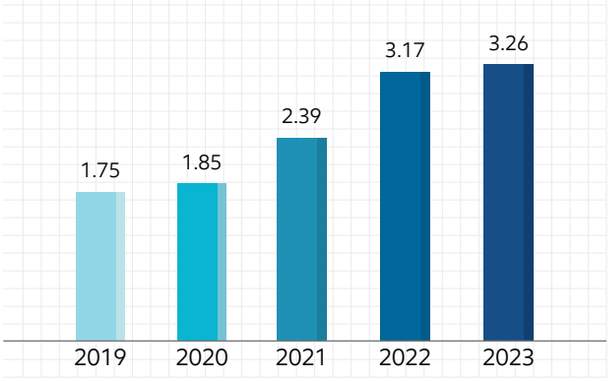
Total Provision (BDT million)



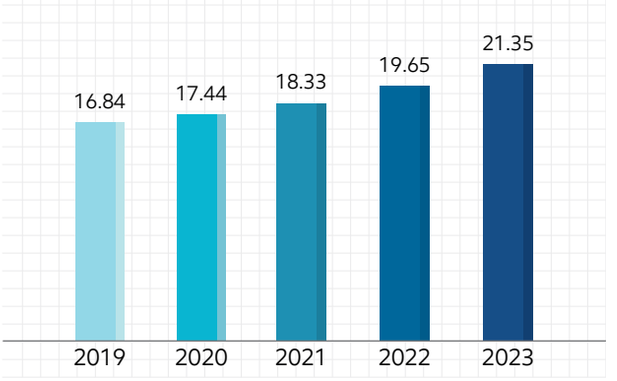
Net Profit after Taxation (BDT million)



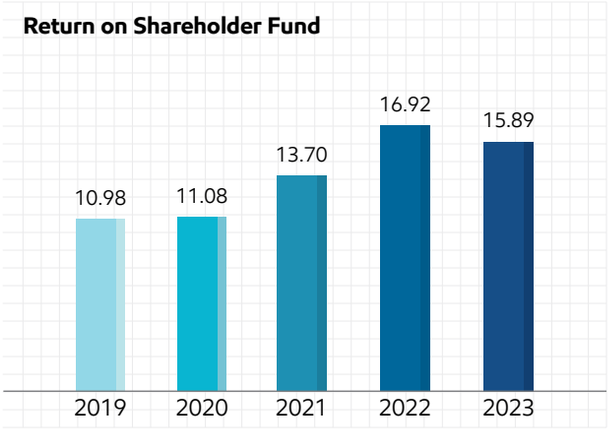
Earnings Per Share (EPS)



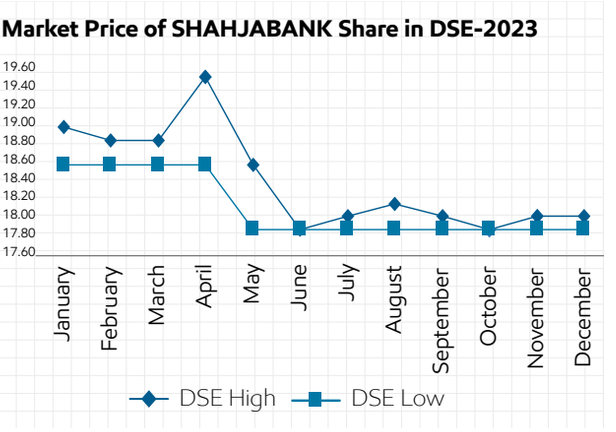
Net Asset value per share



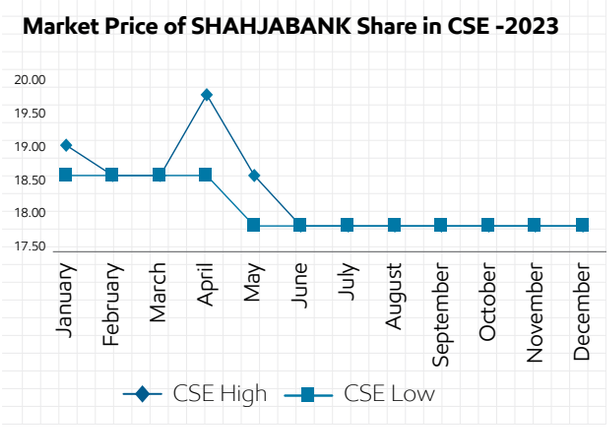
Return on Shareholder Fund



Market Price of SHAHJABANK Share in DSE-2023



Market Price of SHAHJABANK Share in CSE -2023



HORIZONTAL & VERTICAL ANALYSIS

HORIZONTAL ANALYSIS FOR THE LAST FIVE YEARS

Balance Sheet

	2023	2022	2021	2020	2019
PROPERTY AND ASSETS					
Cash	**145%**	**98%**	**79%**	**85%**	**100%**
Cash in hand (Including Foreign Currencies)	102%	109%	88%	82%	100%
Balance with Bangladesh Bank & Sonali Bank Ltd (Including Foreign Currencies)	151%	96%	78%	86%	100%
Balance with other Banks and Financial Institutions	**167%**	**138%**	**127%**	**325%**	**100%**
Inside Bangladesh	125%	124%	112%	168%	100%
Outside Bangladesh	288%	181%	169%	782%	100%
Placement with other Banks & Financial Institutions	**114%**	**172%**	**150%**	**191%**	**100%**
Investments in Shares & Securities	**204%**	**214%**	**232%**	**177%**	**100%**
Government	210%	218%	239%	185%	100%
Others	188%	202%	211%	152%	100%
Investments	**123%**	**120%**	**110%**	**100%**	**100%**
General Investment etc.	127%	121%	109%	99%	100%
Bills Purchased and Discounted	69%	116%	123%	103%	100%
Fixed Assets Including Premises	**116%**	**117%**	**113%**	**105%**	**100%**
Other Assets	**181%**	**137%**	**126%**	**113%**	**100%**
Non Banking Assets	**99%**	**100%**	**100%**	**100%**	**100%**
Total Assets	**132%**	**128%**	**118%**	**110%**	**100%**
LIABILITIES AND CAPITAL					
Liabilities					
Placement from other Banks & Financial Institutions	**242%**	**369%**	**285%**	**173%**	**100%**
Deposits and Other Accounts	**123%**	**112%**	**107%**	**107%**	**100%**
Mudaraba Savings Deposits	160%	149%	147%	122%	100%
Mudaraba Term Deposits	118%	105%	90%	98%	100%
Other Mudaraba Deposits	75%	80%	101%	109%	100%
Al-Wadeeah Current & Other Deposit Accounts	211%	170%	138%	121%	100%
Bills Payable	112%	135%	93%	90%	100%
Mudaraba Bonds	**82%**	**102%**	**122%**	**92%**	**100%**
Other Liabilities	**173%**	**152%**	**129%**	**113%**	**100%**
Deferred Tax Liabilities	**37%**	**126%**	**126%**	**138%**	**100%**
Total Liabilities	**131%**	**127%**	**118%**	**110%**	**100%**
Capital/Shareholders' Equity					
Paid-up Capital	119%	116%	110%	105%	100%
Statutory Reserve	173%	150%	127%	112%	100%
Foreign Currency Translation Reserve	100%	0%	0%	0%	0%
Retained Earnings	193%	180%	168%	126%	100%
Total Shareholders' Equity/Shareholders' Fund	**144%**	**132%**	**120%**	**109%**	**100%**
Total Liabilities & Shareholders' Equity	**132%**	**128%**	**118%**	**110%**	**100%**

Growth of each component of Balance Sheet of every year calculated based on the amount of 2019 which is representing the value 100%. The value above 100% means positive growth and below 100% means negative growth compared to base year 2019. 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.

HORIZONTAL ANALYSIS FOR THE LAST FIVE YEARS

Profit & Loss Account

	2023	2022	2021	2020	2019
Investment Income	89%	78%	68%	84%	100%
Less: Profit paid on Deposits	69%	64%	56%	87%	100%
Net Investment Income	**127%**	**105%**	**89%**	**78%**	**100%**
Income from Investment in Shares/securities	360%	362%	249%	131%	100%
Commission, Exchange and Brokerage	139%	169%	109%	85%	100%
Other Operating Income	194%	171%	132%	103%	100%
	184%	**197%**	**135%**	**96%**	**100%**
Total Operating Income	**145%**	**134%**	**104%**	**84%**	**100%**
Salaries and Allowances	134%	122%	102%	102%	100%
Rent, Taxes, Insurances, Electricity etc.	84%	86%	73%	94%	100%
Legal Expenses	209%	119%	88%	108%	100%
Postage, Stamps, Telecommunication etc.	138%	134%	101%	112%	100%
Stationery, Printings, Advertisements etc.	126%	114%	83%	70%	100%
Chief Executive's Salary & Fees	82%	112%	115%	108%	100%
Directors' Fees & Expenses	59%	89%	87%	91%	100%
Shariah Supervisory Committee's Fees & Expenses	81%	47%	56%	22%	100%
Auditors' Fees	207%	110%	110%	100%	100%
Depreciation & Repairs of Bank's Assets	201%	186%	179%	130%	100%
Zakat Expenses	173%	146%	128%	114%	100%
Other Expenses	149%	135%	108%	92%	100%
Total Operating Expenses	**136%**	**125%**	**106%**	**102%**	**100%**
Profit before Provision/Operating Profit	**152%**	**142%**	**102%**	**70%**	**100%**
Specific provision for Classified Investment	135%	68%	47%	14%	100%
General Provision for Unclassified Investment	37%	40%	37%	43%	100%
General Provision for Off-Balance Sheet Items	-98%	0%	1307%	205%	100%
Provision for diminution in value of Investments in Shares	0%	0%	0%	0%	100%
Provision for Other Assets	0%	100%	100%	0%	0%
Total Provision	**88%**	**56%**	**59%**	**23%**	**100%**
Profit before Provisions for Taxation	**184%**	**186%**	**124%**	**94%**	**100%**
Deferred Tax Expenses	-366%	0%	-48%	156%	100%
Current Tax Expenses	173%	174%	107%	78%	100%
Net Profit after Taxation	**211%**	**205%**	**150%**	**111%**	**100%**
Earnings Per Share (EPS)	**186%**	**181%**	**136%**	**106%**	**100%**

Growth of each component of Profit and Loss Account of every year calculated based on the amount of 2019 which is representing the value 100%. The value above 100% means positive growth and below 100% means negative growth compared to base year 2019. Profit on investments increased as a result of Implementation of SMART from July 2023 and increase in the volume of investments.

VERTICAL ANALYSIS FOR THE LAST FIVE YEARS

Balance Sheet

	2023	2022	2021	2020	2019
PROPERTY AND ASSETS					
Cash	**7.30%**	**5.10%**	**4.47%**	**5.17%**	**6.67%**
Cash in hand (Including Foreign Currencies)	8.75%	13.85%	13.85%	11.97%	12.45%
Balance with Bangladesh Bank & Sonali Bank Ltd (Including Foreign Currencies)	91.25%	86.15%	86.15%	88.03%	87.55%
Balance with other Banks and Financial Institutions	**1.13%**	**0.97%**	**0.96%**	**2.64%**	**0.90%**
Inside Bangladesh	55.83%	66.53%	65.95%	38.47%	74.46%
Outside Bangladesh	44.17%	33.47%	34.05%	61.53%	25.54%
Placement with other Banks & Financial Institutions	**4.01%**	**6.26%**	**5.90%**	**8.06%**	**4.65%**
Investments in Shares & Securities	**9.08%**	**9.85%**	**11.56%**	**9.41%**	**5.88%**
Government	77.12%	76.57%	77.34%	78.58%	75.13%
Others	22.88%	23.43%	22.66%	21.42%	24.87%
Investments	**68.73%**	**69.81%**	**69.04%**	**66.95%**	**74.17%**
General Investment etc.	95.84%	92.88%	91.70%	92.35%	92.59%
Bills Purchased and Discounted	4.16%	7.12%	8.30%	7.65%	7.41%
Fixed Assets Including Premises	**1.49%**	**1.55%**	**1.62%**	**1.62%**	**1.69%**
Other Assets	**8.22%**	**6.43%**	**6.42%**	**6.14%**	**6.01%**
Non Banking Assets	**0.03%**	**0.03%**	**0.03%**	**0.03%**	**0.03%**
Total Assets	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
LIABILITIES AND CAPITAL					
Liabilities					
Placement from other Banks & Financial Institutions	**7.82%**	**12.37%**	**10.34%**	**6.72%**	**4.28%**
Deposits and Other Accounts	**70.96%**	**67.09%**	**69.26%**	**74.42%**	**76.42%**
Mudaraba Savings Deposits	15.91%	16.20%	16.72%	13.88%	12.19%
Mudaraba Term Deposits	39.21%	38.08%	34.27%	37.31%	40.74%
Other Mudaraba Deposits	18.88%	21.96%	29.13%	31.26%	30.96%
Al-Wadeeah Current & Other Deposit Accounts	24.04%	21.18%	18.03%	15.76%	13.98%
Bills Payable	1.95%	2.58%	1.85%	1.78%	2.13%
Mudaraba Bonds	**2.33%**	**3.00%**	**3.89%**	**3.13%**	**3.76%**
Other Liabilities	**12.11%**	**11.03%**	**10.13%**	**9.52%**	**9.26%**
Deferred Tax Liabilities	**0.02%**	**0.07%**	**0.08%**	**0.09%**	**0.07%**
Total Liabilities	**93.24%**	**93.56%**	**93.69%**	**93.88%**	**93.79%**
Capital/Shareholders' Equity					
Paid-up Capital	46.84%	49.41%	51.97%	54.61%	56.55%
Statutory Reserve	45.47%	42.86%	40.03%	38.78%	37.75%
Foreign Currency Translation Reserve	0.04%	0.00%	0.00%	0.00%	0.00%
Retained Earnings	7.65%	7.74%	8.00%	6.62%	5.71%
Total Shareholders' Equity/Shareholders' Fund	**6.76%**	**6.44%**	**6.31%**	**6.12%**	**6.21%**
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 2023 Investment comprise 68.73% of Total Assets. Customer Deposit comprise the maximum weight of Total Liabilities. In 2023 Customer Deposit comprise 70.96% of Total Liabilities.

VERTICAL ANALYSIS FOR THE LAST FIVE YEARS

Profit & Loss Account

	2023	2022	2021	2020	2019
Investment Income	74.77%	70.74%	75.51%	84.23%	85.91%
Less: Profit paid on Deposits	37.26%	37.12%	40.38%	56.46%	55.52%
Net Investment Income	**37.51%**	**33.62%**	**35.14%**	**27.77%**	**30.39%**
Income from Investment in Shares/securities	7.10%	7.72%	6.52%	3.09%	2.03%
Commission, Exchange and Brokerage	11.80%	15.53%	12.25%	8.67%	8.71%
Other Operating Income	6.34%	6.02%	5.72%	4.02%	3.35%
	25.23%	**29.26%**	**24.49%**	**15.77%**	**14.09%**
Total Operating Income	**62.74%**	**62.88%**	**59.62%**	**43.54%**	**44.48%**
Salaries and Allowances	16.13%	15.77%	16.31%	14.74%	12.33%
Rent, Taxes, Insurances, Electricity etc.	1.59%	1.76%	1.83%	2.12%	1.94%
Legal Expenses	0.01%	0.01%	0.01%	0.01%	0.00%
Postage, Stamps, Telecommunication etc.	0.23%	0.24%	0.22%	0.22%	0.17%
Stationery, Printings, Advertisements etc.	0.62%	0.60%	0.54%	0.41%	0.50%
Chief Executive's Salary & Fees	0.07%	0.10%	0.13%	0.11%	0.08%
Directors' Fees & Expenses	0.02%	0.03%	0.03%	0.03%	0.03%
Shariah Supervisory Committee's Fees & Expenses	0.00%	0.00%	0.00%	0.00%	0.01%
Auditors' Fees	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation & Repairs of Bank's Assets	2.48%	2.49%	2.93%	1.93%	1.27%
Zakat Expenses	1.00%	0.92%	0.98%	0.80%	0.60%
Other Expenses	3.94%	3.86%	3.80%	2.93%	2.72%
Total Operating Expenses	**26.09%**	**25.77%**	**26.79%**	**23.29%**	**19.65%**
Profit before Provision/Operating Profit	**36.65%**	**37.12%**	**32.84%**	**20.25%**	**24.83%**
Specific provision for Classified Investment	90.62%	70.87%	46.40%	34.78%	58.89%
General Provision for Unclassified Investment	11.19%	19.03%	16.67%	50.62%	26.66%
General Provision for Off-Balance Sheet Items	-1.81%	0.00%	36.07%	14.60%	1.63%
Provision for deminution in value of Investments in Shares	0.00%	0.00%	0.00%	0.00%	12.82%
Provision for Other Assets	0.00%	10.10%	0.86%	0.00%	0.00%
Total Provision	**7.15%**	**4.94%**	**6.38%**	**2.23%**	**8.35%**
Profit before Provisions for Taxation	**29.50%**	**32.18%**	**26.46%**	**18.02%**	**16.49%**
Less: Income Tax Expenses	**14.55%**	**16.48%**	**12.31%**	**8.58%**	**9.21%**
Deferred Tax Expenses	-4.73%	0.00%	-0.98%	4.10%	2.10%
Current Tax Expenses	104.73%	100.00%	100.98%	95.90%	97.90%
Net Profit after Taxation	**14.95%**	**15.70%**	**14.14%**	**9.44%**	**7.28%**

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 2023 Investment Income comprise 74.77% of total income. Profit paid on Deposits comprises the maximum weight of Total Expense. In 2023 Profit paid on Deposits comprise 37.26% 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.

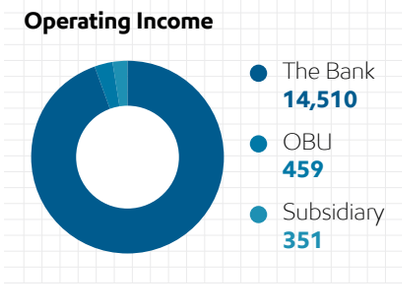
Retail Banking

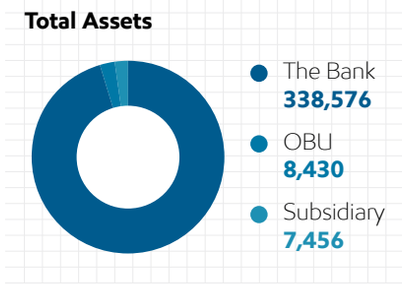
This includes retail investments and deposits, banking services and card business.

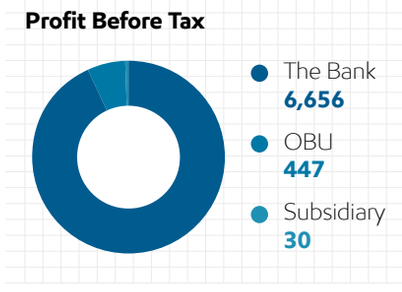
Treasury

This includes fixed income, equity, foreign exchange, funding, own position securities and placement with/from others.

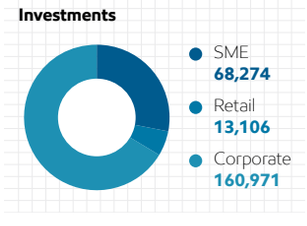
Consolidated (Million Tk)

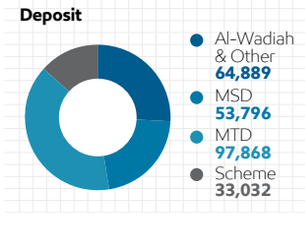


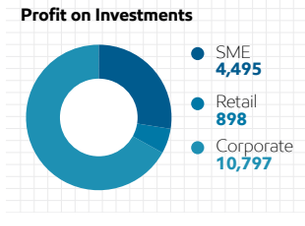


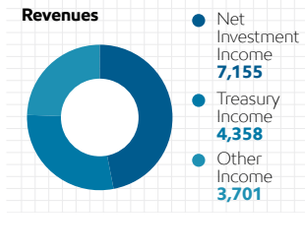


Stand Alone (Million Tk)



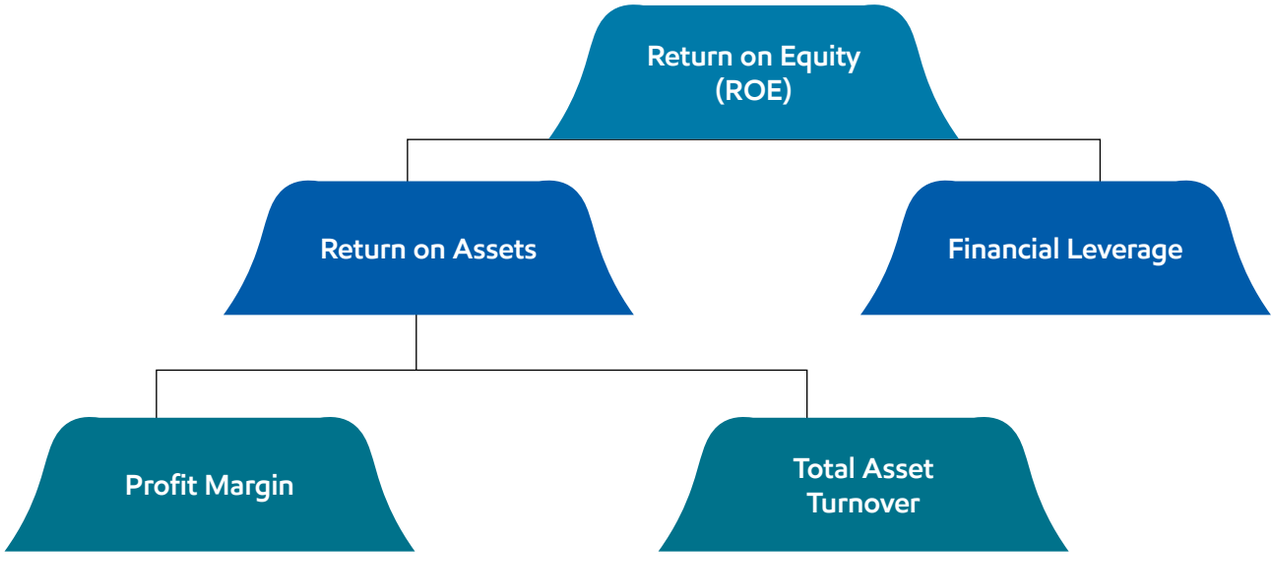






DUPONT ANALYSIS

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	2023	2022
Net Profit Margin (PAT/Total Income)	14.95%	15.70%
Total Asset Turnover (Total Income/Average Assets)	7.01%	6.87%
Return on Asset (PAT/ Average Assets)	1.05%	1.08%
Financial Leverage (Average Assets/Average Equity)(Times)	15.16	15.68
Return on Equity (PAT/Average Equity)	15.89%	16.92%

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 decreased due to significant increase in provision for classified investment.
2. Asset Turnover in terms of total income has been increased due to increase in investment income.
3. Financial Leverage shows decreasing trends due to increase in shareholder's equity.
4. Return on Equity has been decreased due to significant increase in provision for classified investment as well as increase in shareholder's equity.

CREDIT RATING REPORT

Emerging Credit Rating Limited (ECRL) has assigned "AA+" (pronounced Double A Plus) rating in the long term and "ST-2" rating in the short term to Shahjalal Islami Bank PLC. ECRL performed the rating surveillance based on audited financial statements up to 31 December 2023 and other relevant information.

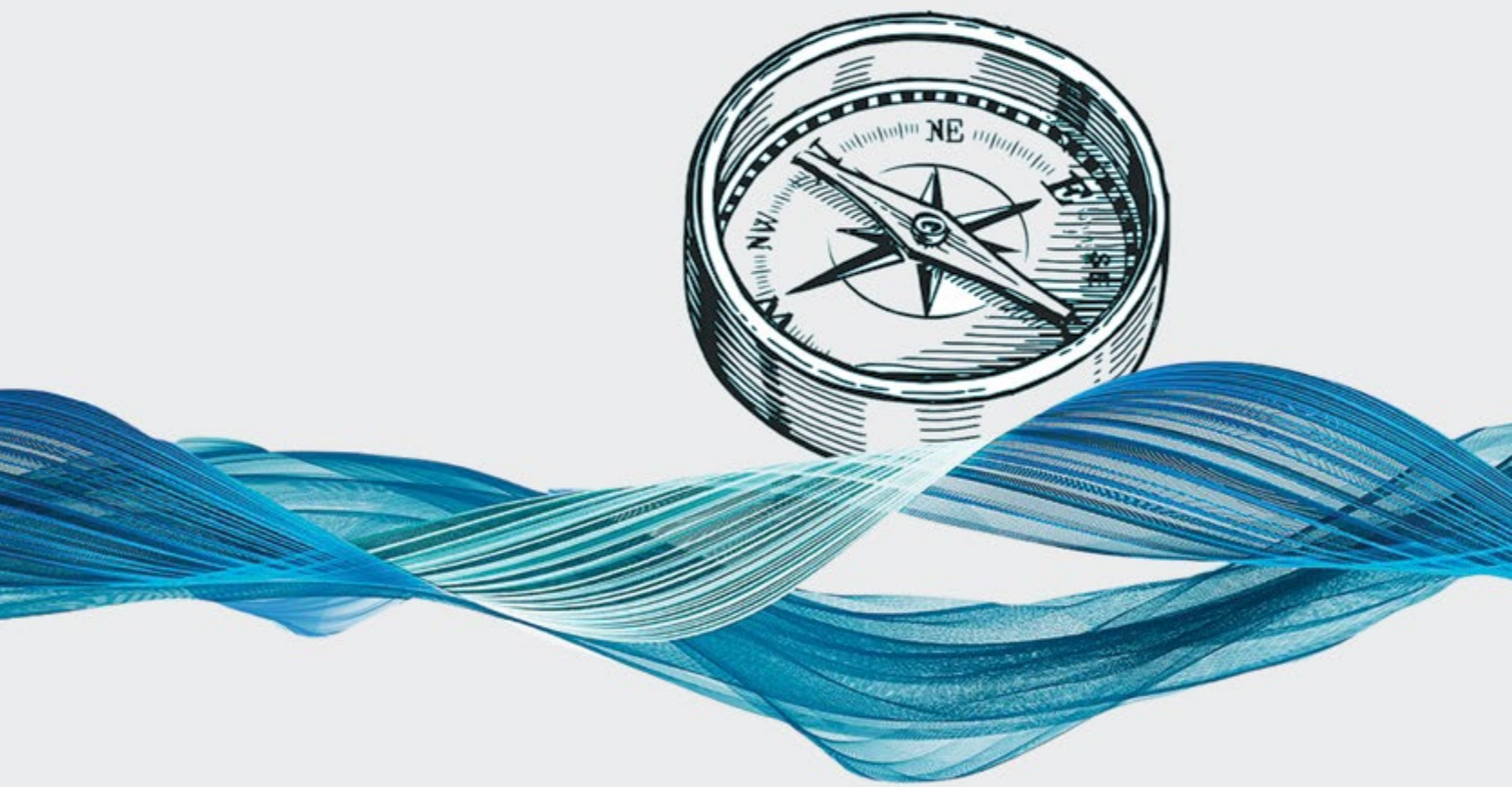
	Long Term	Short Term
Surveillance Rating-2023	AA+	ST- 2
Outlook	Stable	
Date of Rating	29 April 2024	

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
2023	ECRL	AA+	ST- 2
2022	ECRL	AA+	ST- 2
2021	ECRL	AA	ST- 2
2020	ECRL	AA	ST- 2
2019	CRAB	AA2	ST- 2

CORPORATE GOVERNANCE



REPORT ON THE ACTIVITIES OF THE AUDIT COMMITTEE



K.A.M. Majedur Rahman
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 PLC. Acting as a watchdog for the Board of Directors, the Audit Committee ensures the integrity and accuracy of the bank's financial reporting while building a robust internal monitoring system. This vital committee plays a key role in safeguarding the bank's financial health and adhering to evolving regulations.

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 and the code of business conduct, and to review the compliance status of the inspection report from Bangladesh Bank.

Constitution of the Audit Committee

Following BRPD Circular No. 11, issued on October 27, 2013, and Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018, regarding corporate governance, the Board of Directors of the Bank reconstituted the Board Audit Committee during Meeting No. 373, held on February 07, 2024. The committee comprises the following five members:

SL	Name of Directors	Status with the Bank	Status with the Committee	Educational Qualification
1	Mr. K.A.M. Majedur Rahman	Independent Director	Chairman	Masters
2	Mr. Abdul Halim	Director	Member	Bachelor
3	Mr. Khandaker Sakib Ahmed	Director	Member	Masters
4	Mr. Ekramul Hoque	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 2023, the Committee met ten (10) 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	249th Audit Committee Meeting	15 February 2023
2	250th Audit Committee Meeting	05 April 2023
3	251st Audit Committee Meeting	03 May 2023
4	252nd Audit Committee Meeting	22 May 2023
5	253rd Audit Committee Meeting	26 July 2023
6	254th Audit Committee Meeting	23 August 2023
7	255th Audit Committee Meeting	27 September 2023
8	256th Audit Committee Meeting	18 October 2023
9	257th Audit Committee Meeting	22 November 2023
10	258th Audit Committee Meeting	20 December 2023

Major Activities of the Audit Committee in 2023

The Audit Committee:

- Reviewed the annual financial statements of the bank for the year ended December 31, 2022, 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 2023 before submission to the Board for consideration.

- Reviewed the Management Report on the Bank for the year ended December 31, 2022, submitted by the External Auditors, M/s Hoda Vashi Chowdhury & Co., Chartered Accountants, and its subsequent compliance.
- Reviewed the Comprehensive Inspection Report based on December 31, 2022, 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 2024' and the 'Risk-Based Audit Plan 2024'.
- 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 PLC. 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 PLC.
- 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 PLC.
- 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.

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 2024, 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,



K.A.M. Majedur Rahman
Chairman, Audit Committee

STATEMENT OF BOARD OF DIRECTORS ON THE RESPONSIBILITY TO ESTABLISH APPROPRIATE SYSTEM OF INTERNAL CONTROL

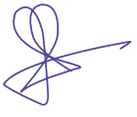
The Board of Directors, representing the shareholders, oversees the Bank's day-to-day operations and is accountable to them. During the Annual General Meeting (AGM), the directors present a report to shareholders detailing the bank's performance, future plans, and strategies. One of the Board's key responsibilities is to establish and maintain an effective internal control system and evaluate its performance. The Bank's management is tasked with implementing, operating, moni-toring, and enhancing the system to ensure compliance with the Board's established controls.

The Board acknowledges its overall responsibility for the Bank's internal control systems, de-signed to ensure efficiency, effectiveness, reliability, timeliness, completeness, and compliance with relevant laws and regulations. Given the complexity and diversity of banking transactions, which extend beyond national borders, the Board is committed to maintaining robust internal controls to manage risks within acceptable limits, thereby mitigating potential losses or damage to the Bank's reputation. Additionally, the Board recognizes the importance of a sound risk man-agement strategy in achieving the Bank's objectives.

The Board recognizes that no system or structure can be entirely flawless, 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,



A.K. Azad
Chairman

STATEMENT OF BOARD OF DIRECTORS ON ADEQUACY OF INTERNAL CONTROL SYSTEM

The Board of Directors at Shahjalal Islami Bank PLC. has established an internal control system to ensure the reliability of the bank's financial reporting and compliance with accounting principles and regulations. Recognizing the importance of robust internal controls and risk management for effective corporate governance, the Board has implemented a clear organizational structure. This structure delineates lines of responsibility, authority, limits, and accountability, aligning them with the bank's business and operational requirements to maintain a strong internal control environment.

In conformance 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.

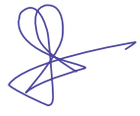
The Board of Directors, through its Audit Committee, reviews the effectiveness of the Internal Control and Compliance system annually. The Audit Committee, where applicable, makes recommendations to improve the effectiveness of the Bank's risk management, control, and governance processes. The Audit 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, 2023.

On behalf of the Board of Directors,



A.K. Azad
Chairman

CORPORATE GOVERNANCE OF SJIBPLC

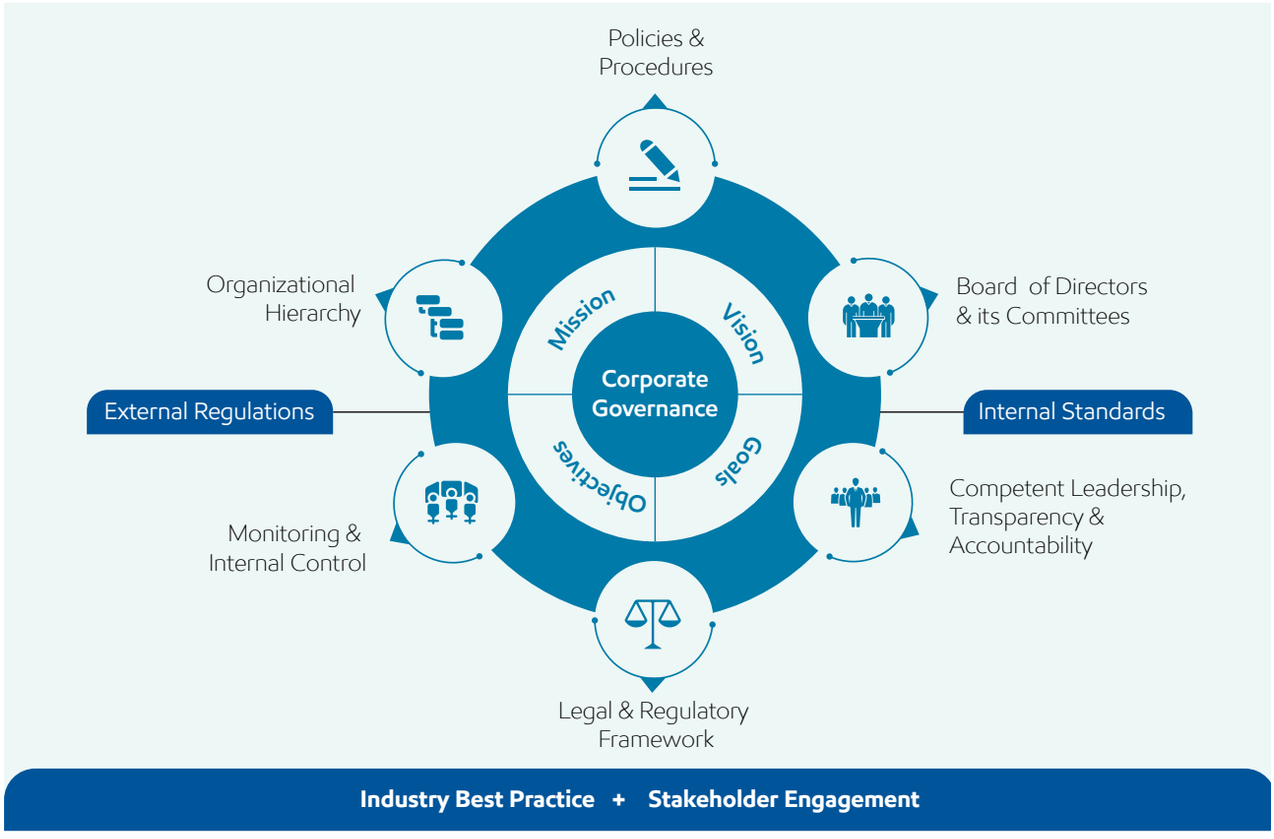
Shahjalal Islami Bank PLC. (SJIBPLC) prioritizes the reliability of its financial reporting system and the adherence to stringent accounting principles and regulations. The Board of Directors recognizes the vital role of robust internal controls and effective risk management in achieving sound corporate governance. In order to adhere to standards and maintain a strong internal control environment, the Board has implemented a comprehensive system of internal controls and established a well-defined organizational structure. This structure ensures clear lines of responsibility, authority, limitations, and accountability, meticulously aligned with the bank's business and operational requirements. By upholding these standards, the bank aims to maintain transparency, integrity, and trustworthiness in its financial operations, thereby fostering confidence among stakeholders and contributing to the bank's overall success and sustainability.

Corporate Governance Practices in SJIBPLC.

SJIBPLC stands out for its dedication to responsible and ethical banking. This commitment is reflected through its implementation of the highest international corporate governance standards, fostering a culture that drives sustainable performance, customer-centricity, innovation, and collaboration. SJIBPLC's proactive approach to corporate governance is evident in its comprehensive report, which not only demonstrates full compliance with regulations set by the Bangladesh Bank and the Bangladesh Securities and Exchange Commission but also provides in-depth insights into its commitment to best practices.



A Board Meeting in progress



Governance structure of the Bank

The Board of Directors plays a pivotal role in shaping the bank's governance framework and practices through its strategic decisions and leadership. The Board holds ultimate responsibility for designing and implementing effective governance mechanisms, including the selection and appointment of members of subcommittees. To ensure resilience in the face of unforeseen events that could potentially harm the bank's brand value, the bank's risk management and overall support functions have been designed to be fully independent of the ordinary course of business.



Guiding philosophy of governance practices

Shahjalal Islami Bank PLC. (SJIBPLC) is a locally incorporated bank deeply committed to inclusive and sustainable growth. Principles of good governance are fundamental to SJIBPLC's core values, and the following acts, regulations, notifications, and circulars have played a major role in shaping the bank's governance structure and practices:

External

- The Companies Act, 1994 as amended
- The Bank Company Act, 1991 as amended
- 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 PLC. and Chittagong Stock Exchange PLC. rules and regulations
- Financial Reporting Act 2015

Internal

- Articles of Association of SJIBPLC
- Organizational Structure
- Resolutions of meetings of Management Committees
- Board approved policies on all major operational aspects
- Code of Conduct of SJIBPLC.
- Internal Circulars

Value Creation through Corporate Governance Framework

SJIBPLC's commitment to sound corporate governance is not merely a compliance exercise; it is the cornerstone of its value creation journey. There is now a broad consensus that governance has a significant impact on value creation. A sound corporate governance system reduces risks, improves capital flow, enhances reputation, and facilitates better decision-making, all of which contribute to the bank's value. SJIBPLC. 's corporate governance-driven value creation is as follows:



1. BOARD OF DIRECTORS, CHAIRMAN AND CEO

SJIBPLC.'s Board of Directors comprises Nineteen non-executive directors, including the Chairman, representing diverse expertise and experience. This composition, including three independent directors as mandated by Section 15 of the Bank Company Act 1991, ensures well-rounded perspectives for informed decision-making. Senior Management, monitors compliance with established policies and procedures, regularly reporting their findings and recommendations to the Board. Any potential violation of corporate governance is taken seriously and addressed promptly through a well-defined investigation and disciplinary process.

Composition of Board and its Committees

SL	Name of Directors	Board	Executive Committee	Audit Committee	Risk Management Committee
1	Mr. A.K. Azad	Chairman	-	-	-
2	Mr. Mohammed Younus	Vice-Chairman	Member	-	Member
3	Mr. Mohiuddin Ahmed	Vice-Chairman	Member	-	Member
4	Dr. Anwer Hossain Khan, MP	Director	Member	-	Member
5	Mr. Md. Sanaullah Shahid	Director	Member	-	-
6	Mr. Abdul Karim (Nazim)	Director	-	-	-
7	Mr. Md. Abdul Barek	Director	-		-
8	Mr. Abdul Halim	Director		Member	-
9	Mr. Akkas Uddin Mollah	Director	Chairman	-	-
10	Mr. Khandaker Sakib Ahmed	Director		Member	Member
11	Engr. Md. Towhidur Rahman	Director	Member	-	Chairman
12	Mr. Fakir Akhtaruzzaman	Director	Vice-Chairman	-	-
13	Mr. Md. Moshiur Rahman Chamak	Director	-	-	-
14	Mrs. Tahera Faruque	Director	-		-
15	Mrs. Jabun Nahar	Director	-	-	-
16	Mr. Fakir Mashrikuzzaman	Director	-	-	-
17	Mr. Ekramul Hoque	Independent Director	-	Member	
18	Mr. K.A.M. Majedur Rahman	Independent Director	-	Chairman	-
19	Mr. Nasir Uddin Ahmed FCA, FCS	Independent Director	-	Member	
20	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, the Board boasts in-depth knowledge in banking, economics, IT, accounting, marketing, administration, and engineering, enriching strategic decision-making and propelling the Bank towards long-term success.

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 Bank's operational affairs are governed and managed under the overall strategic and prudent policies approved by the Board, which also sets the core values and adopts appropriate standards to ensure compliance with relevant laws, rules, and regulations. The Board's main roles and responsibilities include 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 a tailored induction program that immerses them in the bank's affairs, covering key areas like corporate governance, risk management, and financial reporting, along with relevant laws and regulations. This personalized approach ensures each director receives the necessary knowledge and understanding to excel in their role. Through insightful meetings with the Chairman, the Managing Director and CEO, the Board Committee Chairs, and experienced executives, new directors gain valuable perspectives and build strong relationships within the bank.

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 SJIBPLC. will retire and be reappointed at the 23rd Annual General Meeting.

List of the Directors who were retired, appointed/ re-appointed during 01-01-2023 to 31-12-2023

SL	Name of the Director	Designation	Remarks
1	Mr. Akkas Uddin Mollah	Director	Appoiented (Rep. of Akkas Uddin Mollah Ltd.)
2	Mr. Mohiuddin Ahmed	Director	Retired and Re-appointed
3	Mr. Khandaker Sakib Ahmed	Director	Retired and Re-appointed
4	Mr. Abdul Halim	Director	Retired and Re-appointed
5	Engr. Md. Towhidur Rahman	Director	Retired and Re-appointed
6	Mrs. Tahera Faruque	Director	Retired and Re-appointed
7	Mr. Nasir Uddin Ahmed FCA, FCS	Independent Director	Re-appointed

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 SJIBPLC. have complied with this BSEC Notification accordingly.

Shares held by the Directors:

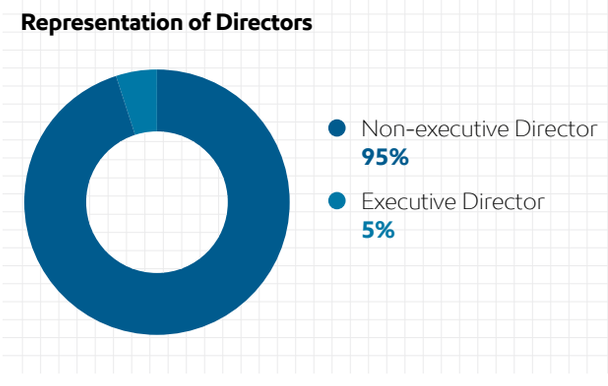
SL	Name of Directors	Position	No of Shares	% of Share
1	Mr. A.K. Azad	Chairman	42,430,946	3.81%
2	Mr. Mohammed Younus	Vice-Chairman	27,515,773	2.47%
3	Mr. Mohiuddin Ahmed	Vice-Chairman	22,271,085	2.00%
4	Dr. Anwer Hossain Khan, MP	Director	33,270,405	2.99%
5	Mr. Md. Sanaullah Shahid	Director	28,481,986	2.56%
6	Mr. Abdul Karim (Nazim)	Director	22,259,439	2.00%
7	Mr. Md. Abdul Barek	Director	22,259,536	2.00%
8	Mr. Abdul Halim	Director	27,074,243	2.43%
9	Mr. Akkas Uddin Mollah	Director	22,348,900	2.01%
10	Mr. Khandaker Sakib Ahmed	Director	22,260,338	2.00%
11	Engr. Md. Towhidur Rahman	Director	25,009,097	2.25%
12	Mr. Fakir Akhtaruzzaman	Director	22,259,997	2.00%
13	Mr. Md. Moshiur Rahman Chamak	Director	22,471,147	2.02%
14	Mrs. Tahera Faruque	Director	34,463,724	3.10%
15	Mrs. Jabun Nahar	Director	22,805,516	2.05%
16	Mr. Fakir Mashrikuzzaman	Director	33338067	3.00%
17	Mr. Ekramul Hoque	Independent Director	-	-
18	Mr. K.A.M. Majedur Rahman	Independent Director	-	-
19	Mr. Nasir Uddin Ahmed FCA, FCS	Independent Director	-	-
20	Mr. Mosleh Uddin Ahmed	Managing Director	-	-

1.1.5 Directors' Remuneration

In line with best governance practices and Bangladesh Bank guidelines, SJIBPLC maintains a transparent system for director remuneration. Directors are entitled to receive Tk. 8,000 for attending each Board and committee meeting, ensuring their valued contributions are recognized. Directors are not entitled to any other remuneration than attending the meeting of the Board and its committees. Additionally, they receive their share of dividends, like any other shareholder. SJIBPLC adheres to all applicable rules and regulations set by Bangladesh Bank and BSEC regarding director remuneration.

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 SJIBPLC., 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.



1.3 Appointment & qualification of Independent Directors

SJIBPLC's commitment to good governance is evident in its dedicated team of three independent directors—individuals of undeniable integrity and diverse expertise. Serving as the bank's guardians of transparency and accountability, they play a pivotal role in safeguarding shareholder interests and guiding SJIBPLC toward sustainable growth.

Rigorously evaluated and approved by shareholders at the AGM, followed by endorsement from Bangladesh Bank and the Bangladesh Securities and Exchange Commission (BSEC), these esteemed directors bring a unique blend of knowledge, skills, and experience to the table. This distinguished group includes a seasoned chartered accountant and two former CEOs of leading banks, whose strategic insights and industry knowledge have significantly influenced critical initiatives.

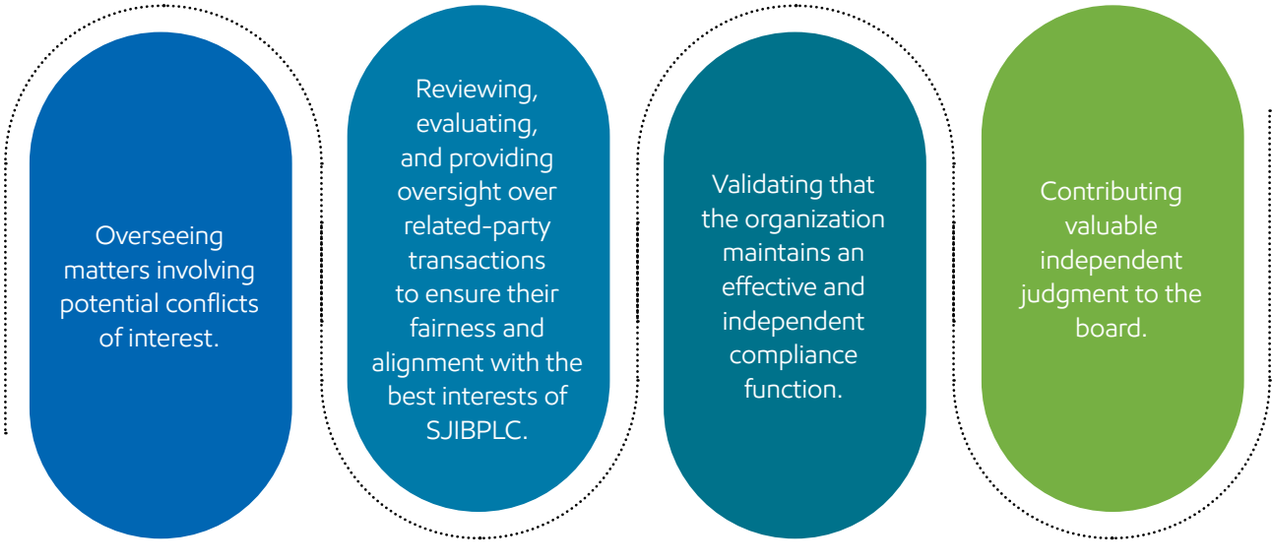
Their presence has demonstrably strengthened SJIBPLC's risk management framework, elevated ethical standards, and contributed to positive outcomes, solidifying the bank's position as a leader in responsible and ethical banking.

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 complete freedom to carry out their assigned responsibilities. They maintain an objective view on the policies and decisions of the Board in the best interests of the bank. To comply with regulatory requirements, SJIBPLC's Independent Directors do not hold any shares of the bank.

1.3.2 Role of Independent Directors

The bank upholds the criterion for independence by appointing directors who are non-shareholders in the bank and maintain no family or other affiliations with the board of directors, executives, or management. In addition to their roles as directors, independent directors also undertake the following responsibilities:



1.4 Chairman to be independent of CEO

In accordance with Bangladesh Bank Guideline as well as Clause 1(4) of BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 on the Corporate Governance Code, dated June 3, 2018, the bank strictly adheres to the separation and independence of functional responsibilities between the Chairman of the Board and the Managing Director and CEO. The Board has appointed Mr. A.K. Azad as the Chairman and Mr. Mosleh Uddin Ahmed as the Managing Director and CEO of the bank.

The Chairman of the Board plays a pivotal role in approving the agendas for board meetings. This responsibility encompasses the approval of investment proposals beyond the CEO's authority and considerations related to the bank's corporate strategy, financial performance, core risks, credit policy, corporate governance, corporate social responsibility (CSR), organizational structure, human resources policy, customer service strategies, and procurement policy.

On the other hand, the CEO serves as the head of the management team and is directly accountable to the board and its committees. Their role involves the effective

management and operation of the bank in alignment with prescribed policies, principles, and strategies established by the Board. Additionally, the CEO is responsible for adhering to the rules, regulations, and guidelines of the Central Bank, the Bangladesh Securities and Exchange Commission (BSEC), and other relevant regulatory authorities.

1.5 Roles and Responsibilities of the Chairman of the Board

In accordance with Bangladesh Bank Guidelines, and the Corporate Governance Code issued by the BSEC on June 3, 2018, the Chairman of the Board of Directors holds 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 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 planning 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.

1.5.1 Independence of Non-Executive Directors

Non-Executive Directors enjoy full autonomy in discharging their duties, with unrestricted access to information and the freedom to express dissenting opinions. This cultivates a culture of open dialogue and well-informed decision-making. In addition to their attendance at board meetings, they play an active role in specialized committees, engage with management, and offer strategic guidance derived from their industry expertise. Their significant contributions have played a pivotal role in shaping strategic initiatives. Furthermore, their firm commitment to confidentiality ensures the secure handling of sensitive information, thereby safeguarding the bank's reputation and maintaining stakeholder trust.

1.6 Annual Appraisal of the Board's Performance and disclosure

Shareholder scrutiny lies at the core of SJIBPLC's governance framework. The Annual General Meeting (AGM) serves as a platform where shareholders meticulously evaluate the bank's financial health, internal controls, and overall governance, holding the board accountable for driving sustainable growth and shareholder value. During the AGM, shareholders have the opportunity to pose questions and make inquiries to the board, and the Chairman ensures a patient hearing, responding comprehensively to all queries.

The board's performance undergoes evaluation based on specific parameters, including shareholder return, share price, return on capital employed, earnings per share, and other relevant metrics. Each board meeting emphasizes the attendance and active participation of directors on various agenda items, reviewing the adequacy and effectiveness of the internal control system and the 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. This structured approach underscores SJIBPLC's commitment to transparency, accountability, and continuous improvement in its governance practices.

1.7 Annual Performance Evaluation of the Chief Executive Officer by the Board

The Board of Directors of SJIBPLC. 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:

- Compliance status of various assignments given by the Board
- Variance analysis of budget vs. actual result and steps taken
- Growth of Investment, Deposits, and Capital-to-Risk Weighted Assets
- NPI ratio, recovery from NPI, and written-off investment
- Cost to Income Ratio and Shareholders' Return
- Compliance with applicable laws and regulations

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.



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.

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.

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

SJIBPLC's Director Training Policy is a pillar of good governance, empowering its directors to navigate the evolving banking landscape and make informed decisions that propel sustainable growth and competitive advantage. This comprehensive program offers continuous updates on relevant legislation, policies, and regulations, along with insightful discussions with experts on complex topics. Directors actively participate in external business, economic, and corporate governance programs, further enriching their perspectives. Beyond equipping new directors with essential knowledge through customized briefings and an exhaustive induction package, the policy ensures all directors understand their legal and statutory obligations, the bank's governance structure, key policies, and committee responsibilities. This commitment to ongoing development translates into a board of directors fully prepared to guide SJIBPLC towards a successful future.

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), possesses extensive experience in finance and accounting. Two of our board members have previously served as managing directors of private commercial banks, demonstrating their profound knowledge in the fields of banking, finance, and accounting. Another director holds a Ph.D., while a fellow board member is a former president of FBCCI, the country's premier business forum. The remaining board members include successful entrepreneurs and seasoned professionals with extensive expertise in business, economics, and administration. Together, they provide invaluable guidance on matters related to accounting and auditing issues, ensuring compliance and promoting reliable financial reporting.

1.10 Number of meetings of the Board and Participation of each Director

The Board meeting is typically held once a month, with the provision for additional meetings if deemed necessary. In preparation for each board meeting, management provides all directors with comprehensive information, references, and discussion papers for each agenda item. The Company Secretary, following the instructions of the Chairman of the Board, takes the necessary steps to organize regular board meetings throughout the year. The total number of meetings held in 2023 is as follows:

Sl. No.	Particulars	No. of Meeting
1	Number of Board meeting	18
2	Number of Executive Committee (EC) meeting	23
3	Number of Audit Committee meeting	10
4	Number of Risk Management Committee (RMC) meeting	6

1.10.1 Board Meeting attendance and remuneration

The following is a statement of board meetings held in 2023, as well as the attendance of directors from January 1, 2023, to December 31, 2023:

SL	Name of Directors	Position	Meeting Held	Attended	Remuneration (Per Meeting)
1	Mr. Mohammed Younus	Chairman	18	17	8,000
2	Mr. Mohiuddin Ahmed	Vice-Chairman		15	8,000
3	Mr. Abdul Karim (Nazim)	Vice-Chairman		18	8,000
4	Dr. Anwer Hossain Khan	Director		13	8,000
5	Mr. Md. Sanaullah Shahid	Director		17	8,000
6	Mr. Md. Abdul Barek	Director		14	8,000

SL	Name of Directors	Position	Meeting Held	Attended	Remuneration (Per Meeting)
7	Mr. Abdul Halim	Director		13	8,000
8	Mr. Akkas Uddin Mollah	Director		14	8,000
9	Mr. Khandaker Sakib Ahmed	Director		18	8,000
10	Engr. Md. Towhidur Rahman	Director		17	8,000
11	Mr. A.K. Azad	Director		11	8,000
12	Mr. Fakir Akhtaruzzaman	Director		14	8,000
13	Mr. Mohammed Nasir Uddin Khan	Director		16	8,000
14	Mr. Md. Moshiur Rahman Chamak	Director		13	8,000
15	Mrs. Tahera Faruque	Director		14	8,000
16	Mrs. Jabun Nahar	Director		16	8,000
17	Mr. Fakir Mashrikuzzaman	Director		17	8,000
18	Mr. Ekramul Hoque	Independent Director		16	8,000
19	Mr. K.A.M. Majedur Rahman	Independent Director		9	8,000
20	Mr. Nasir Uddin Ahmed FCA, FCS	Independent Director		15	8,000

1.10.2 Board Committees and their responsibilities

The Bangladesh Bank issued guidelines allowing banks to establish a maximum of three committees or subcommittees of the Board to enhance governance in banking operations. In adherence to this circular, SJIBPLC has constituted an Executive Committee, an Audit Committee, and a Risk Management Committee. These committees are tasked with overseeing and controlling the bank's operations, performance, and strategic direction, aligning with the regulatory guidelines set by the Bangladesh Bank.

Executive Committee (EC)

The Board of Directors of SJIBPLC has established the Executive Committee (EC) consisting of 7 (seven) members, as per Section 15B (2) of the Bank Company Act 1991 and relevant guidelines. The company secretary serves as the secretary of the committee.

The EC normally serves as a proxy for the Board of Directors, holds emergency meetings, and undertakes various responsibilities to ensure the seamless functioning of banking operations. However, any decision made by the committee requires validation by the full board. Throughout the year 2023, the EC conducted 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, 2023, to December 31, 2023:

SL	Name of Directors	Position	Meeting Held	Attended	Remuneration (Per meeting)
1	Mr. Akkas Uddin Mollah	Chairman	23	19	8,000
2	Mr. Fakir Akhtaruzzaman	Vice Chairman		17	8,000
3	Dr. Anwer Hossain Khan	Member		15	8,000
4	Mr. Md. Sanaullah Shahid	Member		20	8,000
5	Mr. Mohiuddin Ahmed	Member		21	8,000
6	Mr. Khandaker Sakib Ahmed	Member		22	8,000
7	Mr. Engr. Md. Towhidur Rahman	Member		19	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 Guidelines 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 SJIBPLC. has constituted a 5 (five) member Risk Management Committee (RMC) in accordance with Bangladesh Bank Guideliens. 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 2023, the RMC held 6 (Six) meetings and had thorough conversations and review sessions with the CRO about their findings, observations, and recommendations on issues affecting the bank's affairs.

Risk Management Committee meeting, attendance and remuneration

The statement of the Risk Management Committee meetings, attendance, and remuneration from January 1, 2023, to December 31, 2023, is appended below:

SL	Name of Directors	Position	Meeting Held	Attended	Remuneration (Per meeting)
1	Mr. Engr. Md. Towhidur Rahman	Chairman	06	06	8,000
2	Dr. Anwer Hossain Khan	Member		00	8,000
3	Mr. Mohiuddin Ahmed	Member		05	8,000
4	Mr. Fakir Mashrikuzzaman	Member		05	8,000
5	Mr. K.A.M. Majedur Rahman	Member		04	8,000

1.10.1 Key activities performed by the Board in 2023

The operational affairs of the bank are governed and managed according to the overall strategic and prudent policies approved by the Board. Additionally, the Board establishes the core values of the bank and adopts appropriate standards to ensure that the bank conducts its operations in strict compliance with relevant laws, rules, and regulations. The key activities performed by the Board in 2023 include:

- Authorization of the quarterly financial statements of 2023 and annual financial statements for 2022
- Approval of the annual business plan for 2024
- Adoption of the director's report for 2022
- Appointment of statutory and corporate governance auditors and determination of their remuneration
- Convening of the annual general meeting
- Declaration of dividends for the year 2022
- 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 2024
- Discussion and decision-making on anti-money laundering issues
- Discussion and decision-making on ethical issues
- Discussion and decision-making on 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 344 and 345 of this Annual Report.

1.12 Boards Accountability on Audit and Financial Reporting

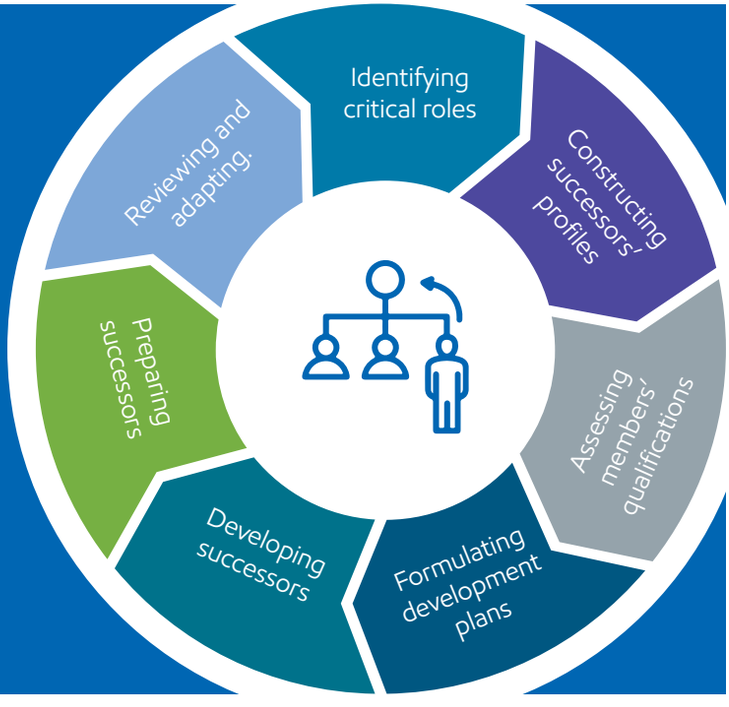
The Board diligently fulfills its responsibilities by preparing and presenting a balanced and comprehensive assessment of the bank's operations at the end of each financial year. The Annual Financial Statements and Annual Report are duly audited by the external auditor. All the financial statements and annual reports are available on the bank's website for stakeholders.

1.13 Competent Leadership

At SJIBPLC., 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. SJIBPLC. 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 SJIBPLC. takes into account their knowledge, experience, and abilities to fulfill their responsibilities. The succession process at SJIBPLC. includes the following steps:



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 501 of this annual report.

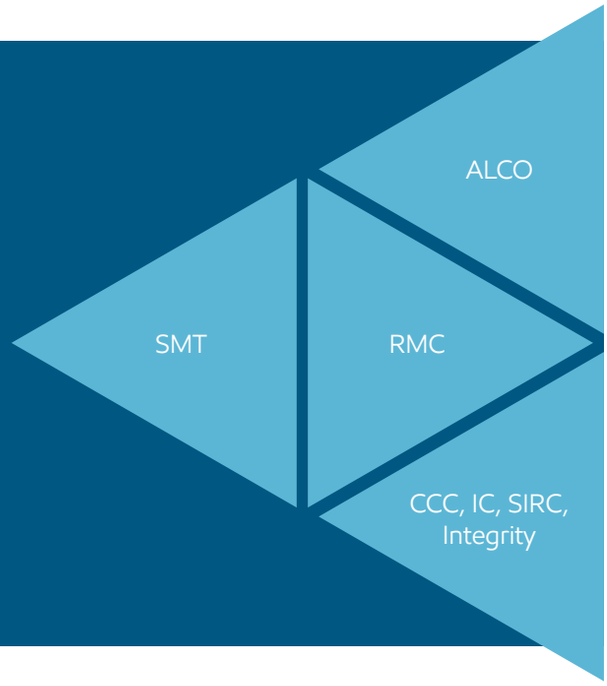
The Bank carries out business with related parties in the ordinary course of business on an arm's length basis at commercial rates, except for those transactions that the key management personnel have availed themselves of at concessionary rates, which are applicable to all the eligible staff. To ensure 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 keep 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, SJIBPLC. 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 (SMT) is comprised of all Additional Managing Directors (AMDs), Deputy Managing Directors (DMDs), the Chief Financial Officer (CFO), the Head of IC&CD. This team collectively guides the bank for sound and prudent day-to-day management. The SMT is chaired by the Managing Director.

The decision-making process within the SMT is characterized by openness and transparency, aiming to promote a proactive management culture. The collaborative approach of the SMT ensures that key decisions are made with consideration of diverse perspectives and expertise within the team.

ii) Supervisory Review Process (SRP) Team

The SRP Team consists of the divisional heads of ID, IRMD, IC&CD, Treasury, SAMD, FAD, 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 Risk Management Committee (RMC) is composed of the divisional heads of IRMD (Integrated Risk Management Department), ICCD (Internal Control and Compliance Department), AMLD (Anti-Money Laundering Department), ITD (Information Technology Department), Treasury Division, and FAD (Financial Administration Division). The RMC is led by the Chief Risk Officer.

The primary role of the RMC is to identify, measure, and manage the bank's existing and potential risks through rigorous risk analysis. This committee plays a pivotal role in implementing comprehensive risk management strategies to safeguard the bank's interests and maintain compliance with relevant regulations. The collaborative efforts of the RMC contribute to the development and execution of effective risk mitigation measures across various operational domains.

iv) Investment Committee (IC)

The Investment Committee (IC), led by the Chief Business Officer (CBO), is responsible for deliberating on all critical investment proposals that necessitate formal review and approval. The IC convenes to discuss investment proposals that require specific consideration from senior management prior to approval. This committee plays a crucial role in assessing the feasibility, risks, and strategic alignment of investment opportunities, providing valuable insights that inform the decision-making process within the organization. The involvement of senior management

in the IC ensures that significant investments undergo a thorough evaluation before receiving formal approval.

v) Asset-Liability Management Committee (ALCO)

The Asset and Liability Management Committee (ALCO) is comprised of the Managing Director, Additional Managing Directors, Deputy Managing Directors, and Divisional Heads of Strategic Importance. The Treasury Division, under the purview of ALCO, is responsible for managing market risk, including liquidity risk, interest rate risk, and foreign exchange risk, based on the recommendations provided by ALCO. This collaborative structure ensures that the organization effectively addresses and manages risks associated with its assets and liabilities in alignment with strategic objectives and market conditions.

vi) Anti-Money Laundering (AML) Committee

The Anti-Money Laundering (AML) Committee is responsible for managing and monitoring all matters related to Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT). One of the key responsibilities of the AML Committee is to ensure that all employees receive training on anti-money laundering at least once a year. This training is essential to enhance awareness and compliance among staff members and to strengthen the overall measures taken by the organization to prevent money laundering and combat the financing of terrorism. The AML Committee plays a crucial role in promoting a culture of vigilance and adherence to regulatory standards within the organization.

vii) Sustainable Finance Committee (SFC)

The Sustainable Finance Committee of the bank ensures that all green banking activities are conducted in alignment with the bank's policies. The bank's Sustainable Finance Unit (SFU) plays a key role in keeping the Sustainable Finance Committee (SFC) regularly informed about advancements in green banking. This collaborative approach helps to maintain the bank's commitment to sustainable practices and ensures that its green banking initiatives adhere to established policies and standards.

viii) Procurement Committee (PC)

The Procurement Committee (PC) plays a crucial role in ensuring that the procurement of all goods and services is carried out efficiently, economically, and objectively. The primary goal of this committee is to uphold transparency in all tender processes. SJIBPLC. has proactively implemented an E-Tender system to facilitate impartial judgment and enhance the transparency of procurement procedures. This electronic system contributes to a fair and efficient procurement process in line with best practices.

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 SJIBPLC.

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 the following:

- 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 Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Control & Compliance (IC&CD), and Company Secretary (CS) from the bank attend board meetings. However, it is noted that they do not participate in meetings where agenda items related to their personal affairs are being discussed. This practice ensures transparency, independence, and the avoidance of any potential conflicts of interest, allowing the board to address matters related to these key individuals in an impartial and objective manner. This approach aligns with good governance principles and contributes to the effective functioning of the board.

1.22 Governance of Board of Directors of Subsidiary Company

Shahjalal Islami Bank PLC. 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. Mohammed Younus	Vice Chairman	Chairman	Bank holds 91.79% Shares
2	Mr. Md. Sanaullah Shahid	Director	Vice Chairman	
3	Mr. Mohiuddin Ahmed	Director	Vice Chairman	
4	Mr. Md. Abdul Barek	Director	Director	
5	Mr. Abdul Halim	Director	Director	
6	Mr. M. Shamsul Huq	-	Director	
7	Mr. Nasir Uddin Ahmed FCA FCS	Independent Director	Independent Director	
8	Mr. Mosleh Uddin Ahmed	MD	Director	
9	Mr. Abdul Aziz	AMD	Director	
10	Mr. Mian Quamrul Hasan Chowdhury	AMD	Director	
11	Mr. Md. Akhter Hossain	AMD	Director	
12	Mr. M. M. Saiful Islam	DMD	Director	
13	Mr. Md. Abul Bashar	SEVP	Director	
14	Mr. Md. Jafar Sadeq, FCA	SEVP	Director	
15	Mr. Bishnu Pada Kundu	CEO	Director	

2. VISION/MISSION AND STRATEGY

2.1 Vision / Mission Statements of SJIBPLC.

The bank's vision and mission statement, as approved by the Board of Directors, can be found on page 12 & 13 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 on Strategic Focus on page 187 of this Annual Report.

2.3 General description of Strategies to achieve the company's business objectives

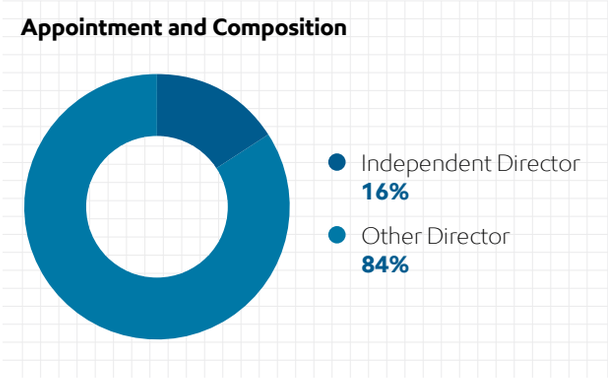
At the start of each year, SJIBPLC. develops strategies and action plans that are in line with the bank's mission, vision, and business objectives. The Board's strategic priorities, as directed from time to time, are provided in this annual report. The " Strategic Framework " section on page 190 of this 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 sub-committee 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 Guidelines 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.

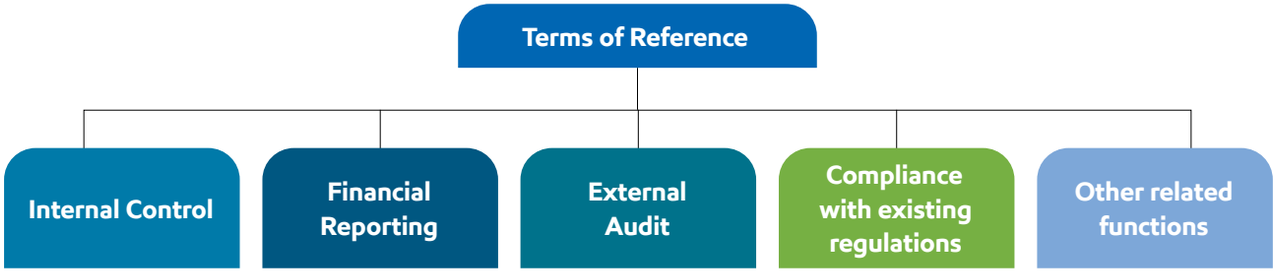


3.1.1 Chairman of the Audit Committee as an Independent & Non-Executive Director and his qualification

The bank's Audit Committee is chaired by Mr K.A.M Majedur Rahman, 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. Mr. Mr K.A.M Majedur Rahman 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 it 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. Concurrently, the company secretary of the bank serves as the secretary to the Audit Committee, facilitating administrative support and coordination for the committee's activities.

3.1.3 Composition of Audit Committee consisting of an Independent Director and Non-Executive Directors

The Audit Committee of SJIBPLC. consists of 5 (five) members, including 3 (three) independent directors. All the members of the Audit Committee of SJIBPLC. 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 K.A.M Majedur Rahman, who has banking background, got his Masters degree from the University of Dhaka. He was the Managing Director of Dhaka Stock Exchange PLC., Premier Bank PLC. As an independent director of the bank, Mr. Ekramul Hoque serves on the Audit Committee. He got his MA Degree in Economic from the University of Dhaka. He was the Managing Director of the Al Arafah Islami Bank PLC. 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. Khandaker Sakib Ahmed 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 10 (Ten) times during the year 2023. 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 businesses 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 2023 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, 2023 to December 31, 2023:

SL	Name of Directors	Position	Meeting Held	Attended	Remuneration (Per meeting)
1	Mr. Ekramul Hoque	Chairman	10	10	8,000
2	Mr. Abdul Halim	Member		07	8,000
3	Mr. Md. Moshiur Rahman Chamak	Member		07	8,000
4	Mr. K.A.M. Majedur Rahman	Independent Director		06	8,000
5	Mr. Nasir Uddin Ahmed FCA, FCS	Independent Director		08	8,000

3.1.7 Quorum of the Audit Committee Meetings

The quorum 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 SJIBPLC. to ensure transparency and accountability. In the absence of the 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 SJIBPLC. during the year 2023.

3.1.10 Reporting to the Authorities

If the Audit Committee reports to the Board regarding any matter that significantly impacts the financial condition and operational results, and after discussions with the Board and management, it is determined that rectification is necessary but has been unreasonably ignored, the Audit Committee shall report its findings to the BSEC. This reporting occurs after the Audit Committee has notified the Board three times or after a period of six months from the date of the initial report to the Board, whichever comes first. In the year 2023, no such incidents occurred at SJIBPLC.

3.1.11 Reporting to the Shareholders and General Investors

The Audit Committee's activities report, including any reports made to the Board under condition No. 5(6)(a)(ii) of the BSEC Corporate Governance Code dated June 3, 2018, is duly signed by the Chairperson of the Audit Committee and disclosed in the Annual Report of the Bank. There was 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 2023.

3.2 Objective and Activities of Audit Committee

The Audit Committee conducts regular reviews of the bank's internal control systems. Additionally, they collaborate with management to review the bank's quarterly, semiannual, and annual financial statements before submitting them to the Board for consideration. The objectives and activities of the Audit Committee are detailed in the "Report on the Activities of the Audit Committee" on page 340 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 2023. This is discussed in detail on page 340 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 oversees the bank's compliance with applicable laws and regulations. It also reviews the effectiveness of the bank's internal control system on an ongoing basis to ensure that it is working properly. Additionally, the Committee reviews the actions taken to address any lapses identified in the internal control and compliance reports.

3.2.2.1 Audit Committee's role in ensuring timely settlement of statutory dues

The Audit Committee oversees the timely settlement of all statutory dues. To ensure compliance in this regard, the committee instructs the Internal Control and Compliance Division to review the status of payment for all statutory dues and report their findings back 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 2023 to the shareholders at the 22nd 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 2023:

- Appraisal or valuation services or fairness of opinion;
- Financial information system design and implementation;
- Bookkeeping 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 conducted a review of the financial statements for the year 2023. It was observed that the financial statements were prepared in accordance with the appropriate accounting policies and applicable accounting standards established by the Institute of Chartered Accountants of Bangladesh (ICAB). The accounting methods were further verified by the statutory auditors, who expressed their satisfaction with the adequacy of the accounting methods as reflected in their report on page 425.

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 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 conducts regular inspections of commercial banks with the main objective of ensuring compliance with applicable laws and regulations. In line with this objective, Bangladesh Bank conducted a comprehensive inspection of SJIBPLC during the year

2023, covering the head office, selected branches, core risks, and various divisions, as is customary each year, and issued inspection reports. The bank promptly addressed the issues identified and responded to the report issued by Bangladesh Bank in a timely manner. Furthermore, the Audit Committee of the Board reviewed the compliance status of the Bangladesh Bank inspection report and instructed management to meticulously comply with Bangladesh Bank's recommendations.

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 2023, 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 terms of 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 SJIBPLC. 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, aiming to achieve and maintain a satisfactory qualitative standard in its investment portfolio. Recognizing the importance of unbiased evaluations, the board implemented an internal control system that separates internal audits, ensuring their independence and immunity to management interference. Furthermore, 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, as well as 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.



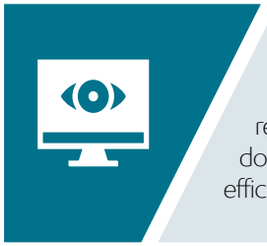
Control activities

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

Clear lines of communication facilitate the exchange of information within the bank, 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 PLC. 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. SJIBPLC. 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

SJIBPLC. 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 SJIBPLC. 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 2023 have been presented in the Risk Management Report of this annual report.

a) Investment Risk Management

The investment-related risks of SJIBPLC. 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. Independent execution of foreign exchange transactions by the Treasury Division, coupled with meticulous validation and accounting by the Treasury Back Office, ensures efficient execution, minimizes risk, and safeguards the bank's financial integrity.

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.

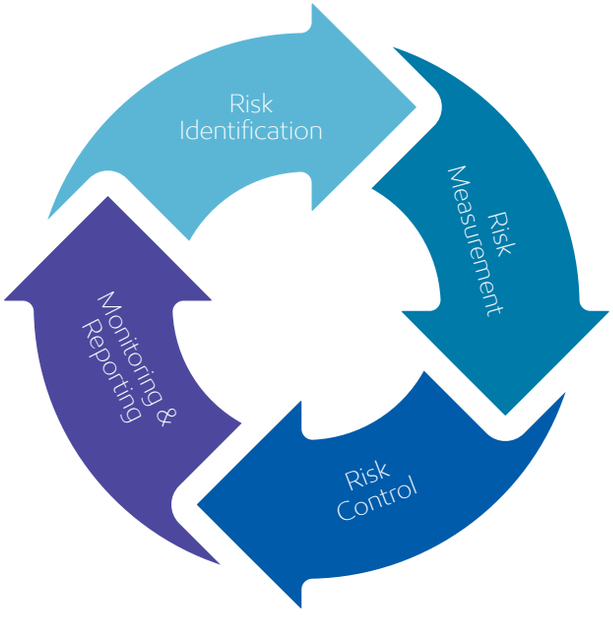
g) Liquidity Risk Management

To effectively manage liquidity risks, SJIBPLC. 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



Within SJIBPLC, a three-tiered risk management framework ensures responsible banking practices. The business unit acts as the first line of defense, identifying and mitigating risks during routine operations. The Risk Management Division serves as the second line of defense, providing oversight, guidance, and independent risk assessments. Ultimately, the Board of Directors forms the third line of defense, setting risk appetite, approving core risk policies, and making final decisions on risk-taking measures. This comprehensive framework ensures risks are managed proactively at every level. The Board also periodically reviews all core risk policy guidelines to ensure their effectiveness and relevance to the context.

- SJIBPLC Operations Policy & Guidelines
- SJIBPLC Investment Risk Management Policy
- SJIBPLC Foreign Exchange Manual
- SJIBPLC ICT Security Policy
- SJIBPLC Islamic Credit Card Policy

5. ETHICS AND COMPLIANCE

As a Shariah-compliant bank, the foundation and growth of SJIBPLC. 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 SJIBPLC.

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.

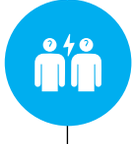
5.1 Disclosure of Statement of Ethics and Values

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 SJIBPLC. 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 a high level of ethics and compliance within SJIBPLC.

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

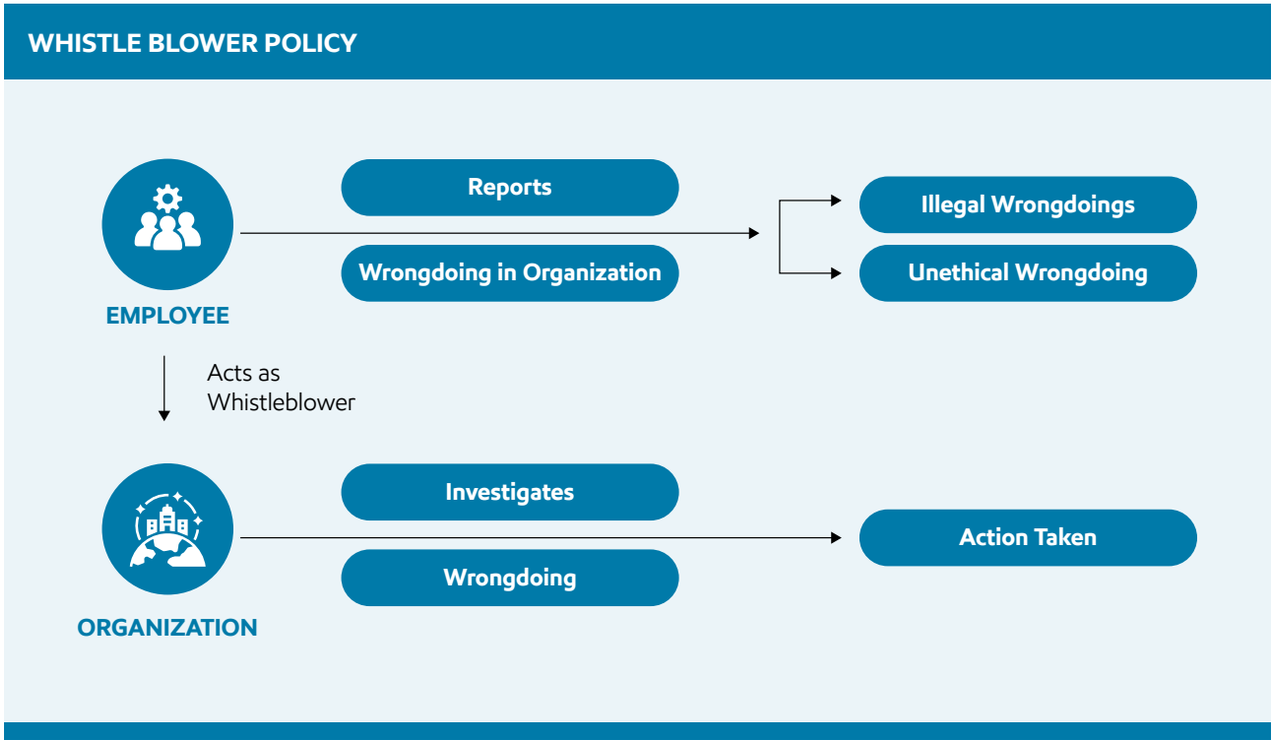
Insider trading involves trading in the bank's stock by directors, executives, or other insiders who possess non-public material information about that stock. Board members are strictly prohibited from engaging in insider trading activities concerning the purchase and sale of the bank's securities. They are prohibited from buying or selling securities while in possession of material non-public information about the issuer of that security, whether it is SJIBPLC or any other company. Furthermore, Board members are prohibited from disclosing such information to individuals who may use it to buy or sell securities. Insider trading is prohibited due to several reasons: it provides an insider with an unfair competitive advantage in the market, prioritizes the insider's interests over those to whom he or she has a fiduciary obligation, and permits 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. SJIBPLC. 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 Whistleblower 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

SJIBPLC.'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

SJIBPLC. 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 SJIBPLC. to effectively protect itself and its customers from the dangers of fraud.

5.4.4 Establishing a hotline for reporting irregularities, etc.

SJIBPLC has established a 24/7 hotline, with the number 16302, to provide customers and stakeholders with enhanced services. Additionally, employees, customers, and other stakeholders can report any irregularities to the bank's management via this hotline. Complaints, irregularities, or misconduct can also be lodged through email at complaint@sjiblbd.com or by calling the phone number 01755556068.

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 both management and the board of directors. In this system, management is accountable to the board, while the board is accountable to the shareholders and stakeholders. This approach helps to ensure transparency in the bank's decision-making and operations while also considering the interests of all stakeholders. By establishing clear lines of accountability, the bank maintains strong governance practices and builds trust with its customers and other stakeholders.



5.5 Disclosure of directors' 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 under the 'Related Party' exposure where the directors' of the bank have an interest. We have disclosed separately in the notes to the financial statements the significant contracts and arrangements in which the directors have an interest. We have disclosed the directors' interest in significant contracts and arrangements in note number 54 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

The details of Related Parties with whom the bank entered into transactions, including the basis of the relationship and percentage of shareholdings, are provided in note number 54 of the financial statements. In the ordinary course of business, the Bank engaged in financial transactions with entities or individuals falling within the definition of 'Related Party' as outlined in IAS 24: Related Party Disclosures, as well as 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 of 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

In accordance with the Bangladesh Bank circular, the bank has formulated a business continuity plan and disaster recovery plan, which have been submitted to Bangladesh Bank. The plan underwent a thorough review by the Board of Directors of the bank before its submission.

5.8 Board's policy on IT Governance

According to BRPD circular no. 14 dated 23 October 2005, BRPD circular no. 21 dated 20 May 2010, and BRPD circular no. 09 dated 17 September 2015, concerning the "Guideline on Information and Communication Technology for Scheduled Banks," the Bank has adhered to the IT Manual. This manual addresses operational risk, physical security controls, the potential for wide-area network disasters, a data center disaster recovery plan, and a backup and restore plan. Furthermore, the Bank has implemented up-to-date security solutions to ensure the confidentiality, integrity, and availability of critical business data.

5.9 Policy to encourage employees' participation in Management

SJIBPLC. 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.

5.10 Knowing the level of customer satisfaction

To ensure that it is meeting the needs and expectations of its clients, SJIBPLC. 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 SJIBPLC. 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, SJIBPLC. 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

SJIBPLC. 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 SJIBPLC. 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 the Nomination and Remuneration Committee

In accordance with Bangladesh Bank Guidelines, 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, SJIBPLC. 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 the Nomination and Remuneration Committee

At the management level, the responsibilities for overseeing compensation and remuneration governance lie with the Managing Director, Head of the Human Resources Division, and Chief Financial Officer. Typically, they formulate proposals that are presented to the Board of Directors for review and validation. Subsequently, after incorporating any recommendations from the Board, decisions regarding compensation and remuneration are approved. These individuals are tasked with presenting recommendations to the board concerning remuneration, compensation packages, management incentive schemes, and retirement benefits for all employees. Additionally, they work to ensure that all employees receive fair remuneration and performance-based compensation by implementing an effective remuneration policy. This approach ensures that the bank's compensation and remuneration practices remain transparent, fair, and aligned with business objectives.

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 2023, 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

SJIBPLC. 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 bank sets the compensation of directors, the chairman, and the CEO 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 adhere to regulatory mandates and industry benchmarks, thus facilitating the recruitment and retention of top talent.

6.5.1 Remuneration of the 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 2023, the total amount of directors' fees paid was Tk. 4,166,400. The details of directors' fees and expenses can be found in note No. 35 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 the 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 2023 was Tk. 16,270,000. The details of the remuneration of the Chief Executive Officer are shown in Note No. 34 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 employees are shown in note No. 29a of these financial statements.

7. HUMAN CAPITAL

SJIBPLC is dedicated to upholding excellence in banking and operates with a strong commitment to achieving continuous and sustainable growth within the industry. Human Resources (HR) plays a pivotal role in shaping the future success of SJIBPLC. Guided by a long-term vision, HR strives to cultivate an environment where employees can thrive, fostering sustainable organizational performance through partnership. Recognizing that a high-quality, balanced, and motivated workforce is integral to success, the bank maintains a clear mission, vision, and strategy. The HR Division endeavors to attract talented individuals with the right attitude, placing them strategically to fulfill the bank's objectives. Emphasizing a culture of learning and innovation, SJIBPLC encourages its employees to tackle challenges and drive the bank forward.

Employee development stands as a top priority for the bank, recognizing that efficient and skilled personnel are essential for managing financial risks and maximizing organizational value. The HR Division is dedicated to nurturing human capital and instilling a strong sense of organizational commitment and ownership. Through continuous assessment of employee strengths and weaknesses, the HR Division provides necessary training, updates HR policies, and offers employee benefits and social security. Career development programs are also implemented to ensure employees remain motivated, inspired, and proactive in achieving the bank's goals.

7.1 HR Policies & Practices with respect to Human Resource Development and Management

SJIBPLC. is dedicated to establishing a standardized set of Human Resources (HR) policies and guidelines that encompass all aspects of HR management, ensuring a cohesive HR management practice across the organization. The bank's HR policies cover a wide range of areas, including talent acquisition, HR development, performance management, remuneration and allowances, disciplinary and grievance management, sexual harassment eradication, NIS, KYE, Employee Background Screening, Employee House Building & Car Policy, and Internship Policy. These comprehensive HR policies serve as a roadmap for day-to-day HR operations and provide guidance for decision-making, thereby streamlining internal processes.

7.1.1 Succession Planning

HR plays a pivotal role in ensuring the future success of the Bank by cultivating an efficient workforce. To realize this vision, it's essential to enhance the capabilities of middle management, fostering their professional and personal growth while strategically placing them within the organization. A robust talent management process is in place to cultivate a pool of trained and skilled executives who can seamlessly assume key roles when vacancies arise. This succession planning initiative begins with the recruitment of fresh talent, where SJIBPLC. rigorously selects candidates. Once onboarded, the bank focuses on developing employees' skills, expertise, and knowledge, preparing them to assume leadership positions within branches, divisions, or departments in the event of organizational expansion or attrition. Moreover, regular leadership training sessions are conducted to groom middle management for higher responsibilities, ensuring a smooth transition when seasoned employees exit and new recruits are ready to step in as successors.

7.1.2 Merit based Recruitment

SJIBPLC continues to attract, retain, and invest in top talent to ensure future readiness. HR regularly assesses current and future HR needs based on the strategic plan. Gaps in knowledge, skills, and abilities are identified through performance management, leading to the recruitment of both fresh and experienced employees through a rigorous process. The bank believes in a blend of experienced and fresh officers for operational efficiency and effective training. Talent acquisition is a long-term strategy, with HRD supporting recruits to contribute to the bank's development. Despite challenges, HRD successfully recruited 86 Probationary Officers in 2023 through competitive examinations, followed by an orientation program at the Training Academy.

7.1.3 Performance Appraisal System

The Bank believes that an efficient reward system has a positive impact on performance by instilling a sense of ownership among employees, enhancing

motivation, facilitating long-term focus with continuous improvement, promoting teamwork, minimizing employee dissatisfaction, and enhancing overall employee performance.

Recognizing the strategic importance of performance appraisal in rewarding and recognizing employees, the HR Department (HRD) has implemented a standardized performance appraisal system within its HR Management Software. This system-based appraisal streamlines the process throughout the organization, ensuring efficiency and accuracy. The division conducts performance appraisals twice a year, allowing employees to gain insights into their strengths and weaknesses and address any areas needing improvement.

The performance appraisal system is built on key principles and involves all employees, providing a common platform for evaluation based on set parameters. To ensure fairness and transparency, the appraisal process undergoes further review by a senior management committee, eliminating potential biases. Given its significance, the performance appraisal system is widely utilized in the bank, as it directly impacts promotion, compensation, placement, and employee development initiatives.

7.1.4 Promotion, Reward and Motivation

Employee motivation is crucial for organizational success, as motivated employees tend to be more dedicated, work harder, and consequently produce better results. An engaged employee is emotionally committed to the company, influencing their behavior positively towards the organization. At the Bank, employee motivation is fostered through various means, including promotions, rewards such as incentives and appreciation letters, and opportunities for foreign training for deserving employees. The Human Resources Division also takes into consideration employees' residence and permanent district while planning their transfer and posting in different branches, enabling them to stay close to their family members. This approach enhances employee motivation and engagement with the organization. Additionally, the Bank ensures a healthy working environment throughout the organization and offers competitive pay packages and other benefits, further strengthening employees' sense of belongingness.

7.1.5 Training and Competence Development

Shahjalal Islami Bank recognizes training and development as vital components for enhancing the capacity and skills of its human resources. The Bank fosters an environment conducive to learning where employees can not only acquire new competencies but also apply innovative ideas, develop skills, behaviors, and attitudes that enhance their productivity, and contribute to the Bank's business potential.

To adapt to the rapidly changing business landscape, evolving product profiles, processes, customer preferences, technology applications, and compliance requirements, training has become a central strategy for the Bank. It identifies specific training needs covering various priority aspects of banking business and tailors training programs accordingly, taking into account the participants' knowledge level and positions. Each training program is viewed as an investment, meticulously designed to achieve specific objectives, with qualified trainers ensuring the effectiveness of each session in developing the required skills and capabilities to address complex issues.

The Bank conducts training programs for employees at all levels throughout the year at its Training Academy, ensuring continuous improvement and skill enhancement for future positions. Additionally, the Bank regularly nominates officers and executives to participate in courses, seminars, and workshops organized by renowned institutions such as BIBM, BBTA, and BAB, further enriching their knowledge and expertise.

Sl. No.	Course Type	Training Provider/Training Institute	No. of Courses	No. of Participants
1.	SJIBPLC. (in house) Training Program	SJIBTA & Corporate Head Office	103	12,283
2.	External Training Programs (Local)	Bangladesh Bank & BBTA	22	76
3.	External Training Programs (Local)	BIBM	58	79

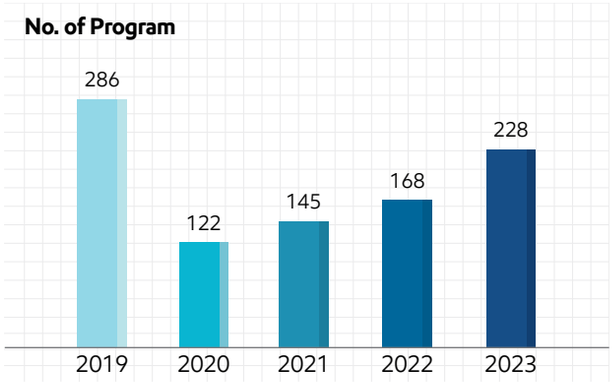
Sl. No.	Course Type	Training Provider/Training Institute	No. of Courses	No. of Participants
4.	External Training Programs (Local)	Jamuna Bank PLC, BAB, CSE Department of BUET, BIAM, ICCB, ICCB with ICC UAE, ADB TSCFP, ABB, AACOBB, UCBL, Prime Bank PLC., IFIC Bank PLC., MBL, Blackstone Institute, NCC Bank PLC.., Dhaka Bank PLC., DSE Training Academy, MTBL, Bank Asia PLC., EXIM Bank PLC, CSBIB, IBBPLC, IBB, Life Spring, IFC., BICM. IBCFRTA.	42	77
5.	Foreign Training (India)	ICICI Bank Ltd., Armor Bangladesh Ltd., SCB	3	3
	Total		**228**	**12,518**

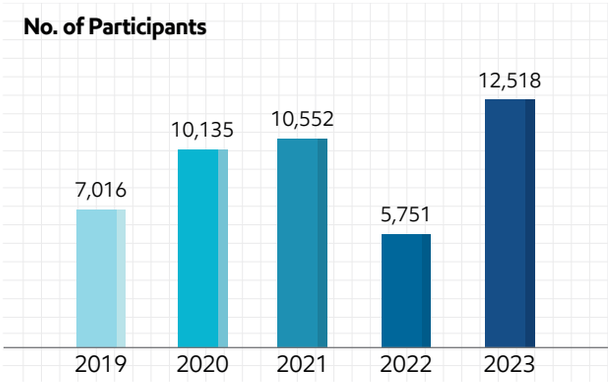
Area Specific Training Programs:

S.N	Area of Training	No. of Participants
1	Foreign Trade	1,213
2	Anti-Money Laundering	2,891
3	Information & Communication Technology (ICT)	952
4	General Banking & Cash	2,378
5	Shariah Compliance	1,088
6	Banking Laws and Regulations	399
7	Banking Operations & compliance	779
8	Investment	1,771
9	Foundation Course	107
10	ISS Reporting	424
12	Others	516
	Total Number of Participants	**12,518**

Learning and Development Trend:

Year	No. of Programs	No. of Participants
2023	228	12,518
2022	168	5,751
2021	145	10,552
2020	122	10,135
2019	286	7,016





7.1.6 Grievance management and counseling

Effective employee relations management entails establishing a systematic mechanism for employees to communicate their grievances and concerns to their supervisors and management. Without proper management through channels such as grievance procedures and counseling, these issues can adversely affect productivity, business efficiency, and employee engagement. SJIBPLC.'s whistle-blowing mechanism ensures that employees who raise concerns are protected by competent authority. Additionally, the anti-harassment policy creates a safe workplace environment for female employees.

7.1.7 Diversity at Workplace & Culture (Gender/ Race/Faith diversity)

Shahjalal Islami Bank recognizes that workplace diversity fosters synergy within the organization and serves as a crucial driver for long-term success. By assembling teams comprising individuals with diverse backgrounds, education, skills, and experiences, sustainable value can be generated across the Bank. Our commitment lies in promoting diversity in thoughts, culture, religion, and gender, thereby fortifying the Bank to better serve clients and attain its objectives. We prioritize maintaining a balanced gender ratio and ensuring equal employment opportunities.

Year wise employee position:

SL	Employee Type	2019	2020	2021	2022	2023
1	Executive	261	270	298	310	322
2	Officer	1,443	1,432	1,476	1,562	1,570
3	Cash Officer	455	466	479	476	484
Total		2,159	2,168	2,253	2,348	2,376
Change over the year #		232	9	85	95	31
% of Change		12.04%	0.42%	3.92%	4.22%	1.32%
Number of Branches		132	132	132	140	140

Employee Type & Gender:

Name of Position	Male	Female	Toal-2023	Total-2022
Executive	301	21	322	310
Officer	1,240	330	1,570	1,562
Cash Officer	358	126	484	476
Sub-Staff	495	4	499	487
Total	**2,394**	**481**	**2,875**	**2,835**

Employee Distribution:

a. Division wise position:

Name of Division	No. Branch	No. Employees	Percentage
Dhaka*	74	2,077	72.17%
Chattogram**	32	410	14.35%
Khulna	9	105	3.65%
Sylhet	7	95	3.30%
Rajshahi	8	84	2.92%
Barishal	6	64	2.22%
Rangpur	4	40	1.39%
Total	**140**	**2,875**	**100%**

*.Also includes CHO, OBU & CPC **. Also includes Zonal office & CPC

b. Branch Vs Corporate Head Office:

Name of Position	CHO	Branch	Total-2023	% of Total
Executive	147	175	322	11%
Officer	487	1,083	1,570	55%
Cash Officer	5	479	484	17%
Sub-Staff	135	364	499	17%
Total	**774**	**2,101**	**2,875**	
% of Total	**27%**	**73%**		

Age Group Wise Position:

Name of Position	Male	Female	Total-2023	Total-2022
Below 30 Years	377	67	444	438
30 to 40 Years	915	216	1,131	1,205
40 to 50 Years	848	178	1,026	941
50 to 60 Years	246	20	266	244
Above 60 Years	8	0	8	7
Total	**2,394**	**481**	**2,875**	**2,835**

7.1.8 Policy on Recruitment, Retention, Training and Empowering Retarded and Handicapped Employees

SJIBPLC. is dedicated to implementing a comprehensive set of standardized Human Resources policies and guidelines that address all facets of HR management. These policies establish a clear framework for HR operations and decision-making, facilitating the organization's internal processes. Covering various areas such as recruitment, retention, training, empowering disabled employees, HR development, performance management, remuneration, allowances, disciplinary procedures, grievance management, sexual harassment prevention, and employee background screening, SJIBPLC.'s HR policies provide a robust structure. Additionally, other policies, such as those concerning employee housing, car usage, and internship, are also included. By adhering to these policies, SJIBPLC. ensures uniformity in HR management practices across the organization.

7.1.9 Human Resource Accounting

Human Resource Accounting (HRA) is a process that involves measuring the costs incurred by an organization in recruiting, selecting, training, and developing its human assets. The approaches to human resource accounting were first developed in 1691. HRA facilitates decision-making regarding personnel, such as whether to retain their services, terminate their employment, or provide extensive training.

Particulars	2023	2022
Total Asset	351,719.34	339,818.87
Human Asset (Individuals' value)	40,678.52	36,905.62
Value of investments (Training Expense)	7.83	7.46
Total Asset including Human Asset	392,405.69	376,731.95

Particulars	2023	2022
Total Liabilities	351,719.34	339,818.87
Human Capital	40,686.35	36,913.08
Total Capital & Liabilities including Human capital	392,405.69	376,731.95

In the year 2023, SJIBPLC. reported the total value of Human Capital as 392,405.69. This valuation was conducted using the Present Value of Future Earnings Model (Lev & Schwartz), which discounts the 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 SJIBPLC. 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 SJIBPLC. 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 places great importance on creating an inclusive workplace, fostering a culture that celebrates diversity, and acknowledges the value and contributions of individuals across all levels of employees. Our approach ensures the cultivation of a workplace culture where equal opportunities are provided to all employees, and diverse perspectives are appreciated. To achieve these objectives, the Human Resources Division has implemented a set of unique and standardized HR management policies and practices aligned with the organization's overarching goals. Our primary focus areas in HR management include policies addressing:

7.4 Digitalization in HR Management

As the Bank expands its operations, it is attracting more employees; therefore, the digitalization of HR operations is essential for effective management. Over the years, the Bank has developed an in-house HR Management System (HRMS) that encompasses various functionalities, including Leave Management, Attendance, Payroll System, Employee Business Target Management, Performance Appraisal Management, and an E-Learning System. Additionally, the Bank has internally developed its E-Recruitment system. The E-Learning system allows employees to learn at their own pace and convenience, eliminating the need for physical movement and reducing associated expenses. This initiative ensures that every employee has access to learning opportunities, promoting continuous development and growth within the organization.

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 the strict compliance of Islamic Shariah in all its transactions. In this regard, to uphold the spirit of applying sharia in all operational affairs, the bank strives to provide shariah knowledge to all employees for better compliance with shariah guidelines and norms. SJIBPLC, being a shariah-based bank, believes that it is entrusted with the responsibility to adhere to the shariah instructions in all its banking business, and to this effect, the bank undertakes specialized shariah training for the officials and also includes basic shariah courses in Foundation Training of the employees. To strengthen shariah-related affairs, the bank recruits officers specializing in shariah knowledge through a competitive exam and places them at the Shariah Inspection and Compliance Division.

7.6 Employee Health Insurance Facility

To provide health insurance facilities to all employees, SJIBPLC. 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. The bank's group health insurance facility covers the employee along with their family members. During the year, employees received about 623 insurance claims from the company under the group health insurance facility of the bank.

7.7 Work place hygiene & safety

The bank ensures cleanliness issues in all offices for the better health and hygiene of all staff. A retired Army person in the rank of Major under the Common Service Division is looking after the health and safety issues with a large pool of cleaning staff deployed throughout the organization. To become familiar with safety issues as well as tackling unexpected situations like earthquakes or fires, Corporate Head Office and Branches conduct fire drills at regular intervals to train the employees and also regularly test the effectiveness of the safety equipment.

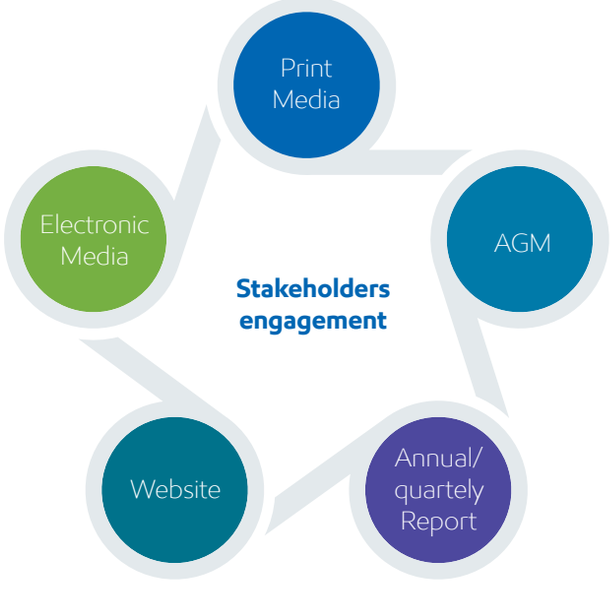
8. COMMUNICATION TO SHAREHOLDERS AND STAKEHOLDERS

8.1 Policy/strategy on Shareholders engagement

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. SJIBPLC. 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 Engagement through electronic media

The Board recognizes the importance of communication with shareholders and other stakeholders. The Bank's website, https://.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 PLC. and the Chittagong Stock Exchange PLC.

8.1.2 Engagement through quarterly/annual report

The Annual Report of SJIBPLC. 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 Engagement through Print Media/ TV

SJIBPLC. 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

SJIBPLC. 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

Step 3: Shareholders are allowed to speak freely at the AGM to offer their valuable suggestions. These suggestions are noted for future compliance.



The 22nd AGM was held in 2023 through digital platform.

8.3 Investor/Shareholder's grievance policy

Any complaints 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 are resolved lawfully and promptly. The Company Secretary of SJIBPLC is responsible for addressing such shareholder issues. Details of the redressal of investors' complaints can be found on page 320 of this report.

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 SJIBPLC. 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 SJIBPLC. 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 SJIBPLC. '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. SJIBPLC. 's Share Division sends reminders to shareholders for the encashment of dividends and tracks the number of dividends that are encashed following the AGM. The Share Division also takes steps to notify shareholders of their right to encash unclaimed dividends. Further details of SJIBPLC. 's dividend distribution policy can be found on page 384 of this Annual Report.

8.3.3 Compliance with the ICSB Secretarial Standard

SJIBPLC. strictly follows the Bangladesh Secretarial Standard of the Institute of Chartered Secretaries of Bangladesh (ICSB). The SJIBPLC. 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

8.4 Rights of Shareholders

Shareholders, as the true owners of the bank, hold specific privileges and rights governed by law. 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

9. ENVIRONMENTAL AND SOCIAL OBLIGATIONS

9.1 The Board of Directors oversight and the bank's policies and practices concerning the environment, society, and jurisdictions in which it operates.

As a responsible stakeholder in society, SJIBPLC. is committed to addressing environmental and social development issues through sustainable banking practices and corporate social responsibility (CSR) initiatives. Sustainable development is a vital component of our value creation for customers, employees, and society at large. We continuously strive to integrate sustainability into our overall business strategy.

9.1.1 Bank's policies and practices relating to the environment

SJIBPLC. 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 2023, SJIBPLC. 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 in society, SJIBPLC. is committed to corporate social responsibility (CSR), with a particular focus on education, healthcare, poverty alleviation, disaster management, and more. The bank allocated a substantial budget for CSR initiatives in the communities it serves. In 2023, the bank expended Tk. 536.13 million on CSR activities, marking a 64.75% increase compared to 2022.

9.2 SJIBPLC. 's Disclosure of specific activities undertaken by the Bank in pursuance of these policies and practices

SJIBPLC. 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 SJIBPLC. 's investments are sustainable and support the health of the planet.

9.2.1 Participation in national programs and assistance to disadvantaged groups

i) **Response to disasters, pandemics and national calls:** The bank donated an amount of Tk. 282 million to the Prime Minister's Disaster Management Fund for the help of disaster-affected people in Bangladesh.

ii) **Development of neighborhoods and communities:** SJIBPLC. is actively engaged with the development of neighborhoods and communities. The Bank is participating in increasing community events to address 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 in the country. Each year the bank donates a substantial amount for the development of sports, culture, research & technical education.

iv) **Health care sector:** During the year, the bank spent Tk. 147.30 million on the health care of the people in the community where it operates.

v) **Education:** The bank expensed Tk. 165.30 million for scholarships to poor meritorious students and infrastructural development of educational institutions.

vi) **Distribution of warm clothes:** An amount of Tk. 98.8 million was expended for the distribution of warm clothes to the cold-stricken people of Bangladesh.

9.2.2 Activities towards a sustainable environment

SJIBPLC. is creating a sustainable business by integrating sustainability into all of its products and services. SJIBPLC. has designed its products and services to

ensure environmental benefits for 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 SJIBPLC. to create a sustainable business environment:

- **Recycling and reusing of water and waste:** SJIBPLC. is financing the water treatment plant for recycling and reusing water and the west management plant.
- **Effluent Treatment for Curbing Pollution:** The bank is emphasizing financing the Effluent Treatment Plant for Curbing Pollution.
- **Lessening of toxic emissions:** The Bank is not financing the projects that are responsible for the toxic emissions.
- Organizational response to climate change
- Use of Green Financing
- There is a greater focus on green products for investment.
- The growth of sustainable finance through more agriculture and SME investment.
- Reduction of unnecessary energy consumption (electricity, fuel, water).
- Reuse paper and other printing stationery items.
- Promotion of digital products and services.

9.3 SJIBPLC.'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 145.

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 PLC. 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 2023, the bank spent Tk. 536.13 million on CSR activities.

9.5 Certificates and checklists reference

Sl. No.	Report Name	Page No.
1	Declaration by CEO and CFO	387
2	Compliance Certificate on Corporate Governance Code	388
3	Compliance Status of BSEC Notification	389
4	Compliance Status of Bangladesh Bank Guidelines	403

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 PLC. 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
7. 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 PLC. 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 PLC. 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 PLC. 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 UN-CLAIMED CASH DIVIDEND

as on 31 December 2023

Sl. No.	Year	Amount Taka
1	2020	7,864,413
2	2021	8,663,375
3	2022	10,369,661
Total		**26,897,449**

DECLARATION BY CEO AND CFO

17 April 2024

The Board of Directors
Shahjalal Islami Bank PLC.
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 2023

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 PLC. for the year ended 31 December 2023 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 2023 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

House: 373 (2nd Floor), Road:28, DOHS
Mohakhali, Dhaka-1 206, Bangladesh
Ph: +88-02-222285210
E-mail: info@amc-bd.com
www.amc-bd.com

Annexure- B
[Certificate as per condition # 1(5) (xxvii)]

Report to the Shareholders of Shahjalal Islami Bank PLC. on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Shahjalal Islami Bank PLC. for the year ended on December 31, 2023. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 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 Institute 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: 28 April 2024

Ahsan Monjur & 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 PLC. 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 2 (two) directors or one-fifth (1/5) of the total number of directors, whichever is higher, shall be independent directors.	√		The Board of Directors consists of 19 (Nineteen) members including 3 (Three) Independent Directors which is in compliance with the Section- 15(9) of Bank Company Act, 1991 (Amended up to 2023)
1(2) (b)	'Independent director' means a director-			
1(2) (b) (i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		None of the Independent Director holds any share of the Bank.
1(2) (b) (ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	√		
1(2) (b) (iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		-
1(2) (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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 reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non-payment of any loan or advance or obligation to a bank or a financial institution.	√		-
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):	√		-
	Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of the recommendation of the Nomination and Remuneration Committee (NRC) of the company;			N/A
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 registered business association; or	N/A		-
1(3) (b) (ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	√		Two Independent Directors Mr. Ekramul Hoque and Mr. K.A.M. Majedur Rahman have such qualification. They were former MD of Private Commercial Bank.

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(3) (b) (iii)	Former or existing 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: In case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service;	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;	√		-
1(4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		-
1(4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		-
1(4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		-
1(4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		-
1(5)	**Directors' Report to Shareholders:-**			
1(5) (i)	An industry outlook and possible future developments in the industry;	√		-
1(5) (ii)	The segment-wise or product-wise performance;	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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);	√		SJIBPLC. 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;	√		-
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;	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5) (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		-
1(5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		-
1(5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		-
1(5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year	N/A		-
1(5) (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	N/A		-
1(5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	√		-
1(5) (xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			
1(5) (xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name wise details);	√		-
1(5) (xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		-
1(5) (xxiii)(c)	Executives; and	√		-
1(5) (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		-
1(5) (xxiv)	**In case of the appointment or re-appointment of a Director a disclosure on the following information to the Shareholders:**			
1(5) (xxiv) (a)	a brief resume of the Director;	√		-
1(5) (xxiv)(b)	Nature of his/her expertise in specific functional areas; and	√		-
1(5) (xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		-
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 2023
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;	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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;	√		-
1(5) (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C;	√		-
1(5) (xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	√		-
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		BRPD (R-1) 717/2021-5064 Dated: 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.	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
2 (b)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	√		-
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	√		-
2 (d)	The Minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the Subsidiary Company also.	√		-
2 (e)	The Audit Committee of the holding company shall also review the Financial Statements, in particular the investments made by the Subsidiary Company.	√		-
3.0	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)**			
3 (1)	**Appointment**			
3 (1) (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		-
3 (1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		-
3 (1) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time:	√		-
	Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission:	N/A		-
	Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;	N/A		-
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:			

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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		-
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 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5 (2)(e)	The company secretary shall act as the secretary of the Committee;	√		-
5 (2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		-
5(3)	**Chairperson of the Audit Committee**			
5(3) (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		-
5(3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		-
5(3) (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	√		-
5(4)	**Meeting of the Audit Committee**			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.	√		SJIBPLC. Audit Committee conducted 10 meetings in 2023
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.	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(5) (h)	Review the adequacy of internal audit function.	√		-
5(5) (i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5) (j)	review statement of all related party transactions submitted by the management;	√		-
5(5) (k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	√		-
5(5) (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		-
5(5) (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	N/A		-
5(6)	**Reporting of the Audit Committee**			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a) (i)	The Audit Committee shall report on its activities to the Board of Directors.	√		-
5(6)(a) (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
5(6)(a)(ii)(a)	Report on conflicts of Interests.	-		No such event 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
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.	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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)	At least 02 (two) members of the Committee shall be non-executive directors;	-		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	-		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	-		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	-		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	-		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	-		
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;	-		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes	-		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:	-		
6(4)	**Meeting of the NRC**			
6(4) (a)	The NRC shall conduct at least one meeting in a financial year;	-		
6(4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-		
6(4) (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	-		
6(4) (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	-		
6(5)	**Role of the NRC**			
6(5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	-		
6(5) (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	-		
6(5) (b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	-		
6(5) (b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	-		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	-		
6(5) (b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	-		
6(5) (b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	-		
6(5) (b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	-		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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;	√		-
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 2023.
8	**Maintaining a website by the Company.**			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		https://.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).	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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 Guidelines covering three broad areas as follows:

1. Formation and responsibilities of Board of Directors (BoD).
2. Appointment and responsibilities of Chief Executive Officer (CEO).
3. Contractual appointment of Advisor and Consultant.

The summary of the Bangladesh Bank Guidelines and SJIBPLC.'s compliance thereto are presented below:

1. Formation and responsibilities of Board of Directors (BoD)

31 December 2023

Sl. No.	Particulars	Compliance Status
1.0	**Formation of Board of Directors:** Section 15 of the Bank Company Act (BCA), 1991 (Amended up to 2023), incorporates provisions requiring prior approval from Bangladesh Bank for the appointment, dismissal, termination, or removal of any bank director. The section also outlines criteria for a director's it and proper test, establishes a maximum number of directors, mandates the appointment of independent directors, and limits the appointment of a maximum of three members from the same family as directors.	Complied
1.1	**Appointment of New Directors:** Pursuant to section 15(4) of the BCA 1991 (amended up to 2023), each 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 (Appendix-ka);	Complied
	b. Nominated person's declaration (Appendix-kha);	Complied
	c. 'Declaration for confidentiality' by the nominated person (Appendix-ga);	Complied
	d. In case of independent director, the approval letter from BSEC	Complied
	e. In case of Independent director, a declaration of the directors concerned as Appendix-gha (he will also submit declaration under Appendix-ka, kha & ga)	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:** According to section 108(2) of the Companies Act, 1994, 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 the previous provisions regarding appointment of Depositor Directors of the BCA 1991 has been amended; appointment of director from depositors is no longer required. But, after complying regulation under sec 15(9) of the BCA 1991 (amended up to 2023) bank can consider the tenure of existing depositor director or may appoint them as independent director.	Complied, No Depositor Director in SJIBPLC.
3	**Information regarding Directors:** Banks are advised to take the following steps regarding directors information:	
	(a) Every bank should keep an updated list of bank directors.	Complied
	(b) Banks should send a directors' list to other banks or financial institutions immediately after the appointment or release of director.	Complied
	(c) Banks should display a list of directors on the website and update it on a regular basis.	Complied
4	**Responsibilities of the Board of Directors (Board)**	
4.1	**Responsibilities and Authorities of the Board:**	
(a)	**Work planning and strategic management**	
	(i) The board shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and reformation for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor, at quarterly rests, the development of implementation of the work-plans.	Complied
	(ii) The board shall have its analytical review incorporated in the Annual Report as regards to the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders of its opinions/ recommendations on future plans and strategies. It shall set the Key Performance Indicators (KPIs) for the CEO & officers immediate two tiers below the CEO, and have it evaluated from time to time.	
(b)	**Credit and risk management**	
	(i) The policies, strategies, procedures etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, reschedule and write-off thereof shall be made with the board's approval under the purview of the existing laws, rules and regulations. The board shall specifically distribute the power of sanction of loan/investment and such distribution should desirably be made among the CEO and his subordinate executives as much as possible. No director, however, shall interfere, direct or indirect, into the process of loan approval.	Complied
	(ii) The board shall frame policies for risk management and get them complied with and shall monitor the compliance at quarterly rests and review the concerned report of the risk management team and shall compile in the minutes of the board meeting. The board shall monitor the compliance of the guidelines of Bangladesh Bank regarding key risk management.	

Sl. No.	Particulars	Compliance Status
(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. SJIBPLC. Board reviews HR Policy time to time.
	(ii) The board shall focus its special attention to the development of skills of bank's staff in different fields of its business activities including prudent appraisal of loan/investment proposals, and to the adoption of modern electronic and information technologies and the introduction of effective Management Information System (MIS). The board shall get these programs incorporated in its annual work plan.	
	(iii) The board will compose Code of Ethics for every tier and they will follow it properly. The board will promote healthy code of conducts for developing a compliance culture.	
(e)	**Financial Management**	
	(i) The annual budget and the statutory financial statements shall be finalized with the approval of the board. It shall at quarterly rests review/monitor the positions in respect of bank's income, expenditure, liquidity, non-performing asset, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures.	Complied.
	(ii) The board shall frame the policies and procedures for bank's purchase and procurement activities and shall accordingly approve the distribution of power for making such expenditures. The maximum possible delegation of such power of expenditures shall rest on the CEO and his subordinates. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of bank's business shall, however, be adopted with the approval of the board.	
	iii) The board will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to Bangladesh Bank guidelines.	
(f)	**Appointment of Chief Executive Officer (CEO):** In order to strengthen the financial base of the bank and obtain confidence of the depositors, one of the major responsibilities of the board of directors is to appoint an honest, efficient, experienced and suitable CEO or Managing Director. The Board of directors will appoint a suitable CEO with the approval of the Bangladesh Bank.	Complied.
(g)	**Other responsibilities of the Board:** The board should follow and comply with the responsibilities assigned by Bangladesh Bank.	Complied. The Board of Directors will do so as and when required by Bangladesh Bank.
4.2	**Meetings of the Board of Directors:** Board of Directors may meet once or more than once in a month upon necessity and shall meet at least once in every three months. Excessive meetings are discouraged.	Complied. Usually SJIBPLC. 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

Sl. No.	Particulars	Compliance Status
	(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.	
	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

Sl. No.	Particulars	Compliance Status
	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.	
	(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.	

Sl. No.	Particulars	Compliance Status
	(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
	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

Sl. No.	Particulars	Compliance Status
	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;	Complied
	3. Internal & external auditor will submit respective evaluation report whenever required by the committee.	Complied
	d) Meetings:	
	1. The risk management committee should hold at least 4 meetings in a year and it can sit any time as it may deem fit;	Complied
	2. The committee may invite Chief Executive Officer, Chief Risk Officer and any other Officer to its meetings, if it deems necessary;	Complied
	3. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting;	Complied
	4. All decisions/observations of the committee should be noted in minutes.	Complied
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.	

Sl. No.	Particulars	Compliance Status
	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
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

Sl. No.	Particulars	Compliance Status
B	**Responsibilities and Authorities of the CEO:** The CEO of the bank, whatever name called, shall discharge the responsibilities and exercise the authorities as follows:	
	a. In terms of the financial, business and administrative authorities vested upon him by the Board, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management.	Complied
	b. The CEO shall ensure compliance of the Bank Company Act 1991 and other relevant laws and regulations in discharging of routine functions of the bank.	Complied
	c. The CEO shall include clearly any violation from Bank Company Act 1991 and/or other relevant laws and regulations in the "Memo" presented to the meeting of the Board or any other Committee (s) engaged by the Board.	Complied
	d. The CEO shall report to Bangladesh Bank of issues in violation of the Bank Company Act 1991 or of other laws/regulations.	Complied
	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

Sl. No.	Particulars	Compliance Status
4	**Remuneration and other facilities of Advisor:** The post of Advisor is not a fixed or substantive post in the bank's organization structure. Advisor will not be entitled to salaries and allowances as regular employee except gross amount of remuneration, transport and telephone facilities. Remunerations inconsistent with the terms of reference of the advisor will not be considered as acceptable to Bangladesh Bank.	N/A
5	**Tenure of Advisor:** The tenure of the Advisor shall be maximum 01(one) year, which is renewable. An evaluation report (by the Chairman that is approved by the Board) of previous tenure should be submitted to Bangladesh Bank along with the re-appointment proposal.	N/A
6	**Appointment of Ex-officials:** For ensuring good governance, any former Director, CEO or any other Executive of the bank will not be eligible to become an Advisor in the same bank immediately after their retirement or resignation. However, after one year from such retirement or resignation, he/she will be eligible for appointment as Advisor.	N/A
B	**Rules and regulations for appointment of a Consultant**	
1	**Terms of reference of Consultant:** Consultant can be appointed for specialized tasks like tax, law and legal procedures, engineering and technical works, information technology, etc. Consultants' appointment should be avoided as much as possible for those works that could be done by regular employees of the bank.	N/A
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

COMPLIANCE CHECKLIST AS STATED IN THE COMPANIES ACT, 1994 (AS AMENDED UP TO DATE)

As per section 184 of the Companies Act, 1994 the following additional statements are included in the Directors' Report:

Outlook of Banking Industry and prospective development in the Sector	1	Discussed in the Directors' report page 69.
Segment-wise/Product-wise performance	2	Discussed in the Directors' report.
Risks and Concerns	3	Discussed in Risk Management report.
A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	4	Discussed in Review from the Desk of Managing Director and CEO report page 64.
Discussion on continuity of any Extra-Ordinary Gain or loss	5	The Bank did not make any extra-ordinary Gain or loss in 2023.
A disclosure of all related party transactions should be included in the annual report as the basis for related party transactions.	6	Information provided in notes to the financial statements Note No. 54.
Application of proceeds from public issues, rights issues and/or through any others instruments	7	The Bank did not take such initiatives in 2023.
Clarification if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	8	The Bank did not take any such initiatives in 2023.
If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance on their Annual Report	9	Between quarterly financial performance and annual financial results, there was no significant variance occurred.
Remuneration to directors including independent directors	10	Discussed in the Corporate Governance Report.
The management of the issuing Company has prepared financial statements that fairly reflect its financial position, results of operations, cash flows, and changes in equity.	11	Discussed in Chief Executive Officer and Chief Financial Officer's statement of Responsibilities.
Proper books of account of the issuer company have been maintained.	12	Discussed in Chief Executive Officer and Chief Financial Officer's statement of responsibilities in page 387.
The financial statements were prepared in accordance with appropriate accounting principles, and the accounting estimates were created using reasonable and competent judgment.	13	Discussed in notes to the financial statements.
International Accounting Standards (IAS)/ 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.	14	Discussed in notes to the financial statements.
The system of internal control is sound in design and has been effectively implemented and monitored.	15	The internal control system is well-designed, and it has been successfully implemented and monitored. Detail is described in page 340 of this Annual Report.

The issuing company's capacity to continue as a going concern is not in dispute in any meaningful way. If the issuing firm isn't thought to be a going concern, that information should be reported along with the reasons.	16	There are no significant doubts on the Bank's ability to continue as a going concern.
Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained	17	The Bank continued to deliver in 2023, successfully executing its strategy to help it achieve the strategic goals it had set for the year.
Key operating and financial data of at least preceding 5 (five) years shall be summarized	18	Five years financial summary is given in page 325 of this Annual Report.
If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given	19	The bank declared handsome amount of dividend each year since its inception.
The number of Board meetings held during the year and attendance by each director shall be disclosed	20	Discussed in the Corporate Governance report of this Annual Report.
The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:- a) Parent/Subsidiary/ Associated Companies and other related parties (name wise details); b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details); c) Executives; d) Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	21	Discussed in the Corporate Governance report page 340.
In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:- a) a brief resume of the director; b) nature of his/her expertise in specific functional areas; c) names of companies in which the person also holds the directorship and the membership of committees of the board	22	Discussed in Corporate Governance Report, Directors' Profile and notes to the financial statements.

بِسۡمِ اللّٰہِ الرَّحۡمٰنِ الرَّحِیۡمِ

Annual Report of the Shari'ah Supervisory Committee
For the year ended on 31st December, 2023

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 all his 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 PLC.

Assalamu Alaikum Wa Rahmatullah.

We submit herewith the following Report on the Islamic Banking operations of Shahjalal Islami Bank PLC. for the year ended on 31st December, 2023.

The Shari'ah Supervisory Committee of Shahjalal Islami Bank PLC. consists of Islamic Jurisprudents and Shari'ah Scholars. The Shari'ah Supervisory Committee meeting is usually held bimonthly to provide opinion on various Shari'ah-related issues referred to by the management of the Bank. During the year 2023, 5 (five) 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 PLC. during the period from 1st January, 2023 to 31st December, 2023. We have conducted our review based on the Shari'ah inspection reports of the Muraquibs (Shari'ah Auditors) to form our opinion as to whether 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 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 of Shahjalal Islami Bank PLC. The management is responsible for ensuring that they conduct the 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 the inspection reports provided by the Muraquibs, and to report to you.

We conducted our review which included, on a sample basis of each type of transaction, the relevant documentation and procedures adopted by Shahjalal Islami Bank PLC. 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 PLC. 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 PLC. during the year ended on 31st December, 2023 that we have reviewed are in compliance with Shari'ah rules and principles;

b. Distribution of profit among the various Mudarabah depositors has been made in accordance with the principles of Shari'ah;

c. All earnings that have been realized from sources that are not Shari'ah compliant have been separated as far as possible from the Bank's income and channeled to the Bank's Foundation in order to be disposed of to charitable causes; and

d. The calculation of Zakah for the Shareholders is in compliance with the Shari'ah Rules and Principles. The total amount of Zakah has been separated and channeled to the Bank's Foundation to be disbursed to the proper beneficiaries.

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 the gradual development of the employees' customers' awareness about the 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 are to be introduced aiming at the development of the socio-economic condition of the poorer sections of the population; and

d. Shari'ah audit frequency is to be increased for the purpose of timely identification of lapses and for adopting preventive measures.

e. Introduce effective Shari'ah governance measures to develop a better Shariah compliance culture throughout the Bank.

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.

On behalf of the Shari'ah Supervisory Committee:



Mufti Shahed Rahmani
Chairman, Shari'ah Supervisory Committee

بِسۡمِ اللّٰہِ الرَّحۡمٰنِ الرَّحِیۡمِ

শরীয়াহ্ সুপারভাইজারী কমিটির বার্ষিক প্রতিবেদন-২০২৩

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 পিএলসি.-এর সম্মানিত শেয়ারহোল্ডারবৃন্দ!

আস্সালামু আলাইকুম ওয়ারাহ্মাতুল্লাহ্।

৩১ ডিসেম্বর, ২০২৩ ইং তারিখে সমাপ্ত বছরের জন্য শাহ্জালাল ইসলামী ব্যাংক পিএলসি.-এর কার্যক্রমের উপর নিম্নলিখিত প্রতিবেদন উপস্থাপন করা হল।

শাহ্জালাল ইসলামী ব্যাংক পিএলসি.-এর শরীয়াহ্ সুপারভাইজারী কমিটি দেশের সনামধন্য ইসলামী ফিক্হশাস্ত্রবিদ ও শরীয়াহ স্কলারদের, নিয়ে গঠিত। শরীয়াহ্ সুপারভাইজারী কমিটির সভা সাধারণত দ্বি-মাসিক ভিত্তিতে অনুষ্ঠিত হয় যাতে ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক উত্থাপিত শরীয়াহ্ সম্পর্কিত বিভিন্ন বিষয়ে মতামত প্রদান করা হয়। ২০২৩ ইং সালে কমিটির ৫টি সভা অনুষ্ঠিত হয়।

আমরা ১লা জানুয়ারি থেকে ৩১ ডিসেম্বর, ২০২৩ ইং সময়কালে শাহ্জালাল ইসলামী ব্যাংক পিএলসি. কর্তৃক উপস্থাপিত লেনদেন সম্পর্কিত নীতিমালা ও চুক্তিপত্রসমূহ পর্যালোচনা করেছি। ব্যাংকটি শরীয়াহ্ বিধি-বিধান ও নীতিমালা এবং আমাদের পক্ষ থেকে প্রদত্ত সুনির্দিষ্ট ফতোয়া, সিদ্ধান্ত ও নির্দেশিকা মেনে চলছে কিনা সে বিষয়ে আমরা ব্যাংকের 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 পিএলসি.-এর ব্যবস্থাপনা কর্তৃপক্ষের দায়িত্ব হল শরীয়াহ্'র বিধিবিধান ও নীতিমালা অনুযায়ী ব্যাংকিং কার্যক্রম পরিচালনা করা। আর আমাদের দায়িত্ব হল, ইসলামিক ব্যাংকিং কার্যক্রম সম্পর্কে মুরাক্বিববৃন্দ কর্তৃক আমাদের নিকট উপস্থাপিত নিরীক্ষা প্রতিবেদনসমূহ 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 পিএলসি. কর্তৃক গৃহীত প্রাসঙ্গিক ডক্যুমেন্টেশন ও পদ্ধতিসমূহ। শাহ্জালাল ইসলামী ব্যাংক পিএলসি. ইসলামী ব্যাংকিং কার্যক্রমে শরীয়াহ্'র বিধিবিধান ও নীতিমালা লঙ্ঘন করে নি মর্মে নিশ্চয়তা লাভের লক্ষ্যে পর্যাপ্ত প্রমাণ সরবরাহ করতে প্রয়োজনীয় তথ্য ও ব্যাখ্যা পাওয়ার জন্য আমরা পরিকল্পনা প্রণয়ন করেছি এবং পর্যালোচনা করেছি।

আমাদের অভিমত ঃ

ক. ৩১ ডিসেম্বর ২০২৩ ইং তারিখে সমাপ্ত বছরে শাহ্জালাল ইসলামী ব্যাংক পিএলসি. কর্তৃক সম্পাদিত যেসব চুক্তি, লেনদেন ও কর্মকাণ্ড আমরা পর্যবেক্ষণ করেছি তা শরীয়াহ্'র বিধিবিধান ও নীতিমালা পরিপালন করে সম্পাদিত হয়েছে মর্মে আমাদের নিকট প্রতীয়মান হয়েছে ;

খ. বিভিন্ন প্রকার মুদারাবা আমানতকারীদের মাঝে যে মুনাফা বন্টন করা হয়েছে, তা শরীয়াহ্ নীতিমালার আলোকে করা হয়েছে;

গ. শরীয়াহ্ সম্মত নয় এমন কোন উৎস থেকে অর্জিত সকল আয় যথাসম্ভব ব্যাংকের নিয়মিত আয় থেকে পৃথক করা হয়েছে এবং দাতব্য কাজে ব্যয় করার জন্য তা ব্যাংকের ফাউন্ডেশনে হস্তান্তর করা হয়েছে।

ঘ. শরীয়াহ্'র নীতিমালা পরিপালন করে শেয়ারহোল্ডারদের পক্ষ থেকে যাকাতের হিসাব-নিকাশ সম্পাদন করা হয়েছে এবং সমুদয় যাকাত পৃথক করে যথাযথ উপকারভোগীদের মধ্যে বিতরণের জন্য ব্যাংকের ফাউন্ডেশনে হস্তান্তর 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. ব্যাংকের সর্বক্ষেত্রে শরীয়াহ্ পরিপালনের নিমিত্তে আরও উন্নত পদ্ধতি কার্যকর করার জন্য শরীয়াহ্ গভর্ণেন্স শক্তিশালী করা।

আল্লাহ্ তা'আলা আমাদের উপর অর্পিত গুরুদায়িত্ব সম্পাদন করার তাওফীক দিন এবং দুনিয়া ও আখেরাতে সফলতা দান করুন এবং আমাদের ভুল-ত্রুটিসমূহ ক্ষমা করুন। আমীন!



মুফতী শাহেদ রহমানী
চেয়ারম্যান, শরীয়াহ্ সুপারভাইজারী কমিটি

FROM THE DESK OF CFO



Md. Jafar Sadeq FCA
Chief Financial Officer

Bismillahir Rahmanir Rahim

With the grace of Almighty Allah (SWT), Shahjalal Islami Bank PLC. (SJIBPLC) has concluded another successful year. It brings me immense pleasure to present the annual report of Shahjalal Islami Bank PLC. for the year 2023. This past year has been marked by significant challenges, characterized by global economic uncertainty and persistent geopolitical tensions. The world economy in 2023 experienced ongoing turbulence, with increasing inflation, disruptions in the supply chain, and the continued war in Ukraine, along with turmoil in the Middle East, adding to a climate of uncertainty.

In 2023, Bangladesh faced significant economic turbulence. The volatility in the currency market cast a long shadow, leading to a record trade deficit and the highest inflation rate in a decade. Soaring prices of both food and non-food items put pressure on household budgets, while the depletion of foreign exchange reserves hindered banks' ability to open letters of credit for necessary imports. Despite the government and central bank's efforts to address these challenges through various initiatives, the economic landscape remained challenging. However, amidst these obstacles, Shahjalal Islami Bank emerged stronger, demonstrating resilience, agility, and a resolute commitment to its core values.

Given the circumstances, we adopted a cautious approach towards investing and rationalizing operational expenses. To address the unprecedented challenges we faced, we took decisive action to reduce investments in unproductive sectors and cease importing luxury and non-essential items. Additionally, we prioritized strengthening the bank's capital base to better withstand any future crises. Lastly, we provided maximum support to our customers and stakeholders, demonstrating our resilience in the face of mounting challenges.

Sustainable Financial Foundation

I am pleased to report that Shahjalal Islami Bank delivered an outstanding financial performance in 2023. Operating profit increased by 6.63% and profit after tax improved by 2.83%, exceeding initial

projections. This remarkable achievement underlines our unwavering focus on operational efficiency, prudent risk management, and strategic fund management. Total assets reached BDT 351,719.34 million, a 3.50% growth from the previous year. We played a vital role as a financial intermediary, efficiently connecting depositors and investment clients despite the challenging environment.

The bank's investment-to-deposits ratio of 85.13% reflects our ability to grow investments in alignment with deposit growth. We strive to achieve industry-leading asset quality, which is further reinforced by prudent provision management and improved recovery efforts. Our non-performing investment ratio (NPI) remained low at 4.42% (2022: 4.78%), with nearly half of our deposits (48%) being no-cost or low-cost, providing a stable funding base. Our capital adequacy ratio stands strong at 15.06%.

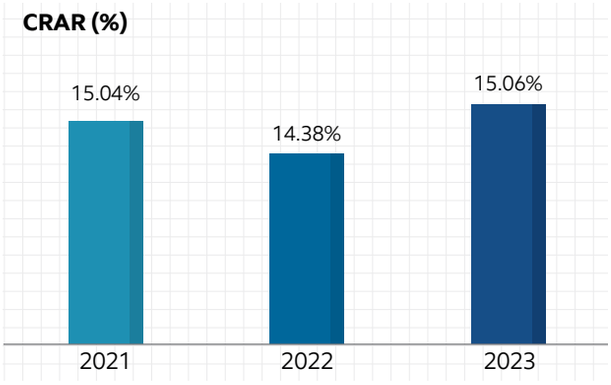
Most importantly, both return on assets (ROA) and return on equity (ROE) saw consistency during the year 2023. This impressive performance underscores our resilience and firm commit-ment to delivering value to our stakeholders, even amidst unprecedented challenges.

Robust Capital Adequacy

We take pride in our robust capital adequacy position, comfortably exceeding the regulatory limit. Our Capital to Risk Weighted Assets Ratio (CRAR) consistently stands above the required 12.5% (including the capital conservation buffer), currently secured at a strong 15.06% as of December 31, 2023. To support our expansion plans and address evolving CRAR needs, we proactively issued a BDT 5,000 million Mudaraba Perpetual Bond, strategically enhancing our additional Tier-1 capital.

Furthermore, we meticulously focus on maintaining asset quality. Through the reduction of risk-weighted assets and the retention of profits, we continuously strengthen our capital base. This firm commitment has enabled SJIBPLC to comfortably comply with CRAR requirements since the inception of Basel III implementation.

2019	2020	2021	2022	2023
15.58%	14.43%	15.04%	14.38%	15.06%



Pragmatic Capital Planning

SJIBPLC 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 5-year capital plan based on macroeconomic factors.

Strong credit rating

Our robust financial performance and prudent banking practices have been recognized by a leading credit rating agency, Emerging Credit Rating Limited (ECRL). ECRL performed the rating surveillance based on audited financial statements of December 31, 2023, and other relevant information, and the report was issued on April 29, 2024 They rated the bank "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. 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.

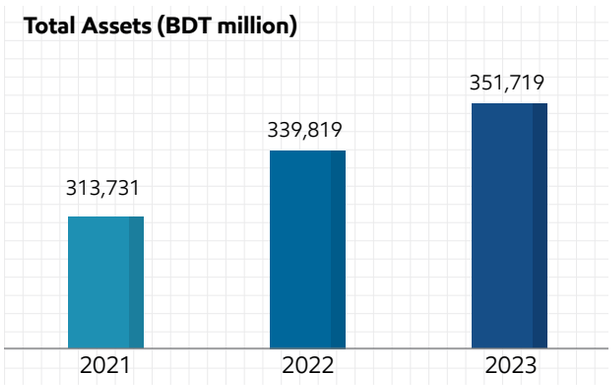
Budget vs. Achievement

Our meticulous budget planning and disciplined execution enabled us to achieve impressive results across

key metrics. We exceeded most of our targets while maintaining NIP ratio of 4.42%, well below the industry average. These numbers depict our commitment to responsible investment and portfolio quality. Please see below for a summary of the key targets and their accomplishments in 2023.

Amount in BDT million

Sl. No.	Particulars	Budget	Actual	Achievement
1	Deposit	270,000	249,585	92%
2	Investment	280,000	241,751	86%
3	Operating profit	8,500	8,887	105%
4	Export	320,000	247,526	77%
5	Import	300,000	266,912	89%



Diversified Deposit Base

SJIBPLC maintained a well-diversified deposit portfolio with a good number of products depending on depositors' preferences. The bank's total deposit was BDT 249,585.02 million as of December 31, 2023, compared to BDT 227,982.06 million as of December 31, 2022, an increase of BDT 21,602.97 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 2023, the bank focused on individual deposits, and as a result, individual deposits increased significantly. The bank places 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

In 2023, SJIBPLC faced a challenging landscape with the Russia-Ukraine war and turmoil in the Middle East, foreign exchange volatility, decade-high inflation, and a liquidity crisis in the market. This turbulent environment hardened investment appetite across the market, prompting us to adopt a more cautious approach to investment disbursements. As a result, while overall investment growth slowed, it remained positive. By year end, total investment reached BDT 241,750.80 million, representing a 1.91% increase (BDT 4,520.82 million) compared to BDT 237,229.98 million in 2022. Despite the challenges, we continued to prioritize portfolio diversification, actively developing a balanced mix of corporate, retail, SME, and agricultural investments. This strategic approach ensures we remain adaptable and resilient in the face of external headwinds.

Asset Quality

Maintaining high quality assets is our core philosophy. Through sustained focus and targeted initiatives, we have achieved an NPI rate of 4.42% in 2023, significantly lower than the industry average. This impressive performance is a testament to our rigorous investment discipline and streamlined recovery processes. We remain relentlessly committed to minimizing non-performing investments. We are actively pursuing additional measures to further regularize and reduce NPIs, ensuring our portfolio remains robust and healthy.

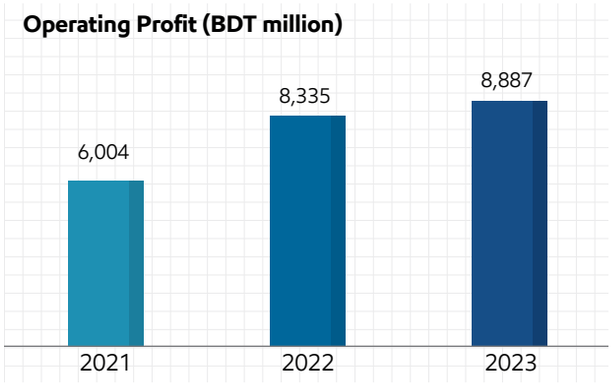
Financial Highlights 2023

Our consistent commitment to enhancing asset quality, attracting low-cost deposits, streamlining processes, and maintaining excellent service propelled us forward. Despite significant challenges, the bank successfully achieved an operating profit of BDT 8,886.83 million with a growth rate of 6.63% in operating profit, 9.48% in deposit, 1.91% in investment, and 3.50% in total assets while maintaining the NPI rate at 4.42%. In 2023, SJIBPLC's ROA was 1.05% and ROE was 15.89%.

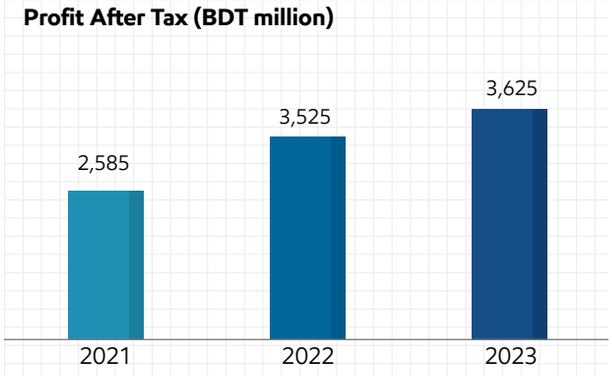
A brief review of financial performances is given below:

- Net Investment Income increased by 20.46% in 2023 compared to the previous year. This increase was driven by a 14.13% rise in investment income, while profit paid on deposits increased by 8.39% during the year under review.
- Non-profit income decreased by 6.87%, primarily due to a 17.94% decrease in commission, exchange, and brokerage incomes. Volatility in the foreign exchange market significantly impacted both export and import businesses, resulting in decreased income from commission, exchange, and brokerage.
- Operating income increased by 7.74%, and operating expenses rose by 9.35% in 2023 compared to the previous year. Consequently,

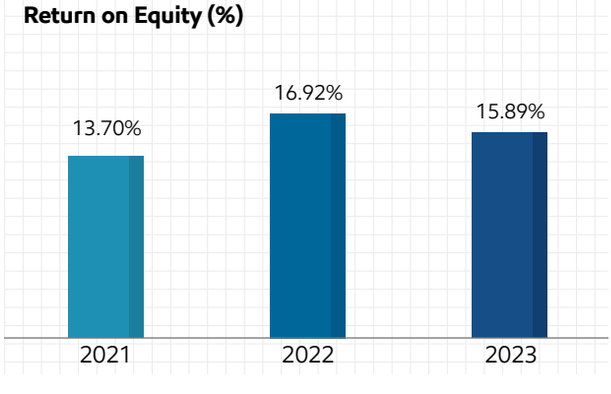
the bank's operating profit increased by 6.63% to reach BDT 8,886.83 million in 2023, up from BDT 8,334.64 million in 2022.



- The bank's profit after tax (PAT) increased by BDT 100 million, which is 2.83% growth over 2022.



- The bank's efficient operation is reflected in the reasonable cost-to-income ratio, which is 41.59% in 2023. The operating income of the bank increased by 7.74%, while the operating expenses increased by 9.35%. Moreover, the Capital to Risk Weighted Assets Ratio (CRAR) of the bank was 15.06% in 2023, significantly exceeding the required ratio.



Appropriation of profit

During the year 2023, the bank recorded a profit after tax of BDT 3,624.87 million, out of which BDT 1,430.65 million was transferred to the statutory reserve, BDT 36.25 million to the start-up fund, and BDT 411 million to the dividend against the Mudaraba Perpetual Bond. Therefore, the cumulative profit available for distribution amounts to BDT 1,818.31 million, out of which the Board of Directors recommended 14% cash dividend for the year 2023. 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, working closely with regulators to ensure compliance with regulatory requirements across all aspects of our banking operations. Our main focus in 2023 was conducting business prudently while adhering to the regulatory framework. As a result, we successfully complied with all key regulatory ratios, including CRR, SLR, ID ratio, CRAR, leverage ratio, MCO, capital market exposure, LCR, and NSFR, demonstrating our commitment to our key stakeholders. Additionally, we submitted all required reports, returns, and statements to different regulatory authorities promptly and accurately. Throughout 2023, the bank remained in full compliance with all regulatory requirements set forth by the primary regulator, the Bangladesh Bank, as well as other regulatory bodies.

Financial Reporting

The financial statements for the year ended on December 31, 2023, 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 have been prepared in compliance with applicable guidelines, circulars, and laws, including The Companies Act 1994, the Bank Companies Act 1991 as amended, 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. SJIBPLC prioritizes transparency and accuracy in financial reporting through appropriate disclosures.

Appreciation

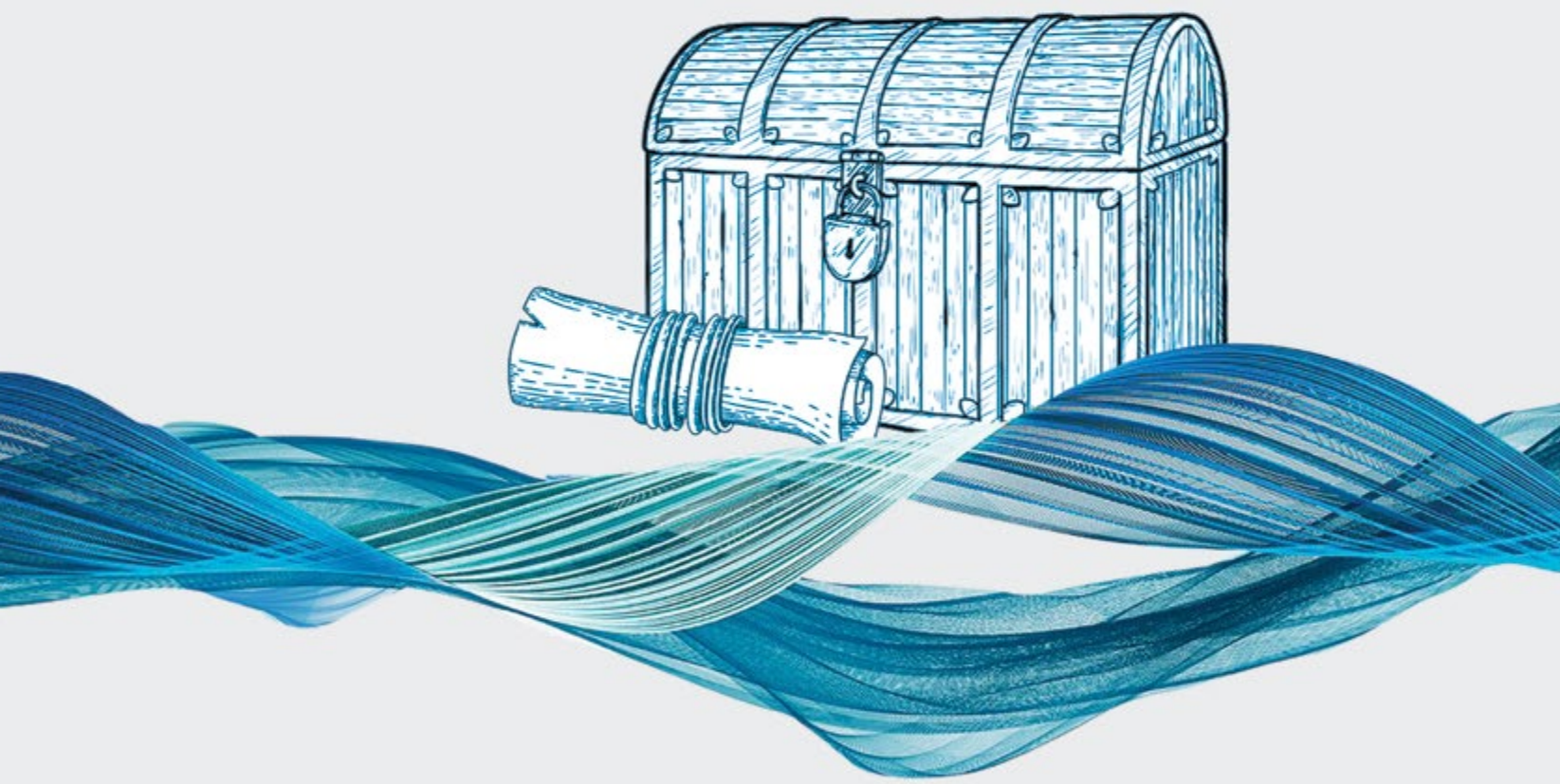
I am delighted to seize this opportunity to extend my heartfelt appreciation and gratitude to the Board of Directors, the Management Team, and all my colleagues at every level, as well as to our esteemed customers, regulators, and stakeholders at large. Their unflagging support and commitment have been instrumental in our success. With their continued support and dedication, I am confident that we will propel the bank to greater heights, generating 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 PLC.

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Shahjalal Islami Bank PLC. and its subsidiaries (the "Group") as well as the separate financial statements of Shahjalal Islami Bank PLC. (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2023 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the 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 2023, 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.

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. 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 244,205 million (2022: BDT 239,862 million) and provision for investments of BDT 6,886 million (2022: BDT 6,589 million). 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 Septembwer 2012 and BRPD circular no 03, dated 21 April 2019; and	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; • 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;

Description of key audit matters	Our response to key audit matters
• 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.	• 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 For the year ended 31 December 2023, the Bank has maintained required provision as per Bangladesh Bank letter DBI-7/4(5)/2024-336 dated 8 April 2024. For the year ended 31 December 2023, the Bank has maintained minimum required provision as per Bangladesh Bank letter DBI-7/4(5)/2024-336 dated 8 April 2024 and also agreed to ensure recovery/regularization of certain investments to avoid future classification.
See note # 8 (a) and 15a to 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. 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.
See note # 24 (a) to the financial statements	

Valuation of bonds, sukuk and other investments	
The Bank has made significant investments in fixed term financial instruments such as Bangladesh Government Islamic Investment Bond and Sukuk, Mudaraba Perpetual Bond and Sukuk Al Istisna'a 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 treasury bills and bonds 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 subsidiaries (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.. Bangladesh Bank vide letter DBI-7/4(5)/2024-336 dated 8 April 2024 has also instructed the Bank to consider certain matters in the subsequent reporting period.

Carrying value of investments in subsidiaries by the Bank	
The Bank has invested in equity shares of its subsidiary namely Shahjalal Islami Bank Securities Limited. As at 31 December 2023 the carrying value of these investments in Shahjalal Islami Bank Securities Limited is BDT 2,515 million (2022: BDT 2,515 million). At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank's investments in all the above subsidiaries stated at cost. Management has conducted impairment assessment and calculated recoverable value of its individual subsidiaries in accordance with IAS 36.	We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries 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. 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 2023 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.



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

Dhaka, 17 April 2024
DVC No: 2404170770AS756293

Shahjalal Islami Bank PLC. and its Subsidiary

Consolidated Balance Sheet

As at 31 December 2023

	Note	31.12.2023 Taka	31.12.2022 Taka
Property and Assets			
Cash			
Cash in Hand (including Foreign Currencies)	3	2,247,682,953	2,399,102,842
Balance with Bangladesh Bank & its Agent Banks (including Foreign Currencies)	4	23,432,585,249	14,924,287,024
		25,680,268,203	**17,323,389,865**
Balance with Other Banks and Financial Institutions			
Inside Bangladesh		2,240,532,287	2,216,396,689
Outside Bangladesh		1,754,675,394	1,103,127,014
	5	**3,995,207,681**	**3,319,523,703**
Placement with Other Banks & Financial Institutions	6	**14,115,801,566**	**21,276,957,716**
Investments in Shares & Securities			
Government		24,639,910,000	25,639,910,000
Others		9,442,757,280	9,986,112,719
	7	**34,082,667,280**	**35,626,022,719**
Investments			
General Investments etc.		234,137,238,783	222,960,716,113
Bills Purchased and Discounted		10,067,701,645	16,901,718,515
	8	**244,204,940,428**	**239,862,434,627**
Fixed Assets including Premises, Furniture and Fixtures	9	**5,362,859,454**	**5,413,945,799**
Other Assets	10	**26,931,710,355**	**19,816,448,541**
Non-Banking Assets	11	**88,309,355**	**88,909,355**
Total Property and Assets		**354,461,764,322**	**342,727,632,326**
Liabilities and Capital			
Liabilities			
Placement from Other Banks & Financial Institutions	12	**27,742,904,371**	**42,299,588,342**
Deposits and Other Accounts			
Mudaraba Savings Deposits		39,696,815,899	36,934,732,886
Mudaraba Term Deposits		97,867,730,869	86,817,226,090
Other Mudaraba Deposits		46,767,072,113	49,745,216,186
Al-Wadeeah Current & Other Deposit Accounts		60,012,359,409	48,292,958,243
Bills Payable		4,877,223,738	5,872,217,849
	13	**249,221,202,028**	**227,662,351,255**
Mudaraba Bonds	14	**8,200,000,000**	**10,200,000,000**
Other Liabilities	15	**45,201,600,617**	**40,144,704,369**
Deferred Tax Liabilities	16	**68,723,369**	**235,884,914**
Total Liabilities		**330,434,430,385**	**320,542,528,880**
Capital/Shareholders' Equity			
Paid-up Capital	17.2	11,129,683,510	10,805,517,980
Statutory Reserve	18	10,803,111,162	9,372,461,107
Capital Reserve		34,820,349	28,796,597
Foreign Currency Translation Reserve	19	9,087,189	-
Retained Earnings	20	1,822,170,931	1,745,940,328
Total Shareholders' Equity		**23,798,873,140**	**21,952,716,012**
Non-controlling Interest	17.7	228,460,797	232,387,434
Total Liabilities & Shareholders' Equity		**354,461,764,322**	**342,727,632,326**

Shahjalal Islami Bank PLC. and its Subsidiary

Consolidated Off-balance Sheet Items

As at 31 December 2023

	Note	31.12.2023 Taka	31.12.2022 Taka
Contingent Liabilities			
Acceptances & endorsements		49,612,821,032	51,712,319,611
Letters of guarantee	21	32,828,176,233	31,316,699,877
Irrevocable letters of credit	22	55,470,593,578	44,418,370,950
Bills for collection		26,470,542,968	26,824,787,053
Other contingent liabilities		-	-
Total		**164,382,133,811**	**154,272,177,491**
Other Commitments			
Documentary credits, short-term and trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance, revolving and underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		**-**	**-**
Total off-balance sheet items including contingent liabilities		**164,382,133,811**	**154,272,177,491**
Consolidated Net Asset Value per Share [previous year's figure restated]	43(i)	**21.38**	**19.72**

The annexed notes from 1 to 55 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
ICAB Enrolment number: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka,
17 April 2024
DVC No: 2404170770AS756293

Shahjalal Islami Bank PLC. and its Subsidiary

Consolidated Profit and Loss Account

For the year ended 31 December 2023

	Note	2023 Taka	2022 Taka
Operating Income			
Investment Income	24	18,178,269,302	15,965,123,028
Less: Profit paid on Deposits	25	9,063,042,571	8,365,858,043
Net Investment Income		**9,115,226,732**	**7,599,264,985**
Income from Investments in Shares & Securities	26	1,718,832,301	1,888,301,443
Commission, Exchange and Brokerage	27	2,942,927,057	3,634,722,397
Other Operating Income	28	1,543,095,945	1,357,676,035
		6,204,855,302	**6,880,699,875**
Total Operating Income		**15,320,082,034**	**14,479,964,860**
Operating Expenses			
Salaries and Allowances	29	3,978,469,790	3,615,281,013
Rent, Taxes, Insurances, Electricity etc.	30	391,760,855	401,946,759
Legal Expenses	31	2,502,063	1,440,072
Postage, Stamps, Telecommunication etc.	32	57,706,102	56,275,795
Stationery, Printings, Advertisements etc.	33	150,813,527	136,341,225
Chief Executive's Salary & Fees	34	16,272,000	22,399,944
Directors' Fees & Expenses	35	4,343,644	6,596,383
Sharia'h Supervisory Committee's Fees & Expenses	36	1,073,245	619,587
Auditors' Fees	37	1,104,000	626,500
Depreciation & Repairs of Assets	38	621,510,167	581,205,428
Zakat Expenses	39	243,649,917	205,584,162
Other Expenses	40	984,511,027	908,262,056
Total Operating Expenses		**6,453,716,337**	**5,936,578,924**
Profit before Provision	23	**8,866,365,696**	**8,543,385,936**
Specific Provision for Classified Investments		1,570,920,000	876,503,877
General Provision for Unclassified Investments		194,060,890	210,885,441
General Provision for Off-balance Sheet Items		(31,400,000)	-
Provision for diminution in value of Investments in Shares		-	12,400,000
Provision for Other Assets		-	112,000,000
Total Provision	41	**1,733,580,890**	**1,211,789,318**
Total Profit before Taxes		**7,132,784,807**	**7,331,596,618**
Provision for Taxation			
Deferred Tax	42	(167,161,546)	334,272
Current Tax	42b	3,718,392,081	3,745,966,752
		3,551,230,535	**3,746,301,024**
Net Profit after Taxes		**3,581,554,271**	**3,585,295,593**

Shahjalal Islami Bank PLC. and its Subsidiary

Consolidated Profit and Loss Account

For the year ended 31 December 2023

	Note	2023 Taka	2022 Taka
Net Profit after Taxes attributable to:			
Equity holders of SJIBPLC.		3,580,980,909	3,580,349,082
Non-controlling Interest		573,363	4,946,511
		3,581,554,271	**3,585,295,593**
Retained Earnings from previous year		1,745,940,328	1,608,652,106
Add: Net Profit after Taxes (attributable to equity holders of SJIBPLC.)		3,580,980,909	3,580,349,082
Profit available for Appropriation		**5,326,921,237**	**5,189,001,188**
Appropriation:			
Statutory Reserve	18	1,430,650,055	1,445,255,312
Start-up Fund	15a.3	36,248,720	35,250,581
Dividend		1,620,827,688	1,543,645,421
Capital Reserve		6,023,752	25,346,603
Profit against Mudaraba Perpetual Bond		411,000,092	393,562,943
Retained Earnings	20	1,822,170,932	1,745,940,328
		5,326,921,237	**5,189,001,188**
Consolidated Earnings per Share [previous year's figure restated]	43	**3.22**	**3.22**

The annexed notes from 1 to 55 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
ICAB Enrolment number: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka,
17 April 2024
DVC No: 2404170770AS756293

Shahjalal Islami Bank PLC. and its Subsidiary

Consolidated Cash Flow Statement

For the year ended 31 December 2023

	Note	2023 Taka	2022 Taka
Cash flows from operating activities			
Investment income receipt in cash	44	19,943,302,439	17,477,056,520
Profit paid on deposits and borrowings	45	(8,976,036,149)	(7,992,472,282)
Dividend receipts		166,223,735	179,480,905
Fees & commission receipt in cash		2,799,039,444	3,464,997,530
Recoveries on investment previously written-off		22,100,718	66,934,374
Cash payments to employees		(3,994,741,790)	(3,637,680,957)
Cash payments to suppliers		(150,813,527)	(136,341,225)
Income tax paid		(4,241,720,985)	(2,231,001,404)
Receipts from other operating activities	46	1,542,030,020	1,352,760,404
Payments for other operating activities	47	(1,999,773,230)	(1,616,393,539)
(i) Operating profit before changes in operating assets and liabilities		**5,109,610,675**	**6,927,340,328**
Changes in operating assets and liabilities			
(Increase)/decrease in investment to customers		(5,859,036,503)	(20,662,157,610)
(Increase)/decrease in other assets	48	(3,328,206,576)	(600,543,150)
(Increase)/decrease of placement with other banks & financial institutions		7,161,156,150	(2,762,364,425)
Increase/(decrease) in deposits from other banks		(43,797,884)	(7,046,926,871)
Increase/(decrease) of placement from other banks & financial institutions		(14,538,676,415)	9,593,984,094
Increase/(decrease) in deposits received from customers		21,401,535,105	17,342,079,211
Increase/(decrease) in other liabilities on account of customers		1,477,721,462	1,228,145,025
Increase/(decrease) in other liabilities	49	(154,560,589)	(104,835,524)
(ii) Cash flows from operating assets and liabilities		**6,116,134,751**	**(3,012,619,250)**
Net cash flows from operating activities (A)=(i+ii)		**11,225,745,426**	**3,914,721,079**
Cash flows from investing activities			
Proceeds from sale of securities		2,004,687,917	4,679,057,930
Payments for purchases of securities		(461,332,479)	(1,967,354,246)
Proceeds from sale of fixed assets		42,480,675	11,682,989
Payments for purchases of fixed assets		(238,429,092)	(218,322,332)
Net cash flows from/(used in) investing activities (B)		**1,347,407,022**	**2,505,064,341**
Cash flows from financing activities			
Receipts from issuance of debt instruments		-	-
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		(383,315,588)	(46,061,145)
Dividend paid to ordinary shareholders		(1,301,162,158)	(1,029,096,951)
Net cash flows from/(used in) financing activities (C)		**(3,684,477,746)**	**(3,075,158,096)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)		**8,888,674,702**	**3,344,627,324**
Add: Effect of exchange rate changes on cash and cash equivalents		143,887,613	169,724,866
Add: Cash and cash equivalents at the beginning of the year		20,642,913,568	17,128,561,378
Cash and cash equivalents at the end of the year	50	**29,675,475,883**	**20,642,913,568**
Consolidated Net Operating Cash Flows per Share (NOCFPS) [previous year's figure restated]	43(ii)	**10.09**	**3.52**

The annexed notes from 1 to 55 form an integral part of these consolidated financial statements.

Dhaka,
17 April 2024

Chairman **Director** **Director** **Managing Director & CEO**

Shahjalal Islami Bank PLC. and its Subsidiary

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

(Amount in Taka)

Particulars	Paid-up Capital	Statutory Reserve	Capital Reserve	Retained Earnings	Foreign Currency Translation Reserve	Non-controlling Interest	Total Capital/ Shareholders' Equity
Balance as at 01 January 2023	10,805,517,980	9,372,461,107	28,796,597	1,745,940,328	-	232,387,434	22,185,103,447
Dividend for the year 2022:							
Stock Dividend	324,165,530	-	-	(324,165,530)		-	-
Cash Dividend	-	-	-	(1,296,662,158)		(4,500,000)	(1,301,162,158)
Net profit during the year	-	-	-	3,580,980,909		573,363	3,581,554,271
Profit against Mudaraba Perpetual Bond				(411,000,092)		-	(411,000,092)
Statutory Reserve	-	1,430,650,055	-	(1,430,650,055)		-	-
Currency Translation Difference	-	-	-	-	9,087,189	-	9,087,189
Start-up Fund	-	-	-	(36,248,720)		-	(36,248,720)
Capital Reserve	-	-	6,023,752	(6,023,752)		-	-
Total Shareholders' Equity as at 31 December 2023	**11,129,683,510**	**10,803,111,162**	**34,820,349**	**1,822,170,931**	**9,087,189**	**228,460,797**	**24,027,333,937**
Add: Mudaraba Perpetual Bond							5,000,000,000
Add: General Provision for Unclassified Investments & Off-balance Sheet Items							4,240,053,735
Add: Mudaraba Subordinated Bond							1,200,000,000
Less: Adjustment for Intangible Assets							24,816,045
Total Equity as at 31 December 2023							**34,442,571,627**

For the year ended 31 December 2022

(Amount in Taka)

Particulars	Paid-up Capital	Statutory Reserve	Capital Reserve	Retained Earnings	Foreign Currency Translation Reserve	Non-controlling Interest	Total Capital/ Shareholders' Equity
Balance as at 01 January 2022	10,290,969,510	7,927,205,795	3,449,994	1,608,652,106	-	227,440,923	20,057,718,328
Dividend for the year 2021							
Stock Dividend (5%)	514,548,470	-		(514,548,470)		-	-
Cash Dividend Paid (10%)	-	-	-	(1,029,096,951)		-	(1,029,096,951)
Net profit during the year	-	-	-	3,580,349,082		4,946,511	3,585,295,593
Profit against Mudaraba Perpetual Bond				(393,562,943)			(393,562,943)
Statutory Reserve	-	1,445,255,312	-	(1,445,255,312)		-	-
Currency Translation Difference	-	-	-	-	-	-	-
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: Mudaraba 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 Equity as at 31 December 2022							**34,428,566,530**

The annexed notes from 1 to 55 form an integral part of these consolidated financial statements.

Dhaka,
17 April 2024

Chairman **Director** **Director** **Managing Director & CEO**

Shahjalal Islami Bank PLC.

Balance Sheet

As at 31 December 2023

	Note	31.12.2023 Taka	31.12.2022 Taka
Property and Assets			
Cash			
Cash in Hand (including Foreign Currencies)	3a	2,247,682,953	2,399,102,842
Balance with Bangladesh Bank & its Agent Banks (including Foreign Currencies)	4a	23,432,585,249	14,924,287,024
		25,680,268,203	**17,323,389,865**
Balance with Other Banks and Financial Institutions			
Inside Bangladesh		2,217,432,070	2,192,462,827
Outside Bangladesh		1,754,675,394	1,103,127,014
	5a	**3,972,107,464**	**3,295,589,841**
Placement with Other Banks & Financial Institutions	6a	**14,115,801,566**	**21,276,957,716**
Investments in Shares & Securities			
Government		24,639,910,000	25,639,910,000
Others		7,310,952,402	7,846,594,135
	7a	**31,950,862,402**	**33,486,504,135**
Investments			
General Investment etc.		231,683,099,579	220,328,259,077
Bills Purchased and Discounted		10,067,701,645	16,901,718,515
	8a	**241,750,801,224**	**237,229,977,592**
Fixed Assets including Premises, Furniture and Fixtures	9a	**5,235,145,745**	**5,272,662,474**
Other Assets	10a	**28,926,044,213**	**21,844,875,177**
Non-Banking Assets	11	**88,309,355**	**88,909,355**
Total Property and Assets		**351,719,340,172**	**339,818,866,156**
Liabilities and Capital			
Liabilities			
Placement from Other Banks & Financial Institutions	12a	**27,511,352,759**	**42,036,645,204**
Deposits and Other Accounts			
Mudaraba Savings Deposits		39,696,820,704	36,934,789,424
Mudaraba Term Deposits		97,867,730,869	86,817,226,090
Other Mudaraba Deposits		47,130,779,908	50,064,730,403
Al-Wadeeah Current & Other Deposit Accounts		60,012,469,463	48,293,094,847
Bills Payable		4,877,223,738	5,872,217,849
	13a	**249,585,024,682**	**227,982,058,614**
Mudaraba Bonds	14	**8,200,000,000**	**10,200,000,000**
Other Liabilities	15a	**42,592,548,156**	**37,492,869,557**
Deferred Tax Liabilities	16a	**70,225,452**	**237,151,866**
Total Liabilities		**327,959,151,049**	**317,948,725,240**
Capital/Shareholders' Equity			
Paid-up Capital	17.2	11,129,683,510	10,805,517,980
Statutory Reserve	18	10,803,111,162	9,372,461,107
Foreign Currency Translation Reserve	19	9,087,189	-
Retained Earnings	20a	1,818,307,263	1,692,161,829
Total Shareholders' Equity		**23,760,189,123**	**21,870,140,916**
Total Liabilities & Shareholders' Equity		**351,719,340,172**	**339,818,866,156**

Shahjalal Islami Bank PLC.

Off-balance Sheet Items

As at 31 December 2023

	Note	31.12.2023 Taka	31.12.2022 Taka
Contingent Liabilities			
Acceptances & endorsements		49,612,821,032	51,712,319,611
Letters of guarantee	21	32,828,176,233	31,316,699,877
Irrevocable letters of credit	22	55,470,593,578	44,418,370,950
Bills for collection		26,470,542,968	26,824,787,053
Other contingent liabilities		-	-
Total		**164,382,133,811**	**154,272,177,491**
Other Commitments			
Documentary credits, short-term and trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance, revolving and underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		**-**	**-**
Total off-balance sheet items including contingent liabilities		**164,382,133,811**	**154,272,177,491**
Net Asset Value per Share [previous year's figure restated]	43(i)	**21.35**	**19.65**

The annexed notes from 1 to 55 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
ICAB Enrolment number: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka,
17 April 2024
DVC No: 2404170770AS756293

Shahjalal Islami Bank PLC.

Profit and Loss Account

For the year ended 31 December 2023

	Note	2023 Taka	2022 Taka
Operating Income			
Investment Income	24a	18,129,791,800	15,885,443,131
Less: Profit paid on Deposits	25a	9,034,423,217	8,335,129,184
Net Investment Income		**9,095,368,584**	**7,550,313,947**
Income from Investments in Shares & Securities	26a	1,721,361,713	1,732,562,841
Commission, Exchange and Brokerage	27a	2,861,079,211	3,486,719,333
Other Operating Income	28a	1,536,376,195	1,351,229,343
		6,118,817,118	**6,570,511,517**
Total Operating Income		**15,214,185,702**	**14,120,825,464**
Operating Expenses			
Salaries and Allowances	29a	3,911,632,751	3,541,190,780
Rent, Taxes, Insurances, Electricity etc.	30a	385,313,991	395,349,782
Legal Expenses	31a	2,399,713	1,362,822
Postage, Stamps, Telecommunication etc.	32a	54,839,785	53,233,194
Stationery, Printings, Advertisements etc.	33a	149,908,208	134,894,501
Chief Executive's Salary & Fees	34	16,272,000	22,399,944
Directors' Fees & Expenses	35	4,343,644	6,596,383
Sharia'h Supervisory Committee's Fees & Expenses	36	1,073,245	619,587
Auditor's Fees	37a	1,035,000	550,000
Depreciation & Repairs of Bank'sAssets	38a	600,330,115	558,210,217
Zakat Expenses	39	243,649,917	205,584,162
Other Expenses	40a	956,556,170	866,192,092
Total Operating Expenses		**6,327,354,539**	**5,786,183,465**
Profit before Provision	23a	**8,886,831,162**	**8,334,641,999**
Specific Provision for Classified Investments		1,570,920,000	785,480,000
General Provision for Unclassified Investments		194,060,890	210,885,441
General Provision for Off-balance Sheet Items		(31,400,000)	-
Provision for diminution in value of Investments in Shares		-	-
Provision for Other Assets		-	112,000,000
Total Provision	41a	**1,733,580,890**	**1,108,365,441**
Total Profit before Taxes		**7,153,250,273**	**7,226,276,558**
Provision for Taxation			
Deferred Tax	42a	(166,926,414)	-
Current Tax	42c	3,695,304,699	3,701,218,481
		3,528,378,285	**3,701,218,481**
Net Profit after Taxes		**3,624,871,988**	**3,525,058,077**

Shahjalal Islami Bank PLC.

Profit and Loss Account

For the year ended 31 December 2023

	Note	2023 Taka	2022 Taka
Retained Earnings from previous year		1,692,161,829	1,584,818,008
Add: Net Profit after Taxes		3,624,871,988	3,525,058,077
Profit available for Appropriation		**5,317,033,817**	**5,109,876,085**
Appropriation:			
Statutory Reserve	18	1,430,650,055	1,445,255,312
Start-up Fund	15a.3	36,248,720	35,250,581
Dividend		1,620,827,688	1,543,645,421
Profit against Mudaraba Perpetual Bond		411,000,092	393,562,943
Retained Earnings	20a	1,818,307,263	1,692,161,829
		5,317,033,817	**5,109,876,085**
Earnings per Share (EPS) [previous year's figure restated]	43a	**3.26**	**3.17**

The annexed notes from 1 to 55 form an integral part of these 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
ICAB Enrolment number: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka,
17 April 2024
DVC No: 2404170770AS756293

Shahjalal Islami Bank PLC.

Cash Flow Statement

For the year ended 31 December 2023

	Note	2023 Taka	2022 Taka
Cash flows from operating activities			
Investment income receipt in cash	44a	19,673,238,630	17,054,304,197
Profit paid on deposits and borrowings	45a	(8,762,916,189)	(7,778,867,646)
Dividend receipts		216,523,735	179,480,905
Fees & commission receipt in cash		2,717,191,598	3,316,994,466
Recoveries on investment previously written-off		22,100,718	66,934,374
Cash payments to employees		(3,927,904,751)	(3,563,590,724)
Cash payments to suppliers		(149,908,208)	(134,894,501)
Income tax paid		(4,201,023,656)	(2,188,624,194)
Receipts from other operating activities	46a	1,535,197,977	1,346,180,485
Payments for other operating activities	47a	(1,961,852,413)	(1,563,784,406)
(i) Operating profit before changes in operating assets and liabilities		**5,160,647,441**	**6,734,132,958**
Changes in operating assets and liabilities			
(Increase)/decrease in investment to customers		(6,020,842,463)	(20,643,393,593)
(Increase)/decrease in other assets	48a	(3,334,811,127)	(591,081,108)
(Increase)/decrease of placement with other banks & financial institutions		7,161,156,150	(2,762,364,425)
Increase/(decrease) in deposits from other banks		(43,797,884)	(7,046,926,871)
Increase/(decrease) of placement from other banks & financial institutions		(14,525,292,445)	9,600,192,382
Increase/(decrease) in deposits received from customers		21,445,650,400	17,183,735,808
Increase/(decrease) in other liabilities on account of customers		1,477,721,462	1,228,145,025
Increase/(decrease) in other liabilities	49a	(97,767,764)	179,156,379
(ii) Cash flows from operating assets and liabilities		**6,062,016,330**	**(2,852,536,403)**
Net cash flows from operating activities (A)=(i+ii)		**11,222,663,771**	**3,881,596,555**
Cash flows from investing activities			
Proceeds from sale of securities		1,982,799,424	4,331,449,932
Payments for purchases of securities		(447,157,691)	(1,550,351,980)
Proceeds from sale of fixed assets		42,480,675	11,682,989
Payments for purchases of fixed assets		(231,300,086)	(204,239,498)
Purchase/sale of subsidiaries		-	-
Net cash flows from/(used in) investing activities (B)		**1,346,822,322**	**2,588,541,444**
Cash flows from financing activities			
Receipts from issuance of debt instruments		-	-
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		(383,315,588)	(46,061,145)
Dividend paid to ordinary shareholders		(1,296,662,158)	(1,029,096,951)
Net cash flows from/(used in) financing activities (C)		**(3,679,977,746)**	**(3,075,158,096)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)		**8,889,508,347**	**3,394,979,903**
Add: Effect of exchange rate changes on cash and cash equivalents		143,887,613	169,724,866
Add: Cash and cash equivalents at the beginning of the year		20,618,979,706	17,054,274,937
Cash and cash equivalents at the end of the year	50a	**29,652,375,666**	**20,618,979,706**
Net Operating Cash Flows per Share (NOCFPS) [previous year's figure restated]	43(ii)	**10.08**	**3.49**

The annexed notes from 1 to 55 form an integral part of these financial statements.

Dhaka,
17 April 2024

Chairman **Director** **Director** **Managing Director & CEO**

Shahjalal Islami Bank PLC.

Statement of Changes in Equity

For the year ended 31 December 2023

(Amount in Taka)

Particulars	Paid-up Capital	Statutory Reserve	Retained Earnings	Foreign Currency Translation Reserve	Total Capital/ Shareholders' Equity
Balance as at 01 January 2023	10,805,517,980	9,372,461,107	1,692,161,829	-	21,870,140,916
Dividend for the year 2022:					
Stock Dividend (3%)	324,165,530	-	(324,165,530)		-
Cash Dividend Paid (12%)	-	-	(1,296,662,158)		(1,296,662,158)
Net profit during the year	-	-	3,624,871,988		3,624,871,988
Profit against Mudaraba Perpetual Bond	-	-	(411,000,092)		(411,000,092)
Statutory Reserve	-	1,430,650,055	(1,430,650,055)		-
Currency Translation Difference	-	-	-	9,087,189	9,087,188.55
Start-up Fund	-	-	(36,248,720)		(36,248,720)
Total Shareholders' Equity as at 31 December 2023	**11,129,683,510**	**10,803,111,162**	**1,818,307,263**	**9,087,189**	**23,760,189,123**

Equity as per above	**23,760,189,123**
Add: Mudaraba Perpetual Bond	5,000,000,000
Add: General Provision for Unclassified Investments & Off-Balance Sheet Items	4,190,588,000
Add: Mudaraba Subordinated Bond	1,200,000,000
Less: Adjustment for Intangible Assets	24,540,751
Total Equity as at 31 December 2023	**34,126,236,372**

For the year ended 31 December 2022

(Amount in Taka)

Particulars	Paid-up Capital	Statutory Reserve	Retained Earnings	Foreign Currency Translation Reserve	Total Capital/ Shareholders' Equity
Balance as at 01 January 2022	10,290,969,510	7,927,205,795	1,584,818,008	-	19,802,993,313
Dividend for the year 2021:					
Stock Dividend (5%)	514,548,470	-	(514,548,470)		-
Cash Dividend Paid (10%)	-	-	(1,029,096,951)		(1,029,096,951)
Net profit during the year	-	-	3,525,058,077		3,525,058,077
Profit against Mudaraba Perpetual Bond	-	-	(393,562,943)		(393,562,943)
Statutory Reserve	-	1,445,255,312	(1,445,255,312)		-
Currency Translation Difference	-	-	-	-	-
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**	**1,692,161,828**	**-**	**21,870,140,916**

Equity as per above	**21,870,140,916**
Add: Mudaraba 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 Equity as at 31 December 2022	**34,064,482,378**

The annexed notes from 1 to 55 form an integral part of these financial statements.

Dhaka,
17 April 2024

Chairman **Director** **Director** **Managing Director & CEO**

Shahjalal Islami Bank PLC.

Liquidity Statement
(Assets & Liabilities Maturity Analysis)

As at 31 December 2023

(Amount in Taka)

Particulars	Up to 01 Month	01-03 Months	03-12 Months	01-05 Years	More than 05 years	Total
Assets						
Cash in Hand	2,247,682,953	-	-	-	-	2,247,682,953
Balance with Other Banks and Financial Institutions	15,538,738,979	1,945,509,733	-	-	9,920,444,000	27,404,692,713
Placement with Other Banks & Financial Institutions	6,300,000,000	7,505,000,000	-	310,801,566	-	14,115,801,566
Investments in Shares & Securities	200,000,000	-	4,143,667,910	26,079,910,000	1,527,284,492	31,950,862,402
Investments	53,185,176,269	50,767,668,257	53,185,176,269	38,680,128,196	45,932,652,233	241,750,801,224
Fixed Assets including Premises, Furniture and Fixtures	1,151,732,064	1,099,380,606	1,151,732,064	837,623,319	994,677,692	5,235,145,745
Other Assets	7,309,217,563	1,600,485,694	2,206,015,063	15,295,325,892	2,515,000,000	28,926,044,213
Non-Banking Assets	-	-	88,309,355	-	-	88,309,355
Total Assets (i)	**85,932,547,829**	**62,918,044,291**	**60,774,900,662**	**81,203,788,973**	**60,890,058,416**	**351,719,340,172**
Liabilities						
Placement from Other Banks & Financial Institutions	5,502,270,552	11,004,541,103	8,253,405,828	2,751,135,276	-	27,511,352,759
Deposits and Other Accounts	64,198,673,161	47,607,614,164	47,105,362,775	40,451,264,477	50,222,110,105	249,585,024,682
Mudaraba Bonds	-	-	2,000,000,000	1,200,000,000	5,000,000,000	8,200,000,000
Other Liabilities	8,092,584,150	3,407,403,853	2,129,627,408	24,703,677,931	4,259,254,816	42,592,548,156
Deferred Tax Liabilities	-	-	-	-	70,225,452	70,225,452
Total Liabilities (ii)	**77,793,527,863**	**62,019,559,120**	**59,488,396,010**	**69,106,077,684**	**59,551,590,372**	**327,959,151,049**
Net Liquidity Gap (i-ii)	**8,139,019,967**	**898,485,171**	**1,286,504,651**	**12,097,711,290**	**1,338,468,044**	**23,760,189,123**

The annexed notes from 1 to 55 form an integral part of these financial statements.

Dhaka,
17 April 2024

Chairman **Director** **Director** **Managing Director & CEO**

Notes to the Consolidated and Separate Financial Statements

As at and for the year ended 31 December 2023

1. Status of the Bank

1.1. Legal Form of the Bank

Shahjalal Islami Bank PLC. (hereinafter called the 'Bank' or 'SJIBPLC') was established as a public limited company (Banking Company) on 01 April 2001 in the name of "Shahjalal Islami Bank Limited" which was subsequently renamed as "Shahjalal Islami Bank PLC." vide RJSC Certificate No. C-42778 dated 06 August 2023 under the Companies Act, 1994 as interest free Islamic Shariah based Commercial Bank. The Bank 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, 132 (one hundred thirty two) ATM booths, 119 (one hundred nineteen) agent banking outlets and 2,875 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 PLC. and Chittagong Stock Exchange PLC.

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

1.2. Nature of Business

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

1.3. Offshore Banking Unit

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

1.4. Agent Banking

Shahjalal Islami Bank PLC. obtained permission from Bangladesh Bank on 16 October 2019 vide reference no. BRPD(P-3)745(54)/2019-8354 to commence Agent Banking services and subsequently started commercial operations on 02 January 2020. Till 31 December 2023 there were 119 Agent Banking Outlets in 43 districts and 96 upazillas across the country. Services that are currently being dispensed include account opening i.e., Al-Wadeeah Current A/C, Mudaraba Savings A/C, Mudaraba Scheme Deposit A/C, Mudaraba Term Deposit A/C, cash deposit and withdrawal from agent banking outlets and SJIBPLC branches, fund transfer (P2P), inward/outward cheque payment, remittance disbursement, balance inquiry, SMS banking, EFTN & RTGS etc.

1.5. Shahjalal Islami Bank Securities Limited

Shahjalal Islami Bank Securities Limited is a subsidiary company of Shahjalal Islami Bank PLC. incorporated as a public limited company under the Companies Act, 1994 vide Certificate of Incorporation No. C-86917/10 dated 06 September 2010 and commenced its operation on 25 May 2011. The main objective of the company is to carry on business of stock brokers/dealers in relation to shares and securities dealings and other services as mentioned in the Memorandum and Articles of Association of the company. It has corporate membership of Dhaka Stock Exchange PLC and Chittagong Stock Exchange Limited. Shahjalal Islami Bank PLC. holds 91.79% shares of Shahjalal Islami Bank Securities Limited.

2. Significant Accounting Policies

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

2.1. Basis of Preparation of the Financial Statements

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

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 Financial Reporting Council (FRC) under the Financial Reporting Act (FRA), 2015 and, in addition to this, the Bank also complied with the requirements of the following laws and regulations from various Government bodies:

i) The Banking Companies Act, 1991 (as amended up to date);

ii) The Companies Act, 1994;

iii) Circulars, Rules and Regulations issued by Bangladesh Bank (BB) time to time;

iv) Bangladesh Securities and Exchange Ordinance, 1969; Bangladesh Securities and Exchange Rules, 1987; Bangladesh Securities and Exchange Act, 1993 and Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and amendments thereon;

v) The Income Tax Act, 2023;

vi) The Value Added Tax and Supplementary Duty Act, 2012, The Value Added Tax Rules, 2016 and amendments thereon;

vii) Dhaka Stock Exchange PLC. (DSE), Chittagong Stock Exchange PLC. (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 PLC. including Offshore Banking Unit and the Financial Statements of its subsidiary named Shahjalal Islami Bank Securities Limited made up to the end of the financial 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 2023.

2.3. Subsidiary

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

2.4. Transactions Eliminated on Consolidation

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

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
Quoted Shares Debenture/Bond/ Mutual Fund (Close-end)	Cost	Lower of cost or market value (each type in portfolio)	Provision made for unrealised Loss (each type net off gain) through profit and loss account but no unrealised gain booking.
Shares (Un-quoted)	Cost	Lower of cost or Net Worth	In case of loss due to reduction in Net Worth or non-existence or discontinued operation, provision made for proportionate to the investment (in case of reduction in Net Worth) or equal to investment (in case of non-existence or discontinued operation) through profit and loss account but no unrealised gain booking.

Investment Class	Initial Recognition	Measurement after Initial Recognition	Recording of Changes
Mutual Fund (Open-end)	Cost	If average cost price (CP) > Surrender Price (SP), then required provision (RP) will be (RP) = CP - SP	Provision made for Loss (net) through profit and loss account but no unrealised gain booking.

2.7.3 General Investments

Investments are recognised at gross amount on the date on which they are originated. After initial recognition, investments are stated in the Balance Sheet net off profit receivables and unearned income. However, provisions for investments are not net off with investments.

Investments are written off as per guidelines of Bangladesh Bank. These write off however will not undermine/affect the claim amount against the client. Detailed memorandum records for all such write off accounts are meticulously maintained and followed up.

Provisions

Investments are stated in the Balance Sheet net off unearned income. Provision on Investments (Loans & Advances) is made on the basis of period end review by the management and as per instructions contained in Bangladesh Bank BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 5 dated 29 May 2013, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 01 dated 20 February 2018, BRPD circular no. 03 dated 21 April 2019, BRPD circular no. 07 dated 19 March 2020, BRPD circular no. 16 dated 21 July 2020, BRPD circular no. 17 dated 28 September 2020,BRPD circular letter no. 52 dated 20 October 2020, BRPD circular letter no. 56 dated 10 December 2020, BRPD circular letter no. 3 dated 31 January 2021, BRPD circular letter no. 5 dated 24 March 2021, BRPD circular no. 13 dated 27 June 2021, BRPD circular no. 19 dated 26 August 2021, BRPD circular letter no. 45 dated 04 October 2021, BRPD circular letter no. 50 dated 14 December 2021, BRPD circular letter no. 51 & 52 dated 29 December 2021, BRPD circular letter no. 53 dated 30 December 2021, BRPD circular no. 14 dated 22 June 2022, BRPD circular no. 51 dated 18 December 2022, BRPD circular no. 53 dated 22 December 2022, BRPD circular no. 03 dated 02 February 2023 and BRPD circular no. 11 dated 20 June 2023.

The rates of provision are given below:

Particulars		Percentage (%) of Provision Requirement				
		Un-classified		Classified		
		Standard	SMA	SS	DF	BL
Cottage, Micro & Small Investments Under CMSME		0.25%	0.25%	5%	20%	100%
Medium Enterprise Financing under SMEF		0.25%	0.25%	20%	50%	100%
Consumer	Investment to Professional	2%	2%	20%	50%	100%
	Investment for House Building	1%	1%	20%	50%	100%
	Other than House Building & Professional	2%	2%	20%	50%	100%
Short-term Agricultural and Micro-Credits		1%	1%	5%	5%	100%
Investment to Stock Dealers & Stock Broker		1%	1%	20%	50%	100%
Credit Card		2%	2%	20%	50%	100%
All Other Investments		1%	1%	20%	50%	100%
Staff Investment		0%	0%	20%	50%	100%
Off-balance Sheet Exposures		1%	N/A	N/A	N/A	N/A
Special General Provision for COVID-19 (CMSME)		1%	BRPD circular letter no. 53; Date: 22 December 2022			
Special General Provision for COVID-19		2%	BRPD circular letter no. 53; Date: 22 December 2022			

2.7.4 Impairment of Financial Assets

An asset is impaired when its carrying value exceeds its recoverable amount as per IAS 36: *Impairment of Assets*. At each balance sheet date, Shahjalal Islami Bank PLC. assesses whether there is objective evidence that a financial asset or a group of financial assets, i.e., general investments, off-balance sheet items and investments in shares and securities are impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if-

- there is objective evidence of impairment as a result of a loss event that occurred after the initial recognition of the asset up to the balance sheet date;
- the loss event had an impact on the estimated future cash flows of the financial asset or the group of financial assets; and
- a reliable estimate of the loss amount can be made.

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 PLC. applied IFRS 16: *Leases* where the Bank measure the lease liability at the present value of the remaining lease payments and recognised a right-of-use asset at the date of the initial application on a lease by lease basis.

According to IFRS 16, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

An asset is typically identified by being explicitly specified in a contract, but an asset can also be identified by being implicitly specified at the time it is made available for use by the customer.

Upon lease commencement, the Bank recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the Bank. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar. After lease commencement, the Bank measures the right-of-use asset using a cost model. Under the cost model, a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

The lease liability is initially measured at present value of the future lease payments discounted using the discount rate implicit in the lease. Subsequently, the lease liability is adjusted for interest and lease payments as well as the impact of lease modifications, amongst others.

The Bank has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit and loss account on a straight-line basis over the lease term.

On the balance sheet, right-of-use assets have been included in fixed assets including premises, furniture and fixtures and lease liabilities have been included in other liabilities.

2.7.7 Fair Value of Assets and Liabilities

IFRS 13 refers fair value measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions.

2.7.8 Impairment of Fixed Assets

At each balance sheet date, the Bank assesses whether there is any indication that the carrying amount of an asset exceeds its recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and an impairment loss is recognised as an expense in the profit and loss account unless the asset is carried at revalued amount in accordance with IAS 16 in which case any impairment loss of a revalued asset should be treated as a revaluation decrease under that accounting standard. No impairment loss was recognised up to the reporting period as there were no such indications existed as at balance sheet date.

2.7.9 Investment Properties

a) Investment property is held to earn rentals or for capital appreciation or both and the future economic benefits that are associated with the investment property but not held for sale in the ordinary course of business.

b) Investment property is accounted for under cost model in the financial statements. Accordingly, after recognition as an asset, the property is carried at its cost less accumulated depreciation and accumulated impairment loss.

2.7.10 Other Assets

Other assets include all other financial assets and include fees and other unrealised income receivable, advance for operating and capital expenditure and stocks of stationery and stamps.

2.7.11 Inventories

Inventory is the accounting of items, component parts and raw materials that a company either uses in production or sells. Inventories are measured at the lower of cost and net realisable value.

2.7.12 Trade & Other Receivables

Trade receivables are amounts accrued by an organization when it delivers goods or renders services to its customers in the ordinary course of business.

2.8. Liabilities and Provisions

2.8.1 Placement from other Banks and Financial Institutions

Placement from other Banks and Financial Institutions include profit bearing placements and Bangladesh Bank refinance. These items are brought to the financial statements at the gross value of the outstanding balance.

2.8.2 Deposits and Other Accounts

Deposits and other accounts include non-profit bearing Al-Wadeeah current deposits redeemable at call, bills payable, profit bearing on demand and special notice deposits, Mudaraba savings deposits, Mudaraba term deposits and Mudaraba scheme deposits. These items are brought to the financial statements at the gross value of the outstanding balance.

2.8.3 Mudaraba Perpetual Bond

With due approval from competent authority, Shahjalal Islami Bank PLC. raised Additional Tier-1 Capital through issuance of "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, 2023 on the accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure and provisions as per Income Tax ACT, 2023 in compliance with IAS 12: *Income Taxes*.

Deferred Tax

Principle of Recognition

Deferred tax is recognised as income or an expense amount within the tax charge, and included in the net profit and loss account for the period. Deferred tax relating to items dealt with directly in equity is recognised directly in equity.

Recognition of Taxable Temporary Difference

A deferred tax liability is recognised for all taxable differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill; or the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Recognition of Deductible Temporary Difference

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction 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 thereon) 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 PLC. is very insignificant. Also, minority interest is reported on the consolidated profit and loss account as a share of profit belonging to the minority shareholders.

2.10. Contingencies and commitments

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or any present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

Contingent assets are not recognised in the financial statements as this may result in the recognition of income which may never be realised.

2.11. Operating Segment

As per IFRS 8 "Operating Segments", is a component of an entity:

(a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity)

(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.

Bangladesh Bank vide letter DBI-7/4(5)/2024-336 dated 8 April 2024 has instructed the Bank to reverse certain income recognized during the current year to subsequent period as well as to maintain provision on non-banking asset. However, the management of the bank is confident to get rid of the issues positively in consultation with Bangladesh Bank.

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 2023, the Bank paid 76.80% 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 2023, 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

Transactions in foreign currencies are converted into equivalent Taka currency using the ruling exchange rates on the dates of such transactions as per IAS 21: The Effects of Changes in Foreign Exchange Rates. At the Balance Sheet date, related assets and liabilities are converted to Taka using exchange rates prevailing on that date and incomes and expenses are translated using monthly average exchange rate.

Commitment

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 PLC. did not change the accounting policies and accounting estimates during the year 2023.

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 PLC. was established in the year 2007. This fund is mainly used for payment of scholarship to the meritorious students among the children of SJIBL's

officers and sub-staff, to allow short-term quard/grant for the unexpected and certain needs of the staff of SJIBL and their family like accident, clinical treatment, marriage ceremony, etc.

Incentive Bonus

The Bank usually pay 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. 54 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 PLC. is well compliant in Core Risk Management activities.

In line with instruction of Bangladesh Bank, SJIBPLC 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 14 (fourteen) meetings during the year 2023. The key agenda of the meetings were liquidity position, pricing, risk related to the Balance Sheet, maintaining CRR & SLR, Economic Outlook & Market Status and Rate of

Profit (Interest). For managing Balance Sheet risk properly, the Bank has already prepared a Manual of the Asset Liability Management according to the guidelines of Bangladesh Bank.

d) Money Laundering Risk Management

Shahjalal Islami Bank PLC. is taking preventive measures against money laundering and terrorist financing and proliferation financing in line with the Money Laundering Prevention Act, 2012 (amended 2015), Anti-Terrorism Act, 2009 (amended 2012 & 2013) and guidelines issued by the Bangladesh Financial Intelligence Unit (BFIU) from time to time. Shahjalal Islami Bank PLC. applies risk sensitive customer due diligence measures, monitors business relationship and keeps records in line with regulations. The Bank regularly collects the accurate and complete documentation of Know Your Customer (KYC) which enables the prudential prevention of money laundering. The Bank has formed Central Compliance Committee (CCC) headed by the Additional Managing Director as Chief Anti-Money Laundering Compliance Officer (CAMLCO) and the committee regularly monitors and ensures the compliance of issues relating to money laundering and terrorist financing and proliferation financing through the trained personnel of Head Office and Branches. The Bank has already subscribed 'Seasearcher' service from Lloyd's List Intelligence for vessel tracking and container tracking in order to appetite trade based money laundering risk.

e) Internal Control & Compliance Risk Management

Internal control is a process that ensures operational efficiency, reliability of financial reporting and compliance with applicable laws, regulations, policies for attainment of organizational objectives. The primary objective of Internal Control and Compliance of Shahjalal Islami Bank PLC. (SJIBPLC) is enabling the Bank to perform better, establish governance across the bank and add value by proper use of infrastructure and blending of available resources.

The Internal Control & Compliance Division (IC&CD) of SJIBPLC 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, SJIBPLC has drawn up its own 'Internal Control & Compliance Manual' in conformity to the "Guidelines on Internal Control & Compliance in Banks" provided by Bangladesh Bank. SJIBPLC 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 SJIBPLC 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 PLC. is fully aware of its responsibility towards stakeholders specially depositors.

Shahjalal Islami Bank PLC. follows a stringent screening process while recruiting officers and staff. The prospective employees' family background/employment history/association are checked/cross checked in terms of integrity, attitude and behavioral pattern. The Bank has started to collect Police Clearance to know if the candidate had ever been engaged in anti-social or anti-state or detrimental/subversive activities. Check with Bangladesh Bank's Corporate Memory Management Systems for background check of experienced Bankers, Financial Institution's employees and verify National ID on-line. As a result, the Bank since its inception has seen comparatively very few cases of fraud and forgeries. Moreover, the Internal Control and Compliance Division (IC&CD) have been strengthened to remain ever vigilant. These have reduced the chances of fraudulent activities in Shahjalal Islami Bank PLC.

Further, the number of fraud cases in Shahjalal Islami Bank PLC. is at a minimal level. However, in the year 2023, 02 (two) cases of fraud and forgery were identified. Total embezzled/irregular amount involved in the fraud cases was Tk. 30,050,346 (Taka three crore fifty thousand three hundred forty six) only and Tk. 20,300,000 (Taka two crore three lac) only have been recovered/settled.

The Bank has also reported the same to Bangladesh Bank in compliance with the Department of Off-site Supervision (DOS) circular letter no. 10 dated 09 May 2017 of Bangladesh Bank.

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 statements of the Bank have been prepared in accordance with the following International Financial Reporting Standards (IFRSs) & International Accounting Standards (IASs) as adopted by the Financial Reporting Council (FRC) and the requirements of the Banking Companies Act, 1991 (as amended up to date), the rules and regulations issued by Bangladesh Bank, the Companies Act, 1994. In case any requirement of the Banking Companies Act, 1991 (as amended up to date), and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs, the requirements of the Banking Companies Act, 1991 (as amended up to date), and provisions and circulars issued by Bangladesh Bank shall prevail. Material deviations from the requirements of IFRSs are mentioned above under note no. 2.1.

Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied *
2	2	Inventories	Not Applicable
3	7	Statement of Cash Flows	Complied *
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	12	Income Taxes	Complied
7	16	Property, Plant & Equipment	Complied
8	19	Employee Benefits	Complied
9	20	Accounting for Government Grants and Discloser of Government Assistance	Not Applicable
10	21	The Effects of Changes in Foreign Exchanges Rates	Complied
11	23	Borrowing Costs	Not Applicable
12	24	Related Party Disclosures	Complied
13	26	Accounting and Reporting by Retirement Benefit Plans	Not Applicable
14	27	Consolidated and Separate Financial Statements	Complied
15	28	Investment in Associates	Not Applicable
16	33	Earnings per Share	Complied
17	34	Interim Financial Reporting	Complied
18	36	Impairment of Assets	Complied
19	37	Provisions, Contingent Liabilities and Contingent Assets	Complied *
20	38	Intangible Assets	Complied

Sl. No.	IAS No.	IAS Title	Compliance Status
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

A number of new standards and amendments to standards are effective for annual period beginning on 1 January 2023 which have been duly adopted. However, none of these new and/or amended standards have any significant impact on the Bank's financial statements.

A number of new standards and amendments to standards are effective for annual periods beginning after 31 December 2023 and earlier application is permitted. However, none of these new and/or amended standards have any significant impact on the Bank's financial statements.

The International Sustainability Standards Board (ISSB) has issued IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, which are applicable from the financial year starting from 1 January 2024. The Central Bank (Bangladesh Bank) has also issued a guideline on sustainability and climate related financial disclosure which would be effected from 1 January 2024. The Bank is assessing impact on these standards and guidelines for implementation.

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 2023.

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. 55 of these financial Statements.

2.35. Operating Environment

The Bank's operating environment during the year ended 2023 were impacted by a number of major global geo-political events and conflict, volatile fuel and commodity prices, unpredictable foreign exchange and interest rate 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 factor these issues into the decision making process.

2.36. Date of Authorization

The financial statements were authorized by the Board of Directors on 17 April 2024.

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.

			31.12.2023 Taka	31.12.2022 Taka
3.	**Consolidated Cash in Hand (including Foreign Currencies)**			
	Shahjalal Islami Bank PLC.	(Note-3a)	2,247,682,953	2,399,102,842
	Shahjalal Islami Bank Securities Ltd.		-	-
			2,247,682,953	**2,399,102,842**
3a	**Cash in Hand of the Bank (including Foreign Currencies)**			
	In Local Currencies		2,233,502,027	2,382,419,040
	In Foreign Currencies	(Note-3a.1)	14,180,926	16,683,802
			2,247,682,953	**2,399,102,842**

3a.1 In Foreign Currencies

Foreign Currency	Amount in FC	Exchange Rate (Mid Rate)		
USD	125,836.18	110.0000	13,841,980	16,187,684
Euro	2,770.98	122.3200	338,946	496,118
			14,180,926	**16,683,802**

4.	**Consolidated Balance with Bangladesh Bank and its agent bank(s)**			
	Shahjalal Islami Bank PLC.	(Note-4a)	23,432,585,249	14,924,287,024
	Shahjalal Islami Bank Securities Ltd.		-	-
			23,432,585,249	**14,924,287,024**
4a	**Balance with Bangladesh Bank and its agent bank(s) (including Foreign Currencies)**			
	Balance with Bangladesh Bank			
	In Local Currencies		8,096,973,848	12,073,949,882
	In Foreign Currencies		15,108,715,734	2,634,723,609
			23,205,689,582	**14,708,673,491**
	Balance with Sonali Bank PLC. as agent of Bangladesh Bank			
	In Local Currencies		226,895,667	215,613,533
	In Foreign Currencies		-	-
			226,895,667	**215,613,533**
			23,432,585,249	**14,924,287,024**

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	9,920,444,000	9,741,332,000
Actual Reserve held with Bangladesh Bank (in Local Currencies)*	11,079,830,083	12,158,133,622
CRR Surplus	**1,159,386,083**	**2,416,801,622**
Maintained (%)	4.47%	4.99%

*Actual Reserve held with Bangladesh Bank (in Local Currencies) reported as per the statement of Bangladesh Bank. Minimum requirement of Daily Cash Reserve Ratio (CRR) has been maintained throughout the year.

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

Required Reserve	13,644,581,000	13,452,567,000
Actual Reserve held	(Note-4a.4)	26,773,874,704	31,171,427,996
SLR Surplus	**13,129,293,704**	**17,718,860,996**
Maintained (%)	10.79%	12.74%

4a.4 Components of Statutory Liquidity Ratio

Cash in Hand	(Note-3a)	2,247,682,953	2,399,102,842
Balance with Sonali Bank PLC. as agent of Bangladesh Bank	(Note-4a)	226,895,667	215,613,533
Excess CRR	(Note-4a.2)	1,159,386,083	2,416,801,622
Bangladesh Government Islamic Investment Bond	(Note-7a)	-	1,000,000,000
Bangladesh Government Investment Sukuk (BGIS)	(Note-7a)	22,639,910,000	24,639,910,000
Refinance Fund (with Bangladesh Bank)	(Note-6a.1)	500,000,000	500,000,000
		26,773,874,704	**31,171,427,996**

			31.12.2023 Taka	31.12.2022 Taka
5.	**Consolidated Balance with Other Banks and Financial Institutions**			
	Inside Bangladesh			
	Shahjalal Islami Bank PLC.	(Note-5a.1)	2,217,432,070	2,192,462,827
	Shahjalal Islami Bank Securities Ltd.		386,922,871	343,641,221
			2,604,354,941	2,536,104,048
	Less: Inter Company Transaction		363,822,654	319,707,359
			2,240,532,287	**2,216,396,689**
	Outside Bangladesh			
	Shahjalal Islami Bank PLC.	(Note-5a.2)	1,754,675,394	1,103,127,014
	Shahjalal Islami Bank Securities Ltd.		-	-
			1,754,675,394	**1,103,127,014**
			3,995,207,681	**3,319,523,703**
5a	**Balance with Other Banks and Financial Institutions of the Bank**			
	Inside Bangladesh	(Note-5a.1)	2,217,432,070	2,192,462,827
	Outside Bangladesh	(Note-5a.2)	1,754,675,394	1,103,127,014
			3,972,107,464	**3,295,589,841**
5a.1	**Inside Bangladesh**			
	Current Account			
	Sonali Bank PLC. (other than as agent of Bangladesh Bank)		21,302,328	232,891,294
	National Bank Limited (Narayangonj Branch)		2,489	2,834
	Standard Chartered Bank (Uttara Branch)		22,360,413	20,346,415
	Agrani Bank PLC. (Islami Banking Wing)		12,089,358	11,963,186
	Offshore Banking Unit		6,787,150	60,249,402
			62,541,738	325,453,131
	Less: Offshore Banking Unit		6,787,150	60,249,402
			55,754,588	**265,203,729**
	Mudaraba Special Notice Deposit			
	Export Import Bank of Bangladesh Limited		8,445,528	23,423,460
	Trust Bank Limited (Dilkusha Corporate Branch)		8,991,763	14,921,577
	Prime Bank PLC. (Islami Banking Branch)		400,364,546	1,001,041,150
	Social Islami Bank PLC.		6,196,767	12,838,172
	Agrani Bank PLC. (Islami Banking Wing)		191,962,879	249,774,582
	AB Bank PLC. (Islami Banking Branch)		24,827	25,594
	Jamuna Bank PLC. (Naya Bazar Islami Banking Branch)		3,133,941	544,871
	Bank Alfalah (Islami Banking Branch)		2,760,825	2,759,330
	Al-Arafah Islami Bank PLC.		6,472,287	14,901,571
	Southeast Bank PLC. (Islami Banking Branch)		171,337	18,126,028
	City Bank PLC. (Islamic Banking Branch)		5,771,963	5,759,614
	Islami Bank Bangladesh PLC.		22,121,217	6,127,902
	Mercantile Bank PLC. (Islami Wing Main Branch)		94,775	96,845
	Premier Bank PLC. (Mohakhali Branch-Islami Banking Wing)		421,611	57,619
	Dhaka Bank PLC. (Islami Banking Branch)		501,318,148	509,143,194
	Midland Bank PLC. (Gulshan Branch)		1,510,583	8,515,175
	United Commercial Bank PLC. (Islami Banking Branch)		843,860	50,251,507
	Mutual Trust Bank PLC. (Gulshan Branch)		521,596	8,908,800
	National Credit and Commerce Bank PLC.-Islamic Banking Branch Gulshan		1,000,500,000	-
			2,161,628,453	**1,927,216,989**
	Mudaraba Savings Deposit			
	Social Islami Bank PLC.		18,587	13,052
	Al-Arafah Islami Bank PLC.		15,061	14,903
	Islami Bank Bangladesh PLC.		15,381	14,154
			49,029	**42,109**
			2,217,432,070	**2,192,462,827**

5a.2 Outside Bangladesh (Nostro Accounts) [as at 31 December 2023]

Current Account	Currency	F.C. Amount	Rate	Amount in Taka
Standard Chartered Bank, NY	USD	4,280,525.13	110.0000	470,857,764
Mashreq Bank PSC, NY	USD	194,253.24	110.0000	21,367,856
Standard Chartered Bank, Mumbai	USD	222,198.53	110.0000	24,441,838
Habib American Bank, USA	USD	42,118.49	110.0000	4,633,034
ICICI Bank, Hong Kong	USD	758,447.80	110.0000	83,429,258
WACHOVIA BANK, NY, USA	USD	149,157.03	110.0000	16,407,273
Commerzbank AG Frankfurt	USD	1,009,467.52	110.0000	111,041,427
Bank Aljazira	USD	770.80	110.0000	84,788
JPMorgan Chase Bank N.A., NY, USA	USD	85,082.05	110.0000	9,359,026
Citibank N.A., NY, USA	USD	179,380.01	110.0000	19,731,801
AB Bank Ltd. Mumbai	ACUD	193,289.12	110.0000	21,261,803
Standard Chartered Bank, Mumbai	ACUD	178,265.21	110.0000	19,609,173
Standard Chartered Bank, Colombo	ACUD	7,882.01	110.0000	867,021
ICICI Bank, Mumbai	ACUD	182,773.60	110.0000	20,105,096
Habib Metropoliton Bank Ltd.	ACUD	14,834.87	110.0000	1,631,836
United Bank of India, Kolkata	ACUD	204,557.84	110.0000	22,501,362
Sonali Bank Ltd. ACU, Kolkata	ACUD	59,614.82	110.0000	6,557,630
Bank of Bhutan Ltd. Main Branch	ACUD	4,821.19	110.0000	530,331
AXIS Bank Ltd. India	ACUD	237,605.51	110.0000	26,136,606
MCB Bank Limited	ACUD	134,552.09	110.0000	14,800,730
HDFC Bank Ltd., Mumbai	ACUD	1,427,041.63	110.0000	156,974,579
Nabil Bank Limited, Kathmandu, Nepal	ACUD	4,945.19	110.0000	543,971
Standard Chartered Bank, Frankfurt	EURO	1,794,738.64	122.3200	219,532,430
Commerzbank AG	EURO	1,402,972.54	122.3200	171,611,601
Wells Fargo Bank, N. A. London, UK	EURO	991,268.47	122.3200	121,251,959
JPMorgan Chase AG, Frankfurt	EURO	669,173.77	122.3200	81,853,336
Standard Chartered Bank,Tokyo	YEN	1,427,743.01	0.7782	1,111,070
Habib Bank AG Zurich	CHF	27,542.06	130.9867	3,607,644
ICICI Bank, Canada	CAD	28,664.65	83.3460	2,389,084
Bank Aljazira, KSA	SAR	1,191,466.49	29.3568	34,977,643
Riyad Bank, KSA	SAR	1,433,341.37	29.3568	42,078,316
Standard Chartered Bank, London	GBP	120,337.48	140.9650	16,963,373
JPMorgan Chase Bank N.A., London	GBP	13,654.64	140.9650	1,924,826
Mashreq Bank PSC, UAE	AED	130,081.24	29.9540	3,896,453
Emirates Islamic Bank PJSC, Dubai	AED	10,728.00	29.9540	321,347
Standard Chartered Bank, China	CNY	18,253.35	15.4551	282,107
				1,754,675,394

Currency-wise Distribution:

Foreign Currency	Amount in Taka	Composition
USD	761,354,066	43.39%
ACUD	291,520,139	16.61%
EURO	594,249,326	33.87%
YEN	1,111,070	0.06%
CHF	3,607,644	0.21%
CAD	2,389,084	0.14%
SAR	77,055,959	4.39%
GBP	18,888,199	1.08%
AED	4,217,800	0.24%
CNY	282,107	0.02%
	1,754,675,394	**100%**

Please see Annexure-C for detailed comparative statement of 2023 & 2022 of foreign currency amount and rate thereof.

5a.3 In accordance with Bangladesh Bank Foreign Exchange Policy Department, Circular Letter No. FEPD (FEMO)/01/2005-677 dated 13 September 2005, the quarterly review of Nostro Accounts for the quarter ended 31 December 2023 reflect the true state of the Nostro Account entries recorded correctly and after review a separate audit certificate has also been given by the Auditor. The status of all outstanding unmatched entries is given below:

As at 31 December 2023

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	5,850,000	347	12,170,788	23	6,426,885	471	20,854,089
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	**5,850,000**	**347**	**12,170,788**	**23**	**6,426,885**	**471**	**20,854,089**

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**

		31.12.2023 Taka	31.12.2022 Taka
5a.4	**Maturity-wise groupings of Balance with Other Banks and Financial Institutions**		
	On Demand	55,759,001	265,207,519
	Not more than 03 months	3,916,348,463	3,030,382,322
	More than 03 months but less than 01 year	-	-
	More than 01 year but less than 05 years	-	-
	More than 05 years	-	-
		3,972,107,464	**3,295,589,841**
6.	**Consolidated Placement with Other Banks & Financial Institutions**		
	Shahjalal Islami Bank PLC. (Note-6a)	14,115,801,566	21,276,957,716
	Shahjalal Islami Bank Securities Ltd.	-	-
		14,115,801,566	**21,276,957,716**
6a	**Placement with Other Banks & Financial Institutions of the Bank**		
	Placement with Other Banks (Note-6a.1)	13,060,801,566	19,221,957,716
	Placement with Financial Institutions (Note-6a.2)	1,055,000,000	2,055,000,000
		14,115,801,566	**21,276,957,716**
6a.1	**Placement with other Banks**		
	Mudaraba Term Deposits-Other Banks		
	ICB Islamic Bank Limited	310,801,566	311,017,716
	Export Import Bank of Bangladesh Limited	3,250,000,000	3,750,000,000
	Bangladesh Bank (Refinance Fund)	500,000,000	500,000,000
	Jamuna Bank PLC. (Islami Banking Branch)	3,000,000,000	1,500,000,000
	Pubali Bank PLC.(Islami Banking Wing)	1,000,000,000	1,400,000,000
	Standard Bank PLC.	1,000,000,000	500,000,000
	National Credit and Commerce Bank PLC. (Islami Banking Branch)	2,000,000,000	-
	The Premier Bank PLC. (Islami Banking Wing)	2,000,000,000	-
	Al-Arafah Islami Bank PLC.	-	5,965,940,000
	Social Islami Bank PLC.	-	2,695,000,000
	Agrani Bank PLC. (Islami Banking Wing)	-	1,800,000,000
	Midland Bank PLC. (Islami Banking Window)	-	300,000,000
	ONE Bank PLC. (Islami Banking Branch)	-	500,000,000
		13,060,801,566	**19,221,957,716**

			31.12.2023 Taka	31.12.2022 Taka
6a.2	**Placement with Financial Institutions**			
	Mudaraba Term Deposits-Financial Institutions			
	Industrial and Infrastructure Development Finance Company Limited		135,000,000	135,000,000
	Union Capital Limited		250,000,000	250,000,000
	Phoenix Finance & Investments Limited		370,000,000	370,000,000
	Premier Leasing International Limited		300,000,000	300,000,000
	IDLC Finance Limited		-	500,000,000
	Lanka Bangla Finance Limited		-	500,000,000
			1,055,000,000	**2,055,000,000**
			14,115,801,566	**21,276,957,716**
6a.3	**Maturity-wise groupings of Placement with Other Banks and Financial Institutions**			
	On Demand		-	-
	Not more than 03 months		13,805,000,000	20,965,940,000
	More than 03 months but not more than 01 year		-	-
	More than 01 year but not more than 05 years		310,801,566	311,017,716
	More than 05 years		-	-
			14,115,801,566	**21,276,957,716**
7.	**Consolidated Investments in Shares & Securities**			
	Government			
	Shahjalal Islami Bank PLC.	(Note-7a.i)	24,639,910,000	25,639,910,000
	Shahjalal Islami Bank Securities Ltd.		-	-
			24,639,910,000	**25,639,910,000**
	Others			
	Shahjalal Islami Bank PLC.	(Note-7a.ii)	7,310,952,402	7,846,594,135
	Shahjalal Islami Bank Securities Ltd.		2,131,804,878	2,139,518,584
			9,442,757,280	**9,986,112,719**
			34,082,667,280	**35,626,022,719**
7a	**Investments in Shares & Securities of the Bank**			
	i) Government			
	Bangladesh Government Islamic Investment Bond (BGIIB)	(Note-7a.2)	-	1,000,000,000
	Bangladesh Government Investment Sukuk (BGIS)	(Note-7a.3)	24,639,910,000	24,639,910,000
			24,639,910,000	**25,639,910,000**
	ii) Others			
	Mudaraba Perpetual Bond	(Note-7a.4)	1,527,284,492	1,527,284,492
	Mudaraba Subordinated Bond	(Note-7a.5)	2,360,000,000	2,980,000,000
	Beximco Green Sukuk Al Istisna'a		652,658,200	903,029,100
	Investments in Shares & Securities	(Note-7a.6)	2,771,009,710	2,436,280,544
			7,310,952,402	**7,846,594,135**
			31,950,862,402	**33,486,504,135**
7a.1	**Maturity-wise groupings of Investments in Shares & Securities**			
	On Demand		-	-
	Not more than 03 months		200,000,000	1,000,000,000
	More than 03 months but less than 01 year		4,143,667,910	3,839,309,644
	More than 01 year but less than 05 years		26,079,910,000	27,119,910,000
	More than 05 years		1,527,284,492	1,527,284,492
			31,950,862,402	**33,486,504,135**

7a.2 Bangladesh Bank introduced Mudaraba Bond named "Bangladesh Government Islamic Investment Bond (Islamic Bond)" in September 2004 on behalf of the Government to facilitate Islamic Banks and Financial Institutions. Investment in this fund is considered as a component of Statutory Liquidity Ratio (SLR).

The mobilized fund from Islamic Bond is invested by Bangladesh Bank and a portion of realized profit is distributed among the bondholders as per mudaraba principle of Islamic Shariah on the basis of the tenor of the bond. So the rate of return from Islamic Bond is dependent on fund deployment of Bangladesh Bank which is not prefixed.

7a.3 Sukuk is an Islamic financial certificate, similar to a conventional bond, and structured to generate returns in compliance with Islamic finance principles. The government raised the fund through issuing the Bangladesh Government Investment Sukuk (BGIS) in December 2020 & June 2021 for Tk. 80 billion for implementation of a water-supply project titled "Safe Water Supply for the Whole Country" @4.69% for 5 years' tenure and in December 2021 for Tk. 50 billion for a project titled "Need Based Infrastructure Development of Government Primary School Project (1st Phase)" @4.65% for 5 years' tenure. 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 twenty two lac only) fixed rental rate @4.75% per annum.

	31.12.2023 Taka	31.12.2022 Taka
7a.4 Mudaraba Perpetual Bond		
Islami Bank Bangladesh PLC.	1,077,284,492	1,077,284,492
Al-Arafah Islami Bank PLC.	450,000,000	450,000,000
	1,527,284,492	**1,527,284,492**
7a.5 Mudaraba Subordinated Bond		
IBBL Mudaraba Subordinated Bond	200,000,000	400,000,000
IBBL 3rd Mudaraba Subordinated Bond	1,360,000,000	1,480,000,000
AIBL 3rd Mudaraba Subordinated Bond	800,000,000	1,000,000,000
SIBL Mudaraba Subordinated Bond	-	100,000,000
	2,360,000,000	**2,980,000,000**
7a.6 Investments in Shares & Securities (at cost)		
Quoted		
The ACME Laboratories Limited	49,116,095	29,077,594
Active Fine Chemicals Ltd.	60,709,192	60,709,192
Aftab Automobiles Limited	72,694,437	72,694,437
AIBL 1st Islamic Mutual Fund	72,760,284	72,762,501
Dhaka Electric Supply Company Ltd.	125,754,826	125,754,826
Export Import Bank of Bangladesh Limited	158,148,898	158,148,898
Generation Next Fashions Limited	25,741,813	25,741,813
Meghna Petroleum Limited	103,596,757	133,872,759
RAK Ceramics (Bangladesh) Limited	49,814,878	49,814,878
Square Textile Ltd.	82,481,825	82,481,825
The Dacca Dyeing & Mfg. Co. Limited	102,948,339	102,948,339
Titas Gas Transmission and Distribution Co. Ltd.	240,881,514	240,881,514
Prime Islami Life Insurance Ltd.	47,262,250	55,501,667
Singer Bangladesh Limited	88,910,881	88,910,881
Square Pharmaceuticals Ltd.	188,977,997	157,304,920
The IBN SINA Pharmaceutical Industry Ltd.	31,346,168	31,346,168
MJL Bangladesh Limited	82,688,225	86,720,740
Silva Pharmaceuticals Limited	48,788,156	48,788,156
Robi Axiata Limited	142,756,117	142,756,117
Linde Bangladesh Ltd.	75,143,517	75,143,517
Power Grid Company of Bangladesh Ltd.	123,322,659	123,322,659
Lub-rref (Bangladesh) Limited	69,212,179	69,212,179
Mir Akhter Hossain Limited	87,290,575	76,305,125
ACI Limited	44,635,402	44,635,402
ACI Formulations Limited	91,841,140	51,172,892
Agni Systems Ltd.	26,617,488	23,470,246
Grameenphone Ltd.	14,420,277	9,177,813
Apex Tannery Limited	13,619,478	13,619,478
BSRM Steels Limited	6,666,609	6,666,609
Crown Cement PLC.	27,526,229	33,424,707
Energypac Power Generation Limited	29,171,775	29,171,775
Global Islami Bank Limited	13,173,670	13,173,670
IFAD Autos Limited	24,142,177	24,142,177
Islami Commercial Insurance Company Limited	-	87,980
Olympic Industries Ltd.	-	37,182,109
Union Bank Limited	-	25,711,347
IT Consultants Limited	22,930,714	-
LafargeHolcim Bangladesh Limited	110,074,700	-
Summit Alliance Port Limited	48,240,857	-

		31.12.2023 Taka	31.12.2022 Taka
Agricultural Marketing Company Ltd. (Pran)		16,586,180	-
Aamra Technologies Limited		6,642,625	-
BDCOM Online Ltd.		1,774,623	-
ADN Telecom Limited		13,232,555	-
Bashundhara Paper Mills Limited		28,595,419	-
JMI Hospital Requisite Manufacturing Limited		34,780,361	-
LankaBangla Securities Limited		4,999,989	-
Fareast Islami Life Insurance Co. Ltd.		3,482,952	-
Agro Organica PLC		36,940	-
Union Bank Limited		25,711,346	-
i) Total		**2,739,251,089**	**2,421,836,907**
Un-Quoted			
Lanka Bangla Securities Ltd.		-	5,000,000
Investment A/C - SWIFT Membership Share		11,758,622	9,443,636
CWT – Community Bank Shariah Fund		20,000,000	-
ii) Total		**31,758,622**	**14,443,636**
Grand Total		**2,771,009,710**	**2,436,280,543**

Please see Annexure-A for details regarding unrealised gain/(loss).

8. Consolidated Investments

Shahjalal Islami Bank PLC.	(Note-8a)	231,683,099,579	220,328,259,077
Shahjalal Islami Bank Securities Ltd.		4,287,627,656	4,892,987,792
		235,970,727,235	225,221,246,870
Less: Inter Company Transaction		1,833,488,452	2,260,530,757
		234,137,238,783	**222,960,716,113**
Bills Purchased and Discounted			
Shahjalal Islami Bank PLC.	(Note-8a)	10,067,701,645	16,901,718,515
Shahjalal Islami Bank Securities Ltd.		-	-
		10,067,701,645	**16,901,718,515**
		244,204,940,428	**239,862,434,627**

8a Investments of the Bank

Country-wise Classification of Investments:

Inside Bangladesh			
Gross Murabaha, Bai-Muajjal etc.		241,304,576,445	227,474,272,633
Less: Profit receivable on Murabaha, Bai-Muajjal etc. (Mark-up profit or unearned income)		9,621,476,865	7,146,013,556
Net Murabaha, Bai-Muajjal etc.		**231,683,099,579**	**220,328,259,077**
Net Bills Purchased and Discounted	(Note-8a.2)	10,067,701,645	16,901,718,515
Outside Bangladesh		-	-
		241,750,801,224	**237,229,977,592**

As per letter # 178/FRC/APR/2021/27(45) dated 09 December 2021 issued by the Financial Reporting Council (FRC) regarding the compliance of BRPD Circular Letter # 04 dated 04 January 2021 and BRPD Circular Letter # 35 dated 06 July 2021, the current status of the Bank is as follows: [Following information is furnished on the basis of data during the period from January to December 2023]

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	602	89%	602	100%
Total Files	674		602	

* BRPD Circular Letter # 04: Regarding the collection of audited financial statements and statutory audit report for sanctioned/renewed investments. [According up to date Gazette]

** BRPD Circular Letter # 35: Regarding the verification of audited financial statements through Document Verification System (DVS) developed by ICAB.

			31.12.2023 Taka	31.12.2022 Taka
8a.1	**Maturity-wise Classification of Investments**			
	With a residual maturity of:			
	Re-payable on Demand		53,185,176,269	54,562,894,846
	Not more than 03 months		50,767,668,257	49,818,295,294
	Over 03 months but not more than 01 year		53,185,176,269	54,562,894,846
	Over 01 year but not more than 05 years		38,680,128,196	26,095,297,535
	Over 05 years		45,932,652,233	52,190,595,070
			241,750,801,224	**237,229,977,592**
8a.2	**Bills Purchased and Discounted**			
	Payable inside Bangladesh		4,515,002,650	4,555,763,536
	Payable outsideBangladesh		5,919,353,933	12,657,424,310
	Gross Bills Purchased and Discounted		**10,434,356,583**	**17,213,187,847**
	Less: Profit receivable on Bills Purchased and Discounted		366,654,938	311,469,332
	Net Bills Purchased and Discounted		**10,067,701,645**	**16,901,718,515**
8a.3	**Maturity-wise Classification of Bills Purchased and Discounted**			
	Re-payable:			
	Within 01 month		2,060,858,527	3,459,781,780
	Over 01 month but less than 03 months		2,872,315,279	4,822,060,292
	Over 03 months but less than 06 months		2,090,054,861	3,508,796,764
	06 months or more		3,044,472,977	5,111,079,679
			10,067,701,645	**16,901,718,515**
8a.4	**Investments on the basis of significant concentration**			
	Investments to allied concern of Directors	(Note-54.5)	2,159,203,672	2,712,444,495
	Investments to Executives/Officers		2,322,427,437	2,224,379,061
	Investments to Customer Groups		85,566,745,800	83,125,746,944
	Industrial Investments		151,702,219,743	149,167,149,386
	Others		204,573	257,706
			241,750,801,224	**237,229,977,592**

Investments allowed to single person/counterparty or a group which is equal to or greater than 10% of Bank's total capital:

Total outstanding amount to such customers at end of the year :	92,798.43 million	107,761.41 million
Number of such types of customers :	18	23
Amount of Classified Investments thereon :	Nil	Nil
Measures taken for recovery :	Not applicable	Not applicable

The amount represents the sum of total investments (both Funded and Non-Funded) to single person/counterparty or a group equal to or greater than Tk. 3,412.62 million which is computed @ 10% and above of total capital of the bank, i.e. Tk. 34,126.24 million (Note-17.5.c) as at 31 December 2023.

For details, please refer to Annexure-D.

8a.5 Sector-wise Classification of Investments

Sector	As at 31 December 2023		As at 31 December 2022	
	Amount	Composition	Amount	Composition
Agriculture & Fishing	4,467,865,168	1.85%	3,750,070,867	1.58%
Cotton & Textile	26,633,433,551	11.02%	19,698,236,300	8.30%
Garments	39,378,266,173	16.29%	53,779,166,142	22.67%
Cement	5,257,315,762	2.17%	1,973,238,650	0.83%
Pharmaceuticals & Chemicals	9,135,491,903	3.78%	7,198,057,346	3.03%
Real Estate	11,212,553,931	4.64%	8,303,793,964	3.50%
Transport	2,883,543,801	1.19%	3,064,912,499	1.29%
Information Technology	865,370,411	0.36%	700,689,623	0.30%
Non Banking Financial Institutions	1,578,334,825	0.65%	1,439,455,629	0.61%
Steel & Engineering	11,671,713,531	4.83%	8,403,069,265	3.54%
Food Processing & Beverage	18,110,469,677	7.49%	17,157,443,728	7.23%
Power & Energy	6,566,545,477	2.72%	7,780,171,632	3.28%
Paper & Paper Products	1,688,411,848	0.70%	1,743,874,720	0.74%
Plastic & Plastic Product	7,615,154,477	3.15%	7,206,031,728	3.04%
Electronics	7,713,996,513	3.19%	9,527,940,996	4.02%
Services Industries	8,171,433,036	3.38%	7,935,089,101	3.34%
Trading	32,412,143,604	13.41%	32,884,014,916	13.86%
Construction incl. Work Order Financing	18,024,090,858	7.46%	19,053,683,321	8.03%
Share business	1,942,575,673	0.80%	2,369,005,756	1.00%
Staff Investment	2,322,427,437	0.96%	2,224,379,061	0.94%
Others	24,099,663,567	9.97%	21,037,652,348	8.87%
Total	**241,750,801,224**	**100.00%**	**237,229,977,592**	**100.00%**

Incompliance with Bangladesh Bank SMESPD circular No.-05 dated 14 August 2022; CMSME Cluster Financing position are as follow:

Cluster's Category	Outstanding as on 31.12.2023
Agro/Food processing and Agri Machinery Manufacturing Clusters	143,766,000
Ready Made Garments (RMG), Knitwear, Designe & Personal Wear Clusters	1,033,242,000
ICT Clusters	-
Leather & Leather goods Clusters	-
Light Engineering Clusters	132,434,000
Jute & Jute products Cluster	9,237,000
Total	**1,318,679,000**

8a.6 Geographical Location-wise Investments

Area	As at 31 December 2023		As at 31 December 2022	
	Amount in Taka	Composition	Amount in Taka	Composition
i) Inside Bangladesh				
a. In Urban Areas				
Dhaka	179,707,350,671	76.31%	180,721,421,428	78.00%
Chattogram	37,397,934,138	15.88%	33,181,120,652	14.32%
Sylhet	1,806,869,226	0.77%	1,860,252,031	0.80%
Rajshahi	5,586,639,032	2.37%	4,972,513,864	2.15%
Rangpur	1,474,925,868	0.63%	2,313,755,717	1.00%
Khulna	7,036,410,476	2.99%	6,483,350,950	2.80%
Barishal	818,734,426	0.35%	858,564,534	0.37%
Mymensingh	1,652,613,371	0.70%	1,316,819,936	0.57%
Sub-total	**235,481,477,207**	**100%**	**231,707,799,111**	**100%**
b. In Rural Areas				
Dhaka	4,572,480,073	72.93%	4,041,266,489	73.18%
Chattogram	948,805,865	15.13%	794,078,281	14.38%
Sylhet	135,053,946	2.15%	178,493,944	3.23%
Rajshahi	130,138,268	2.08%	100,589,164	1.82%
Khulna	106,814,095	1.70%	94,992,096	1.72%
Barishal	131,823,448	2.10%	96,574,816	1.75%
Mymensingh	244,208,322	3.90%	216,183,692	3.91%
Sub-total	**6,269,324,017**	**100%**	**5,522,178,481**	**100%**
ii) Outside Bangladesh	-	-	-	-
Total	**241,750,801,224**	**100%**	**237,229,977,592**	**100%**

8a.7 Mode-wise Investments

Mode of Investment	31.12.2023 Taka	31.12.2022 Taka
Bai-Murabaha	13,012,917,662	12,861,089,889
Bai-Muajjal	118,366,893,919	101,324,554,561
Hire Purchase Under Shirkatul Melk	69,026,504,210	61,879,107,507
Ijara	1,035,002,170	1,539,262,884
Bai-Salam	5,894,308,296	6,675,877,286
Mudaraba	96,741,599	98,520,177
Mudaraba Import Bills	5,931,963,134	12,596,679,940
EDF/Murabaha Foreign Currency Investment	22,477,359,488	34,623,526,812
Quard	1,228,413,176	843,569,533
IDBP	3,846,726,437	3,966,116,176
FDBP	289,012,074	338,922,398
Islamic Credit Card Investment	544,959,058	482,750,428
Total	**241,750,801,224**	**237,229,977,592**

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

Sector	As at 31 December 2023		As at 31 December 2022	
	Amount in Taka	Composition	Amount in Taka	Composition
Unclassified:				
Standard (including Staff Investment)	228,103,291,862	94.35%	222,746,444,156	93.89%
Special Mention Account (SMA)	2,958,491,472	1.22%	3,150,706,866	1.33%
Sub-total	**231,061,783,334**	**95.58%**	**225,897,151,022**	**95.22%**
Classified				
Substandard	209,076,852	0.09%	1,661,805,535	0.70%
Doubtful	191,468,005	0.08%	85,784,354	0.04%
Bad or Loss	10,288,473,033	4.26%	9,585,236,681	4.04%
Sub-total	**10,689,017,890**	**4.42%**	**11,332,826,570**	**4.78%**
Grand Total	**241,750,801,224**	**100.00%**	**237,229,977,592**	**100.00%**

8a.9 Particulars of Provision for Investments

Status	Basis for Provision	Rate	31.12.2023 Taka	31.12.2022 Taka
Standard:				
Unclassified (excluding Staff Investments)	155,132,896,719	1% (ex. RSDL BB NOC)	1,551,328,967	1,534,028,009
Staff Investments	2,322,427,437	0%	-	-
Consumer Financing (other than HF & LP)	1,073,423,472	2%	21,468,469	18,870,729
Small & Medium Enterprise	59,621,963,362	0.25%	149,054,908	151,190,378
Housing Finance (HF)	6,668,715,591	1%	66,687,156	30,329,134
Loan for Professionals (LP)	33,984,496	2%	679,690	54,877
Share Business	1,833,488,451	1%	18,334,885	45,210,615
Short Term Agri Credit	738,864	1%	7,389	202,443
Islamic Credit Card	1,433,590,518	2%	28,671,810	7,931,284
SMA	2,958,491,472		10,251,737	13,876,999
Special General Provision for "COVID-19"			294,869,328	459,101,622
Special Reschedule & One Time Exit			180,575,045	308,837,303
			2,321,929,384	2,569,633,394
Additional provision as per DBI Letter Ref.: DBI-7/4(5)/2024-336 dated 08 April 2024			535,428,370	-
			2,857,357,754	**2,569,633,394**
Sub-standard	86,895,842	20% & 5% (Agri, Cottage & Micro Credit)	14,331,764	170,554,544
Doubtful	54,150,044	50%; 20% (Cottage & Micro Credit) & 5% (Agri)	21,205,107	10,950,452
Bad or Loss	2,933,213,688	100%	2,933,213,688	2,608,594,351
Reschedule (BB NOC)			244,138,266	760,037,104
3rd and above time Reschedule			806,259,339	251,774,055
			4,019,148,165	**3,801,910,507**
Required Provision for Investments			**6,876,505,919**	**6,371,543,901**
Total Provision Maintained {note-15a.1(a) & (b)}			6,885,723,518	6,589,273,726
Surplus/(Shortfall) Provision			**9,217,599**	**217,729,826**

As per Bangladesh Bank's instruction vide letter DBI-7/4(5)/2024-336 dated 08 April 2024 the Bank has maintained additional amount of Tk. 535,428,370 as general provision and Tk. 314,571,630 as specific provision.

8a.10 Particulars of Provision for Off-balance Sheet Items

Status	Basis for Provision	31.12.2023 Taka Amount of provision @ 1%	31.12.2022 Taka Amount of provision @ 1%
Acceptances & endorsements	44,131,221,076	441,312,211	397,231,220
Letters of Guarantee	32,828,176,233	328,281,762	313,166,999
Irrevocable Letters of Credit	55,470,593,578	554,705,936	444,183,710
Bills for collection	40,053,404	400,534	339,671
Required provision for Off-balance Sheet Items	**132,470,044,291**	**1,324,700,443**	**1,154,921,599**
Provision maintained {note-15a.1(c)}		1,324,800,000	1,356,200,000
Surplus Provision		**99,557**	**201,278,401**

8a.11 Particulars of Investments

(i)	Investments considered good in respect of which the banking company is fully secured	189,517,294,912	193,773,370,642
(ii)	Investments considered good for which the banking company holds no other security than the debtor's personal security	38,583,427,875	37,861,904,424
(iii)	Investments considered good and secured by personal security of one or more parties in addition to the personal security of the debtors	13,650,078,437	5,594,702,527
(iv)	Investments considered bad or doubtful not provided for	-	-
		241,750,801,224	**237,229,977,592**
(v)	Investments due by directors or officers of the banking company or any of them either severally or jointly with any other person	**2,322,427,437**	**2,224,379,061**
(vi)	Investments due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies as members (Note 54.5).	**2,159,203,672**	**2,712,444,495**
(vii)	Maximum total amount of investments, including temporary investments made at any time during the period to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons.	**2,322,427,437**	**2,224,379,061**
(viii)	Maximum total amount of advances including temporary advances granted during the period to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private companies as members	**2,159,203,672**	**2,712,444,495**
(ix)	Investments due from other Banks	**-**	**-**
(x)	Classified Investment on which profit has not been charged	**10,689,017,890**	**11,332,826,570**
a.	Movement of Classified Investments:		
	Opening Balance	11,332,826,570	9,568,844,349
	Increase/(decrease) during the year	(643,808,679)	1,763,982,220
		10,689,017,890	**11,332,826,570**
	i) (Decrease)/increase of specific provision	**92,401,887**	**852,414,374**
	ii) Amount of written-off investment during the year against which fully provided	**1,653,436,088**	**-**
	iii) Amount recovered against the investment which was previously written-off	**22,100,718**	**66,934,374**
b.	Amount of provision kept against classified Investment as Bad or Loss on the reporting day of Balance Sheet	**4,019,935,518**	**3,927,533,630**
c.	Amount of profit charged in suspense account	**7,334,987,997**	**5,750,464,749**
(xi)	Cumulative amount of written-off Investments		
	Opening Balance	5,793,611,471	5,793,611,471
	Amount written-off during the year	1,653,436,088	-
		7,447,047,559	**5,793,611,471**

9. Consolidated Fixed Assets including Premises, Furniture and Fixtures

Cost			
Shahjalal Islami Bank PLC.	(Note-9a)	8,303,533,104	7,869,223,133
Shahjalal Islami Bank Securities Ltd.		247,120,773	246,969,082
		8,550,653,877	**8,116,192,215**
Accumulated Depreciation			
Shahjalal Islami Bank PLC.	(Note-9a)	3,068,387,359	2,596,560,659
Shahjalal Islami Bank Securities Ltd.		119,407,064	105,685,757
		3,187,794,423	**2,702,246,416**
Written Down Value		**5,362,859,454**	**5,413,945,799**

			31.12.2023 Taka	31.12.2022 Taka
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		1,298,515,777	1,208,748,919
	Office Equipment		824,478,380	781,386,436
	Computer & Network Equipment		742,202,653	708,831,394
	Vehicles		133,226,381	129,909,231
	Right of Use Assets as per IFRS-16*		2,352,443,206	2,095,664,041
	Books		1,042,667	1,042,667
			8,122,619,692	**7,696,293,315**
	Less:			
	Accumulated depreciation		2,912,014,699	2,447,229,475
	Written Down Value		**5,210,604,993**	**5,249,063,840**
	Intangible Assets:			
	Cost			
	Software-Core Banking		62,615,431	62,615,431
	Software-Others		118,297,981	110,314,387
			180,913,412	**172,929,818**
	Less:			
	Amortization		156,372,661	149,331,184
	Written Down Value		**24,540,751**	**23,598,634**
	Total Written Down Value		**5,235,145,745**	**5,272,662,474**

*Right of Use (RoU) Assets are measured at cost less any accumulated depreciation and adjusted for any measurement of lease liabilities (Note-2.7.6).

The details of fixed assets are given in **Annexure-B**.

10. Consolidated Other Assets

	Shahjalal Islami Bank PLC.	(Note-10a)	28,926,044,213	21,844,875,177
	Shahjalal Islami Bank Securities Ltd.		520,666,142	486,573,364
			29,446,710,355	22,331,448,541
	Less: Inter Company Transaction		2,515,000,000	2,515,000,000
			26,931,710,355	**19,816,448,541**
10.1	**Consolidated Advance Tax**			
	Shahjalal Islami Bank PLC.	(Note-10a.4)	21,110,037,588	17,325,070,828
	Shahjalal Islami Bank Securities Ltd.		492,618,443	451,921,114
			21,602,656,031	**17,776,991,942**
10a	**Other Assets of the Bank**			
	Income Generating:			
	Shahjalal Islami Bank Securities Ltd.	(Note-10a.3)	2,515,000,000	2,515,000,000
	Sub-total		**2,515,000,000**	**2,515,000,000**
	Non-Income Generating:			
	Stock of Stationery, Stamps and printing materials etc. (valued at cost)		47,167,552	32,352,408
	Advance Rent and Security Deposit		42,604,032	42,794,922
	Suspense Account	(Note-10a.1)	499,979,226	476,794,286
	Profit Receivable	(Note-10a.2)	1,044,643,316	1,083,252,168
	Other Prepayments		262,130,247	133,509,156
	Advance Insurance Premium		4,019,272	58,852
	Advance for New Branches		-	3,600,000
	Advance Tax Paid	(Note-10a.4)	21,110,037,588	17,325,070,828
	Other Receivables		3,034,667	3,034,667
	SJIBL General Account-Net	(Note-10a.5)	3,397,428,313	229,407,891
	Balance with OBU		8,160,680,000	10,031,884,419
			34,571,724,213	29,361,759,597
	Less: Offshore Banking Unit		8,160,680,000	10,031,884,419
	Sub-total		**26,411,044,213**	**19,329,875,177**
	Grand Total		**28,926,044,213**	**21,844,875,177**

	31.12.2023 Taka	31.12.2022 Taka
10a.1 Suspense Account		
Sundry Debtors	46,258,799	28,756,970
Excise Duty on MTDR	31,534,751	28,521,261
Advance against TA/DA	226,270	9,600
Advance against Petty Cash	555,000	530,000
Cash Remittance	62,427,800	92,010,000
Law Charges	59,601,812	63,089,279
Stamp	214,580	282,450
Others	299,160,213	263,594,727
	499,979,226	**476,794,286**

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	14,128	27,512	332	1,605	2,682
2	Advance against TA/DA	226				
3	Advance against Petty Cash	555				
4	Cash Remittance	62,428				
5	Legal Expenses	5,782	3,722	3,565	2,863	43,670
6	Others	316,670	3,563	1,039	3,793	5,844
	Grand Total	**399,789**	**34,797**	**4,936**	**8,261**	**52,196**

10a.2 Profit Receivable		
Placement to Other Banks-MTDR	183,378,591	178,935,535
Placement to Financial Institutions-MTDR	1,286,805	16,638,333
Profit on Investment against MSD	361,167	375,878
General Investments	859,616,753	887,302,422
	1,044,643,316	**1,083,252,168**

10a.3 Shahjalal Islami Bank PLC. invested Tk. 251.50 crore in its subsidiary company named 'Shahjalal Islami Bank Securities Limited' as per approval of competent authority. The subsidiary company commenced its operation on 25 May 2011. The total paid-up capital of the subsidiary company is Tk. 274.00 crore which is divided into 27,40,00,000 ordinary shares at Tk. 10 each and the Bank holds 91.79% of its paid-up capital.

10a.4 Advance Tax Paid		
Balance at the beginning of the year	17,325,070,828	16,597,308,766
Adjustment for final Settlement	(416,056,896)	(1,460,862,131)
Paid during the year	4,201,023,656	2,188,624,194
	21,110,037,588	**17,325,070,828**

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

	Debit		Credit	
	No. of Entry	Amount in Taka	No. of Entry	Amount in Taka
Up to 3 months	445	3,419,465,563	2081	22,037,250
Over 3 Months but within 6 months	-	-	-	-
Over 6 Months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
Net unreconciled amount	**445**	**3,419,465,563**	**2081**	**22,037,250**
				3,397,428,313

There are no outstanding unreconciled entries for more than 03 months. However, outstanding entries on Balance Sheet date are subsequently reconciled.

11. Non-Banking Assets

Shahjalal Islami Bank PLC.	**88,309,355**	**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	31.12.2023 Taka	31.12.2022 Taka
i.	Haque Steel & Re-Rolling Industries Pvt. Ltd.	i) 26 (twenty six) decimals land situated at Savar, Mouza: Boroboreshi ii) 160.50 decimals land together with building structures standing and/or existing therein and appurtenance thereto situated at 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*	04 (four) decimals land situated at Dinajpur, Kotwali, Mouza: MajiparaCarrying value of which was B**DT 42.00 Lac (Market Value).** Entitlement Date: 04 April 2017	2,780,238	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			**88,309,355**	**88,909,355**

* The Bank has sold 13 Decimals land owned from Mr. Md. Mehedul Islam situated at Dinajpur, Fulbari, Mouza: Rashidpur at Tk. 600,000.

			31.12.2023 Taka	31.12.2022 Taka
12.	**Consolidated Placement from other Banks & Financial Institutions**			
	Shahjalal Islami Bank PLC.	(Note-12a)	27,511,352,759	42,036,645,204
	Shahjalal Islami Bank Securities Ltd.		2,065,040,064	2,523,473,895
			29,576,392,823	44,560,119,099
	Less: Inter Company Transaction		1,833,488,452	2,260,530,757
			27,742,904,371	**42,299,588,342**
12a	**Placement from other Banks & Financial Institutions of the Bank**			
	Export Development Fund - Bangladesh Bank		16,651,315,958	31,463,988,138
	Financial Stimulus Fund - Bangladesh Bank		742,848,980	4,703,822,926
	Foreign Currency Deposit (FSSP BB USD) - Bangladesh Bank		255,861	5,512,056
	Mudaraba Term Deposit from other Banks	(Note-12a.1)	300,000,000	4,955,673,575
	Bangladesh Bank Refinance (Bai Salam)		677,164,000	761,665,000
	Bangladesh Bank Refinance (TDF)		58,268,375	79,456,875
	Bangladesh Bank Refinance (BMMFLIPSB)		5,957,404	2,400,000
	SME Foundation Refinance Scheme		33,502,920	11,900,000
	Bangladesh Bank Refinance		1,717,185,205	23,000,000
	Islami Investment Bond from Bangladesh Bank		1,900,000,000	-
	Bangladesh Bank Pre-Finance Scheme-CMSME		5,424,854,055	-
	Islamic Refinance Fund - Bangladesh Bank		-	3,726,633
	IsDB's SPRP For Covid-19		-	25,500,000
	Borrowing from Offshore Banking Unit (OBU)		-	165,395
			27,511,352,759	42,036,810,599
	Less: Offshore Banking Unit		-	165,395
			27,511,352,759	**42,036,645,204**

			31.12.2023 Taka	31.12.2022 Taka
12a.1	**Mudaraba Term Deposit from other Banks**			
	Inside Bangladesh			
	Export Import Bank of Bangladesh Limited		300,000,000	-
	Al-Arafah Islami Bank PLC.		-	2,065,940,000
	Sub-total		**300,000,000**	**2,065,940,000**
	Outside Bangladesh			
	Bank Muscat SAOG		-	309,891,000
	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**
	Grand Total		**300,000,000**	**4,955,673,575**
13.	**Consolidated Deposits and Other Accounts**			
	Al-Wadeeah Current Deposits & Other Accounts			
	Shahjalal Islami Bank PLC.	(Note-13a)	60,012,469,463	48,293,094,847
	Shahjalal Islami Bank Securities Ltd.		-	-
			60,012,469,463	48,293,094,847
	Less: Inter Company Transaction		110,054	136,604
			60,012,359,409	**48,292,958,243**
	Bills Payable			
	Shahjalal Islami Bank PLC.	(Note-13a)	4,877,223,738	5,872,217,849
	Shahjalal Islami Bank Securities Ltd.		-	-
			4,877,223,738	**5,872,217,849**
	Mudaraba Savings Deposits			
	Shahjalal Islami Bank PLC.	(Note-13a)	39,696,820,704	36,934,789,424
	Shahjalal Islami Bank Securities Ltd.		-	-
			39,696,820,704	36,934,789,424
	Less: Inter Company Transaction		4,805	56,538
			39,696,815,899	**36,934,732,886**
	Mudaraba Term Deposits			
	Shahjalal Islami Bank PLC.	(Note-13a)	97,867,730,869	86,817,226,090
	Shahjalal Islami Bank Securities Ltd.		-	-
			97,867,730,869	**86,817,226,090**
	Other Mudaraba Deposits			
	Shahjalal Islami Bank PLC.	(Note-13a)	47,130,779,908	50,064,730,403
	Shahjalal Islami Bank Securities Ltd.		-	-
			47,130,779,908	50,064,730,403
	Less: Inter Company Transaction		363,707,795	319,514,217
			46,767,072,113	**49,745,216,186**
	Total		**249,221,202,028**	**227,662,351,255**
13a	**Deposits and Other Accounts of the Bank**			
	Al-Wadeeah Current Deposits & Other Accounts			
	Al-Wadeeah Current Deposits		15,099,548,202	14,523,129,877
	Foreign Currency Deposits		5,959,195,678	4,542,969,527
	Non-Resident Taka Account		183,600,438	207,042,612
	Profit Payable		1,352,916,548	1,151,802,996
	Sundry Deposits		37,397,098,298	27,905,067,144
	Unclaimed Dividend	(Note-13a.5)	26,897,449	23,166,697
			60,019,256,612	48,353,178,854
	Less: Offshore Banking Unit		6,787,150	60,084,006
			60,012,469,463	**48,293,094,847**

			31.12.2023 Taka	31.12.2022 Taka
	Bills Payable			
	Payable inside Bangladesh			
	Payment Order Issued		4,870,370,071	5,856,338,343
	Demand Draft Payable		4,004,037	4,012,037
	Electronic Fund Transfer		2,848,730	11,867,469
			4,877,223,738	5,872,217,849
	Payable outside Bangladesh		-	-
			4,877,223,738	**5,872,217,849**
	Mudaraba Savings Deposits			
	General Deposits		39,646,700,964	36,884,053,499
	Foreign Currency Deposits		50,119,740	50,735,925
			39,696,820,704	**36,934,789,424**
	Mudaraba Term Deposits			
	General Deposits		97,716,302,108	86,508,912,673
	Foreign Currency Deposits		151,428,761	308,313,418
			97,867,730,869	**86,817,226,090**
	Other Mudaraba Deposits			
	Mudaraba Special Notice Deposits		14,063,937,234	11,453,808,080
	Mudaraba Scheme Deposits	(Note-13a.1)	33,031,687,389	38,531,969,154
	Deposits from Other Banks (SND)	(Note-13a.3)	35,155,286	78,953,170
			47,130,779,908	**50,064,730,403**
			249,585,024,682	**227,982,058,614**
13a.1	**Mudaraba Scheme Deposits**			
	Millionaire Scheme		7,612,946,505	8,487,128,412
	Multiple Benefit Scheme		4,741,582,580	5,122,748,872
	Monthly Income Scheme		1,921,269,226	5,111,521,547
	Monthly Deposit Scheme		18,335,120,723	19,354,068,850
	Hajj Deposit Scheme		317,314,807	366,286,672
	Cash Waqf		24,620,944	13,013,445
	Housing Deposit Scheme		118,546	229,588
	Lakhpoti Deposit Scheme		98,101	98,101
	Mohor Deposit Scheme		132	132
	Education Deposit Scheme		54,918,086	51,526,378
	Marriage Deposit Scheme		23,697,741	25,347,158
			33,031,687,389	**38,531,969,154**
13a.2	**Deposits and Other Accounts**			
	General Deposits		249,549,869,396	227,903,105,444
	Deposits from Other Banks	(Note- 13a.3)	35,155,286	78,953,170
			249,585,024,682	**227,982,058,614**
13a.3	**Deposits from Other Banks**			
	Mudaraba Special Notice Deposits			
	Export Import Bank of Bangladesh Limited		16,628,661	18,759,295
	AB Bank PLC.		12,466	12,585
	Jamuna Bank PLC.		653,857	645,633
	Al-Arafah Islami Bank PLC.		3,928,892	13,443,091
	Social Islami Bank PLC.		8,397,123	20,684,011
	National Credit and Commerce Bank PLC		670,107	659,691
	ICB Islamic Bank Limited		4,319	5,723
	Islami Bank Bangladesh PLC.		2,771,649	16,371,282
	Sonali Bank PLC.		196,042	197,687
	Mercantile Bank PLC.		99,128	99,087
	Bangladesh Krishi Bank		1,787,492	8,066,023
	United Commercial Bank PLC		-	1,062
	Bank Asia Agent Bank		5,550	8,002
			35,155,286	**78,953,170**

		31.12.2023 Taka	31.12.2022 Taka
13a.4	**Maturity-wise classification of Deposits is as under**		
	With a residual maturity of		
	Repayable on demand	12,479,251,234	11,399,102,931
	Within 01 month	51,719,421,927	45,204,548,086
	Over 01 month but not more than 06 months	74,875,507,405	68,394,617,584
	Over 06 months but not more than 01 year	19,837,469,535	18,146,619,114
	Over 01 year but not more than 05 years	40,451,264,477	37,888,951,616
	Over 05 years	50,222,110,105	46,948,219,283
		249,585,024,682	**227,982,058,614**
13a.5	**Unclaimed Cash Dividend**		
	Dividend remained unclaimed which were declared for the year:		
	2019	-	5,382,681
	2020	7,864,413	8,837,886
	2021	8,663,375	8,946,130
	2022	10,369,661	-
		26,897,449	**23,166,697**

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 2023, an amount of Tk. 5,502,713.14 unclaimed Cash Dividend has been transferred to Capital Market Stabilization Fund (CMSF) from unclaimed dividend Account.

14. Mudaraba Bonds

Mudaraba Subordinated Bond	(Note- 14.1)	3,200,000,000	5,200,000,000
Mudaraba Perpetual Bond	(Note- 14.2)	5,000,000,000	5,000,000,000
		8,200,000,000	**10,200,000,000**

14.1 Mudaraba Subordinated Bond

Mudaraba Subordinated Bond	**3,200,000,000**	**5,200,000,000**

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

List of Investors

Name of the Investor	1st Mudaraba Subordinated Bond		2nd Mudaraba Subordinated Bond	
	Bond Issued (Taka)	Outstanding (as at 31 December 2023)	Bond Issued (Taka)	Outstanding (as at 31 December 2023)
EXIM Bank PLC.	1,750,000,000	350,000,000	1,000,000,000	400,000,000
Pubali Bank PLC.	700,000,000	140,000,000	-	-
Rupali Bank PLC.	700,000,000	140,000,000	750,000,000	300,000,000
Uttara Bank PLC.	500,000,000	100,000,000	-	-
Southeast Bank PLC.	350,000,000	70,000,000	500,000,000	200,000,000
Agrani Bank PLC.	-	-	2,500,000,000	1,000,000,000
Sonali Bank PLC.	-	-	750,000,000	300,000,000
Dhaka Bank PLC.	-	-	500,000,000	200,000,000
Total	**4,000,000,000**	**800,000,000**	**6,000,000,000**	**2,400,000,000**

	31.12.2023 Taka	31.12.2022 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 PLC. raised Additional Tier-1 Capital through issuance of "SJIBL Mudaraba Perpetual Bond" for Tk. 500.00 crore of which Tk. 450.00 crore raised through private placement and Tk. 50.00 crore raised through public offer in order to strengthen the capital base of the Bank.

Rate of Return/ Profit: The average of latest available yearly deposit rate (1 year but < 2 year) of scheduled Islamic banks (1st, 2nd and 3rd Generation banks only excluding foreign Islamic banks and any z-category Islamic Banks enlisted in capital market) published in Bangladesh Bank website plus a predetermined additional margin @2.50%. The range of return/profit is fixed from 6% to 10% and the payment of profit are made annually after the end of calendar year.

Contingent Convertible feature: The bond was issued with a contingent convertible feature that the bond will be converted to common share if the Banks's consolidated common equity Tier-I (CET-I) falls below Bangladesh Bank requirement (Currently of 4.50%) and stays below for 03 (Three) successive quarters. The conversion amount will be to the extent of shortfall amount for reaching CET-I @4.5%.

List of Investors

Name of the Investor	Outstanding as at 31 December 2023
Mercantile Bank PLC.	500,000,000
Community Bank Bangladesh PLC.	250,000,000
Bank Asia Limited	500,000,000
Trust Bank Limited	1,000,000,000
Social Islami Bank PLC.	1,500,000,000
Standard Bank PLC.	250,000,000
Global Islami Bank PLC.	250,000,000
The Premier Bank PLC.	250,000,000
IPO-General/Investors	500,000,000
Total	**5,000,000,000**

15. Consolidated Other Liabilities

Shahjalal Islami Bank PLC.	(Note-15a)	42,592,548,156	37,492,869,557
Shahjalal Islami Bank Securities Ltd.		2,609,052,461	2,651,834,812
		45,201,600,617	40,144,704,369
Less: Inter Company Transaction		-	-
		45,201,600,617	**40,144,704,369**

			31.12.2023 Taka	31.12.2022 Taka
15.1	**Consolidated Provision for Current Tax**			
	Shahjalal Islami Bank PLC.	(Note-15a.2)	22,852,570,661	19,607,591,030
	Shahjalal Islami Bank Securities Ltd.		500,412,566	477,325,183
			23,352,983,227	**20,084,916,213**
15.2	**Consolidated Current Tax Expenses**			
	Shahjalal Islami Bank PLC.	(Note-15a.2)	3,695,304,699	3,701,218,481
	Shahjalal Islami Bank Securities Ltd.		23,087,383	44,748,271
			3,718,392,081	**3,745,966,752**

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		472,962,433	485,746,002
Provision for Investment	{Note-15a.1 (a) & (b)}	6,885,723,518	6,589,273,726
Provision for Off-balance Sheet items	{Note-15a.1 (c)}	1,324,800,000	1,356,200,000
Provision for Other Assets	{Note-15a.1(d)}	203,965,000	203,965,000
Provisions for Investments in Securities	{Note-15a.1(e)}	658,560,000	658,560,000
Provision for Taxation	(Note-15a.2)	22,852,570,661	19,607,591,030
Profit Suspense Account	{Note-15(a).1 (f)}	6,008,552,002	4,948,313,858
Compensation Realisable & Suspense Account		1,326,435,995	802,150,891
Compensation Realised Account		447,839,449	554,641,235
Other Payables		424,707,466	347,801,192
Outstanding Expenses		201,022,073	263,492,306
Unearned Income on Quard		5,094,984	19,226,676
Lease Liabilities as per IFRS 16 Leases*	(Note-2.7.6)	1,663,880,919	1,575,722,705
Provision for Start-up Fund	(Note-15a.3)	116,433,656	80,184,936
		42,592,548,156	**37,492,869,557**

*As per note-2.7.6, in accordance with IFRS 16, the Bank has recognised the lease liabilities.

15a.1 Provision for Investment

(a) Provision on Classified Investments		
Provision held at the beginning of the year	3,927,533,630	3,075,119,256
Written-off Recovery	22,100,718	66,934,374
Net charge to Profit and Loss Account	1,570,920,000	785,480,000
Fully provided investment written-off during the year	(1,500,618,831)	-
Provision held at the end of the year	**4,019,935,518**	**3,927,533,630**
(b) General Provision on Unclassified Investments		
Provision held at the beginning of the year	2,661,740,096	2,418,838,000
Effect of exchange rate changes against provision held by offshore banking unit	9,987,014	32,016,655
Addition during the year	194,060,890	210,885,441
Balance at the end of the year	**2,865,788,000**	**2,661,740,096**
Total Provision for Investments (a+b)	**6,885,723,518**	**6,589,273,726**
(c) General Provision on Off-balance Sheet Items		
Provision held at the beginning of the year	1,356,200,000	1,356,200,000
Addition during the year	(31,400,000)	-
Balance at the end of the year	**1,324,800,000**	**1,356,200,000**
Total Provision for Investments & Off-balance Sheet Items (a+b+c)	**8,210,523,518**	**7,945,473,726**

		31.12.2023 Taka	31.12.2022 Taka
	(d) Provision for Other Assets		
	Provision held at the beginning of the year	203,965,000	91,965,000
	Addition during the year	-	112,000,000
	Balance at the end of the year	**203,965,000**	**203,965,000**
	(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	4,948,313,858	3,732,643,784
	Amount transferred to suspense account during the year	1,776,461,921	2,389,717,982
	Amount recovered from suspense account during the year	(501,340,576)	(1,094,678,127)
	Amount waived/ written-off during the year	(214,883,200)	(79,369,781)
	Balance at the end of the year	**6,008,552,002**	**4,948,313,858**
15a.2	**Provision for Taxation**		
	Provision for Current Tax		
	Balance at the beginning of the year	19,607,591,030	17,290,140,619
	Add: Provision for current year	2,989,089,841	3,208,335,035
	Add: Provision for prior years	706,214,858	492,883,446
	Add: Provision made on other during the year	91,368,719	77,094,061
	Less: Adjustment for final settlement for previous years	(541,693,786)	(1,460,862,131)
	Balance at the end of the year	**22,852,570,661**	**19,607,591,030**

The Bank has challenged some disputed income tax assessments which are pending at various appeal stages (i.e. Appellate Tribunal, High Court Division). The Bank is confident that once these appeals are finally disposed off, there should not be any additional tax demand against the Bank and hence no further provision is required.

15a.2(a) Provision for Current Tax made during the year

Income tax @ 37.50% on estimated taxable Business Profit	2,942,972,602	3,148,765,095
Income tax @ 20% on Dividend Income	43,304,747	35,896,181
Income tax @ 15% on Capital Gain on Sale of Shares	2,812,491	23,673,759
Adjustment for previous year	706,214,858	492,883,446
Estimated Total Provision Required	**3,695,304,699**	**3,701,218,481**
Computation of Taxable Business Profit		
Profit before Taxes	7,153,250,273	7,226,276,558
Add: Inadmissible expenditures & Separate consideration	3,154,699,305	2,225,706,339
	10,307,949,577	9,451,982,897
Less: Allowable Expenditure & Separate consideration	2,460,022,637	1,055,275,977
Estimated Taxable Business Profit for the year	**7,847,926,940**	**8,396,706,921**

15a.2(b) Reconciliation of effective tax rate of the Bank

Particulars	Effective Rate		
Profit before income taxes as per profit and loss account		7,153,250,273	7,226,276,558
Income taxes as per applicable tax rate	**37.5%**	2,682,468,852	2,709,853,709
Factors affecting the tax charge for current year:			
Inadmissible expenses	**16.54%**	1,183,012,239	834,639,877
Admissible expenses in the current year	**-11.66%**	(834,280,860)	(239,646,556)
Tax savings from reduced tax rates for dividend	**-0.53%**	(37,891,654)	(31,409,158)
Tax loss/(savings) from reduced tax rates for capital gain	**-0.06%**	(4,218,737)	(65,102,837)
Adjustment for previous year	**9.87%**	706,214,858	492,883,446
Total Income Tax Expenses	**51.66%**	**3,695,304,699**	**3,701,218,481**

		31.12.2023 Taka	31.12.2022 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	35,250,581
	For the year 2023	36,248,720	-
	Balance at the end of the year	**116,433,656**	**80,184,936**

Bangladesh Bank vide its SMESPD Circular No. 04 dated 29 March 2021 as well as SMESPD Circular Letter No. 05 dated 26 April 2021 instructed all scheduled banks to build-up a Start-up Fund under Other Liabilities @1% out of net profit starting from the year 2020 in order to make disbursement to make new entrepreneurs and self-employment.

16. Consolidated Deferred Tax Liabilities

Shahjalal Islami Bank PLC.	(Note-16a)	70,225,452	237,151,866
Shahjalal Islami Bank Securities Ltd.		(1,502,083)	(1,266,952)
		68,723,369	**235,884,914**

16a Deferred Tax Liabilities of the Bank

Balance at the beginning of the year	237,151,866	237,151,866
Add: Provision made during the year	(166,926,414)	-
	70,225,452	**237,151,866**

16a.1 Deferred Tax (Assets)/Liabilities

Fixed Assets (as per Financial Statements)	5,235,145,745	5,272,662,474
Less: Carrying amount of vehicles purchase over the allowable limit	11,828,479	13,341,654
	5,223,317,266	**5,259,320,820**
Tax base carrying amount	5,036,049,395	4,753,535,768
	187,267,871	**505,785,052**
Deferred Tax (Assets)/Liabilities	**70,225,452**	**189,669,395**

According to IAS 12: "Income taxes" deferred tax benefit of Tk 4,74,82,471 had been arised in 2022 due to temporary timing difference which had not been recognized in the profit and loss account and corresponding deferred tax asset/ liability as per direction of Bangladesh Bank vide letter no. DBI -7/4(5)/2023-377 dated 2 April 2023. Thus the deferred tax liability was remain unchanged at Tk 23,71,51,866 in the year 2022.

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

1,112,968,351 ordinary shares of Tk. 10 each	**11,129,683,510**	**10,805,517,980**
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	514,548,470
3% Stock Dividend for the year 2022	324,165,530	-
	11,129,683,510	**10,805,517,980**

		31.12.2023 Taka	31.12.2022 Taka

Unclaimed Stock Dividend

The Stock Dividend which could not be distributed to the Shareholders due to closure of BO ID on the crediting day, kept under the Suspense A/C bearing BO ID - 1204090016665712. During the year 2023, 5,079 numbers of Unclaimed Bonus Share have been transferred to CMSF bearing BO ID - 1201530074571230.

Category	Holding		
Sponsor & Director	In the year 2023: 47.61%; 2022: 48.22%	5,298,394,760	5,210,533,770
Institutes	In the year 2023: 15.07%; 2022: 14.76%	1,677,275,770	1,594,505,140
General Shareholders	In the year 2023: 37.32%; 2022: 36.87%	4,154,012,980	3,983,838,770
Foreign	In the year 2023: 0.00%; 2022: 0.15%	-	16,640,300
		11,129,683,510	**10,805,517,980**

Classification of Shareholders by Number of Holding:

As at 31 December 2023

Range of Share Holding	No. of Shareholders	No. of Shares	Percentage of Holding Shares
Up to 500	10,627	1,599,686	0.14%
501-5,000	10,703	22,409,953	2.01%
5,001-10,000	1,019	7,122,753	0.64%
10,001-20,000	495	6,794,331	0.61%
20,001-30,000	198	4,743,149	0.43%
30,001-40,000	88	2,972,886	0.27%
40,001-50,000	47	2,096,602	0.19%
50,001-100,000	104	7,088,984	0.64%
100,001-1,000,000	134	39,864,146	3.58%
Over 1,000,000	90	1,018,275,861	91.49%
Total	**23,505**	**1,112,968,351**	**100.00%**

As at 31 December 2022

Range of Share Holding	No. of Shareholders	No. of Shares	Percentage of Holding Shares
Up to 500	11,063	1,662,979	0.15%
501-5,000	10,944	22,544,654	2.09%
5,001-10,000	1,032	7,170,415	0.66%
10,001-20,000	508	7,063,153	0.65%
20,001-30,000	177	4,309,460	0.40%
30,001-40,000	81	2,766,539	0.26%
40,001-50,000	50	2,267,163	0.21%
50,001-100,000	109	7,459,133	0.69%
100,001-1,000,000	120	36,183,104	3.35%
Over1,000,000	88	989,125,198	91.54%
Total	**24,172**	**1,080,551,798**	**100.00%**

			31.12.2023 Taka	31.12.2022 Taka
17.3	**Consolidated Capital to Risk-Weighted Assets Ratio (CRAR) Under Basel-III**			
	a) Going Concern Capital (Tier-I):			
	Common Equity Tier-I Capital (CET-I)			
	i.Paid-up Capital		11,129,683,510	10,805,517,980
	ii. Statutory Reserve	(Note-18)	10,803,111,162	9,372,461,107
	iii. Retained Earnings	(Note-20)	1,822,170,931	1,745,940,328
	iv. Foreign Currency Translation Reserve		9,087,189	-
	v. Capital Reserve		34,820,349	28,796,597
	vi. Non-controlling Interest		228,460,797	232,387,434
			24,027,333,937	**22,185,103,447**
	Less: Carrying amount of intangible assets		24,816,045	23,942,748
			24,002,517,892	**22,161,160,699**
	Additional Tier-I Capital (AT-I)		5,000,000,000	5,000,000,000
			29,002,517,892	**27,161,160,699**

		31.12.2023 Taka	31.12.2022 Taka
b) Gone Concern Capital (Tier-II):			
i.General Provision		4,240,053,735	4,067,405,831
ii. Mudaraba Subordinated Bond		1,200,000,000	3,200,000,000
iii. Mudaraba Perpetual Bond (Excess over limit of AT-I)		-	-
		5,440,053,735	**7,267,405,831**
c) Total Eligible Regulatory Capital (a+b)		**34,442,571,627**	**34,428,566,530**
d) Consolidated Total Risk Weighted Assets		**232,588,460,986**	**243,919,410,119**
e) Minimum Required Capital (10% of Risk-Weighted Assets)		**23,258,846,099**	**24,391,941,012**
f) Minimum Required Capital (12.50% of Risk-Weighted Assets) including conservation buffer		**29,073,557,623**	**30,489,926,265**
g) Total Capital Surplus (c-e)		**11,183,725,528**	**10,036,625,518**
h) Total Capital Surplus considering conservation buffer (c-f)		**5,369,014,004**	**3,938,640,265**

Consolidated Capital to Risk-Weighted Assets Ratio

Particulars	2023		2022	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	12.47%	6.00%	11.14%
Common Equity Tier-I Capital: (CET-I)	4.50%	10.32%	4.50%	11.14%
Tier-I Plus Conservation Buffer	8.50%	12.47%	8.50%	11.14%
CET-I Plus Conservation Buffer	7.00%	10.32%	7.00%	9.09%
Gone Concern Capital: (Tier-II)	-	2.34%	-	2.98%
CRAR	10.00%	14.81%	10.00%	14.11%
CRAR including Conservation Buffer	**12.50%**	**14.81%**	**12.50%**	**14.11%**

17.4 Consolidated Risk-Weighted Assets (RWA) for

1. Investment (Credit) Risk			
On-balance Sheet		167,937,026,101	172,272,135,835
Off-balance Sheet		27,911,031,878	35,014,509,696
2. Market Risk		8,894,974,184	12,795,816,487
3. Operational Risk		27,845,428,823	23,836,948,102
Consolidated Total Risk Weighted Assets (1+2+3)		**232,588,460,986**	**243,919,410,119**

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

a) Going Concern Capital (Tier-I):			
Common Equity Tier-I Capital (CET-I)			
i. Paid-up Capital		11,129,683,510	10,805,517,980
ii. Statutory Reserve	(Note-18)	10,803,111,162	9,372,461,107
iii. Retained Earnings	{Note-20(a)}	1,818,307,263	1,692,161,829
iv. Foreign Currency Translation Reserve		9,087,189	-
		23,760,189,123	**21,870,140,916**
Less: Carrying amount of intangible assets		24,540,751	23,598,634
		23,735,648,372	**21,846,542,282**
Additional Tier-I Capital (AT-I)		5,000,000,000	5,000,000,000
		28,735,648,372	**26,846,542,282**
b) Gone Concern Capital (Tier-II):			
i. General Provision	{Note-15.1(b+c)}	4,190,588,000	4,017,940,096
ii. Mudaraba Subordinated Bond		1,200,000,000	3,200,000,000
		5,390,588,000	**7,217,940,096**
c) Total Eligible Regulatory Capital (a+b)		**34,126,236,372**	**34,064,482,378**

	31.12.2023 Taka	31.12.2022 Taka
d) Total Risk-Weighted Assets	**226,626,816,547**	**236,937,492,009**
e) Minimum Required Capital (10% of Risk-Weighted Assets)	**22,662,681,655**	**23,693,749,201**
f) Minimum Required Capital (12.50% of Risk-Weighted Assets) including conservation buffer	**28,328,352,068**	**29,617,186,501**
g) Total Capital Surplus (c-e)	**11,463,554,717**	**10,370,733,177**
h) Total Capital Surplus considering conservation buffer (c-f)	**5,797,884,303**	**4,447,295,877**

Capital Adequacy Ratio of the Bank

Particulars	2023		2022	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	12.68%	6.00%	11.33%
Common Equity Tier-I Capital: (CET-I)	4.50%	10.47%	4.50%	9.22%
Tier-I Plus Conservation Buffer	8.50%	12.68%	8.50%	11.33%
CET-I Plus Conservation Buffer	7.00%	10.47%	7.00%	9.23%
Gone Concern Capital: (Tier-II)	-	2.38%	-	3.05%
CRAR	10.00%	15.06%	10.00%	14.38%
CRAR including Conservation Buffer	**12.50%**	**15.06%**	**12.50%**	**14.38%**

17.6 Risk-Weighted Assets (RWA) for

1. Investment (Credit) Risk		
On-balance Sheet	164,836,684,354	168,800,842,194
Off-balance Sheet	27,911,031,878	35,014,509,696
2. Market Risk	6,416,479,120	10,258,911,402
3. Operational Risk	27,462,621,195	22,863,228,718
Total Risk-Weighted Assets (1+2+3)	**226,626,816,547**	**236,937,492,009**

17.7 Non-Controlling Interest

Opening Balance	232,387,434	227,440,923
Dividend paid to non-controlling shareholders	(4,500,000)	-
Share of current year's profit	573,363	4,946,511
	228,460,797	**232,387,434**

18. Statutory Reserve

Opening Balance	9,372,461,107	7,927,205,795
Add: Addition during the year	1,430,650,055	1,445,255,312
	10,803,111,162	**9,372,461,107**

19. Foreign Currency Translation Reserve

Assets & liabilities of Offshore Banking Unit have been converted to BDT currency which is the functional currency of the Bank @ US$1 = Taka 110.00 [closing rate (inter-bank weighted average)] and income & expenses have been converted to BDT currency @ US$1 = Taka 107.8084 (monthly average rate of inter-bank weighted average rate). The arising differences from the above two rates have been recognized as foreign currency translation reserve.

20. Consolidated Retained Earnings

Shahjalal Islami Bank PLC.	(Note-20a)	1,818,307,263	1,692,161,829
Shahjalal Islami Bank Securities Ltd.		7,324,465	61,165,934
		1,825,631,728	1,753,327,762
Less: Non-Controlling Interest		3,460,797	7,387,434
		1,822,170,931	**1,745,940,328**

			31.12.2023 Taka	31.12.2022 Taka
20.1	**Consolidated current year's Retained Earnings**			
	Shahjalal Islami Bank PLC.	(Note-20a)	3,624,871,988	3,525,058,077
	Shahjalal Islami Bank Securities Ltd.		6,982,283	60,237,516
			3,631,854,271	3,585,295,593
	Less: Non-Controlling Interest		573,363	4,946,511
			3,631,280,909	**3,580,349,082**
20a	**Retained Earnings of the Bank**			
	Opening Balance		1,692,161,829	1,584,818,008
	Less: Payment of Dividend		1,620,827,688	1,543,645,421
	Less: Profit against Mudaraba Perpetual Bond		411,000,092	393,562,943
	Add: Transfer from Profit and Loss Account		3,624,871,988	3,525,058,077
	Less: Transfer to Statutory Reserve		1,430,650,055	1,445,255,312
	Less: Start-up Fund		36,248,720	35,250,581
			1,818,307,263	**1,692,161,829**
21.	**Letters of Guarantee**			
	Letters of Guarantee (Local)		32,021,748,152	31,019,574,861
	Letters of Guarantee (Foreign)		806,428,081	296,672,870
	Back to Back Usance		-	452,146
			32,828,176,233	**31,316,699,877**
	a) Claims against the Bank not acknowledged as debts			
	b) Money for which the Bank is contingently liable in respect of guarantees given favoring:			
	Directors or Officers		5,000,000	3,000,000
	Government		334,984,108	410,238,235
	Banks and Other Financial Institutions		-	-
	Others		32,488,192,125	30,903,461,642
			32,828,176,233	**31,316,699,877**
22.	**Irrevocable Letters of Credit**			
	Letters of credit		**55,470,593,578**	**44,418,370,950**
			2023 Taka	**2022 Taka**
23.	**Consolidated Profit and Loss Account**			
	Income:			
	Profit on Investments	(Note-24)	18,178,269,302	15,965,123,028
	Income from Investments in securities	(Note-26)	1,483,558,624	1,472,082,949
	Dividend Income	(Note-26)	216,523,735	179,480,905
	Commission, Exchange and Brokerage	(Note-27)	2,942,927,057	3,634,722,397
	Gains less losses arising from Investments in Securities		18,749,942	236,737,590
	Other Operating Income	(Note-28)	1,543,095,945	1,357,676,035
			24,383,124,604	**22,845,822,903**
	Expenses:			
	Profit paid on Deposits	(Note-25)	9,063,042,571	8,365,858,043
	Administrative Expenses		4,889,353,658	4,485,535,589
	Other operating Expenses		984,511,027	908,262,056
	Depreciation on Banking Assets		579,851,652	542,781,279
			15,516,758,908	**14,302,436,968**
	Profit before Provision		**8,866,365,696**	**8,543,385,935**
23a	**Profit and Loss Account of the Bank**			
	Income:			
	Profit on Investments	(Note-24a)	18,129,791,800	15,885,443,131
	Income from Investments in Securities	(Note-26a)	1,486,088,036	1,316,344,347
	Dividend Income	(Note-26a)	216,523,735	179,480,905
	Commission, Exchange and Brokerage	(Note-27a)	2,861,079,211	3,486,719,333
	Gains less losses arising from Investments in Securities	(Note-26a)	18,749,942	236,737,590
	Other Operating Income	(Note-28a)	1,536,376,195	1,351,229,343
			24,248,608,918	**22,455,954,648**

		2023 Taka	2022 Taka
Expenses:			
Profit paid on Deposits	(Note-25a)	9,034,423,217	8,335,129,184
Administrative Expenses		4,812,126,769	4,400,205,304
Other Operating Expenses		956,556,170	866,192,092
Depreciation on Banking Assets		558,671,600	519,786,068
		15,361,777,756	**14,121,312,649**
Profit/(Loss) before Provision		**8,886,831,162**	**8,334,641,999**

24. Consolidated Profit on Investments

Shahjalal Islami Bank PLC.	(Note-24a)	18,129,791,800	15,885,443,131
Shahjalal Islami Bank Securities Ltd.		214,858,259	267,013,721
		18,344,650,059	16,152,456,852
Less: Inter Company Transaction		166,380,757	187,333,824
		18,178,269,302	**15,965,123,028**

24a Profit on Investments of the Bank

Profit on Investments*	(Note-24a.1)	16,189,836,994	14,420,589,485
Profit on Placement with Other Banks & Financial Institutions		1,939,954,807	1,464,853,647
		18,129,791,800	**15,885,443,131**

*Profit on investments increased by 12.27% in 2023 over 2022 as a result of Implementation of SMART from July 2023 and increase in the volume of investments by 1.91% .

24a.1 Profit on Investments

Profit on Murabaha	948,816,608	708,142,047
Profit on Bi-Muazzal	7,994,041,508	6,862,035,503
Profit on Hire-Purchase	3,405,989,713	2,955,082,283
Profit on Ijara	159,071,815	172,341,397
Profit on Bi-Salam	506,698,251	403,545,096
Profit on Inland Document Bill Purchased	394,361,860	450,304,505
Profit on Foreign Document Bill Purchased	25,401,325	37,711,991
Profit on Investment against Scheme Deposit	11,500	19,250
Profit on Investment against Mudaraba Savings Deposit	-	8,423
Profit on Investment against EDF	725,890,901	422,459,479
Profit on Mudaraba	779,573,689	1,003,419,404
Profit Received From Rescheduled Investment - Rent Mode	478,797,167	330,635,026
Profit on Murabaha Import Bill (UPAS)	681,852,616	1,004,514,778
Profit Received From HPSM	49,196	774,242
Income from Islamic Credit Card	89,280,845	68,068,136
Profit on Investment against Mudaraba Term Deposit	-	220
Profit on Investment against Other Securities	-	1,527,706
	16,189,836,994	**14,420,589,485**

24a.2 Investment Income derived from the fund deployed

Inside Bangladesh		
i) Mudaraba Deposits	8,663,181,775	9,282,533,451
ii) Other Deposits/Fund	7,526,655,218	5,138,056,033
	16,189,836,994	**14,420,589,485**
Outside Bangladesh	**-**	**-**
	16,189,836,994	**14,420,589,485**

24a.3 Geographical Location-wise Profit on Investments

Area	2023		2022	
	Amount in Taka	Composition	Amount in Taka	Composition
i. Inside Bangladesh (note-22a.3.1)				
a) In Rural Areas	467,875,402	2.89%	413,372,601	2.87%
b) In Urban Areas	15,721,961,592	97.11%	14,007,216,884	97.13%
Sub-total	**16,189,836,994**	**100.00%**	**14,420,589,485**	**100.00%**
ii. Outside Bangladesh	-	-	-	-
Total	**16,189,836,994**	**100.00%**	**14,420,589,485**	**100.00%**

24a.3.1 Inside Bangladesh

Area	2023		2022	
	Amount in Taka	Composition	Amount in Taka	Composition
i. Inside Bangladesh				
a) In Rural Areas				
Dhaka	353,007,968	2.18%	317,633,554	2.20%
Chattogram	59,921,658	0.37%	50,359,891	0.35%
Sylhet	12,745,645	0.08%	12,362,675	0.09%
Rajshahi	9,688,171	0.06%	5,908,105	0.04%
Khulna	5,814,205	0.04%	5,205,920	0.04%
Barishal	6,765,960	0.04%	5,005,890	0.03%
Mymensingh	19,931,795	0.12%	16,896,567	0.12%
Sub-total	**467,875,402**	**2.89%**	**413,372,601**	**2.87%**
b) In Urban Areas				
Dhaka	11,901,776,588	73.51%	10,681,087,022	74.07%
Chattogram	2,578,095,243	15.92%	2,158,901,008	14.97%
Sylhet	94,970,781	0.59%	112,359,054	0.78%
Rajshahi	391,638,998	2.42%	392,402,142	2.72%
Rangpur	99,319,219	0.61%	93,683,276	0.65%
Khulna	491,039,743	3.03%	415,696,635	2.88%
Barishal	55,078,872	0.34%	48,320,653	0.34%
Mymensingh	110,042,148	0.68%	104,767,094	0.73%
Sub-total	**15,721,961,592**	**97.11%**	**14,007,216,884**	**97.13%**
ii) Outside Bangladesh	-	-	-	-
Total	**16,189,836,994**	**100%**	**14,420,589,485**	**100%**

		2023 Taka	2022 Taka
25. Consolidated Profit paid on Deposits			
Shahjalal Islami Bank PLC.	(Note-24a)	9,034,423,217	8,335,129,184
Shahjalal Islami Bank Securities Ltd.		195,112,404	218,195,910
		9,229,535,621	8,553,325,094
Less: Inter Company Transaction		166,493,050	187,467,051
		9,063,042,571	**8,365,858,043**
25a Profit paid on Deposits of the Bank			
Profit on Deposits*		8,329,726,975	7,548,151,915
Profit paid on Borrowings		704,696,242	786,977,269
		9,034,423,217	**8,335,129,184**

*Profit paid on deposit increased due to increase of cost of deposit as well as increase in the volume of deposit.

25a.1 Profit paid on Borrowings			
Profit paid on Borrowings		634,302,766	714,492,472
Profit Expenses of Lease Liabilities (as per IFRS 16 Leases)		70,393,476	72,484,797
		704,696,242	**786,977,269**
26. Consolidated Income from Investments in Shares & Securities			
Shahjalal Islami Bank PLC.	(Note-26a)	1,721,361,713	1,732,562,841
Shahjalal Islami Bank Securities Ltd.		47,770,588	155,738,602
		1,769,132,301	1,888,301,443
Less: Dividend from Subsidiary		50,300,000	-
		1,718,832,301	**1,888,301,443**

			2023 Taka	2022 Taka
26a	**Income from Investments in Shares & Securities of the Bank**			
	Income from Investments in Govt. Sukuk/Islamic Bond		1,173,552,467	1,032,363,144
	Income from Investments in Shares & Securities	(Note-26a.1)	18,749,942	236,737,590
	Dividend Income		216,523,735	179,480,905
	Income from Investments in Corporate Sukuk/Islamic Bond		312,535,569	283,981,203
			1,721,361,713	**1,732,562,841**

26a.1 Income from investments in shares & securities arose through sale of listed shares in the Stock Exchanges.

27. Consolidated Commission, Exchange and Brokerage

Shahjalal Islami Bank PLC.	(Note-27a)	2,861,079,211	3,486,719,333
Shahjalal Islami Bank Securities Ltd.		81,847,846	148,003,064
		2,942,927,057	**3,634,722,397**

27a	**Commission, Exchange and Brokerage of the Bank**		
	Other commission	1,616,458,464	1,490,516,657
	Exchange earnings	(Note-27a.1) 1,244,620,747	1,996,202,675
		2,861,079,211	**3,486,719,333**
27a.1	**Exchange Earnings**		
	Gross exchange gain	8,226,171,139	12,042,622,231
	Less: Exchange loss	6,981,550,392	10,046,419,556
	Net Exchange Gain	**1,244,620,747**	**1,996,202,675**

28. Consolidated Other Operating Income

Shahjalal Islami Bank PLC.	(Note-28a)	1,536,376,195	1,351,229,343
Shahjalal Islami Bank Securities Ltd.		6,832,043	6,579,919
		1,543,208,238	1,357,809,262
Less: Inter Company Transaction		112,293	133,227
		1,543,095,945	**1,357,676,035**

28a	**Other Operating Income of the Bank**		
	Postage, Telex, SWIFT & REUTERS	156,676,719	139,048,317
	Incidental Charge	700	915
	Supervision & Monitoring Charge	119,753,604	4,102,206
	Other Charges	(Note-28a.1) 1,259,945,171	1,208,077,905
		1,536,376,195	**1,351,229,343**
28a.1	**Other Charges**		
	Rent receipts	7,057,575	6,490,720
	Charges on A/C closing	742,820	1,089,933
	Charges on clearing returned	799,115	990,532
	Cheque processing charge	3,840,836	4,059,917
	Service charges on Ijara	20,000	80,000
	Service charges on scheme investment	4,730,529	3,980,610
	Service charges on Quard	93,129,272	81,866,256
	Passport endorsement charge	27,924	28,400
	PO/DD cancellation charge	103,040	68,376
	Branch banking services	28,272,615	30,319,526
	Account maintenance fee	88,771,968	86,060,870
	Recoveries from cheque issue	3,939,664	6,299,017
	Income from sale of forms	3,856,400	8,981,761
	Service charge on SJIBL VISA Card	201,729,470	159,921,819
	Other Income From Islamic Credit Card	50,717,337	51,043,696
	Management Fees	624,709	751,690
	Notice pay earnings	6,714,872	7,305,249
	Rebate on Trade Finance	114,253,126	113,391,258
	Discrepency Fee	359,326,638	444,830,250
	Profit on sale of Bank's Assets	1,178,217	5,048,857
	Provident Fund Forfeiture Balance Refund	5,022,639	2,293,916
	Miscellaneous income	285,086,407	193,175,251
		1,259,945,171	**1,208,077,905**

			2023 Taka	2022 Taka
29.	**Consolidated Salaries & Allowances**			
	Shahjalal Islami Bank PLC.	(Note- 29a)	3,911,632,751	3,541,190,780
	Shahjalal Islami Bank Securities Ltd.		66,837,039	74,090,233
			3,978,469,790	**3,615,281,013**
29a	**Salaries & Allowances of the Bank**			
	Basic Salary		1,555,441,803	1,420,473,004
	Allowances		1,363,499,162	1,216,287,537
	Bonus		792,267,907	729,367,050
	Bank's Contribution to Provident fund		148,660,269	131,828,896
	Leave Encashment		51,763,611	43,234,293
			3,911,632,751	**3,541,190,780**
30.	**Consolidated Rent, Taxes, Insurance, Electricity etc.**			
	Shahjalal Islami Bank PLC.	(Note- 30a)	385,313,991	395,349,782
	Shahjalal Islami Bank Securities Ltd.		6,446,864	6,596,977
			391,760,855	**401,946,759**
30a	**Rent, Taxes, Insurance, Electricity etc. of the Bank**			
	Rent, Rates & Taxes	(Note-30a.1)	84,146,403	98,650,730
	Insurance		199,976,324	207,173,243
	Electricity & Lighting		101,191,264	89,525,809
			385,313,991	**395,349,782**
30a.1	**Rent, Rates & Taxes**			
	Rent, Rates & Taxes		362,274,434	339,705,804
	Transfer to depreciation and profit expenses under IFRS 16*		278,128,031	241,055,074
			84,146,403	**98,650,730**

*Due to the adoption of IFRS 16 Leases, rental expense of Tk. 278,128,031 was transferred to depreciation of Right of Use (RoU) Assets and profit expense of lease liabilities.

31.	**Consolidated Legal Expenses**			
	Shahjalal Islami Bank PLC.	(Note- 31a)	2,399,713	1,362,822
	Shahjalal Islami Bank Securities Ltd.		102,350	77,250
			2,502,063	**1,440,072**
31a	**Legal Expenses of the Bank**			
	Legal Fees & Charge		672,553	339,940
	Other Legal Expenses		1,727,160	1,022,882
			2,399,713	**1,362,822**
32.	**Consolidated Postage, Stamps, Telecommunication etc.**			
	Shahjalal Islami Bank PLC.	(Note- 32a)	54,839,785	53,233,194
	Shahjalal Islami Bank Securities Ltd.		2,866,317	3,042,601
			57,706,102	**56,275,795**
32a	**Postage, Stamps, Telecommunication etc. of the Bank**			
	Postage		1,058,358	1,477,068
	Leased line		34,896,953	31,647,194
	Telegram, Fax & Telex		5,565,365	5,931,705
	Telephone charges		2,010,356	2,703,086
	Mobile phone charges		11,308,754	11,474,141
			54,839,785	**53,233,194**
33.	**Consolidated Stationery, Printing, Advertisements etc.**			
	Shahjalal Islami Bank PLC.	(Note- 33a)	149,908,208	134,894,501
	Shahjalal Islami Bank Securities Ltd.		905,319	1,446,724
			150,813,527	**136,341,225**

			2023 Taka	2022 Taka
33a	**Stationery, Printing, Advertisements etc. of the Bank**			
	Table Stationery		11,848,883	8,795,089
	Printing Stationery		12,695,825	12,666,445
	Security Stationery		8,010,196	6,176,398
	Computer Stationery		74,502,948	66,116,652
	Publicity and Advertisement		42,850,356	41,139,918
			149,908,208	**134,894,501**
34.	**Chief Executive's Salary & Fees of the Bank**			
	Basic Salary		9,600,000	13,129,487
	Allowances		3,912,000	4,556,967
	Bonus		2,760,000	3,635,380
	Bank's Contribution to Provident Fund		-	1,078,110
			16,272,000	**22,399,944**
35.	**Directors' Fees & Expenses of the Bank**			
	Directors' Fees		4,166,400	5,345,600
	Meeting Expenses		177,244	1,250,783
			4,343,644	**6,596,383**
36.	**Shariah Supervisory Committee's Fees & Expenses of the Bank**			
	Shariah Council Meeting Expenses		**1,073,245**	**619,587**
37.	**Consolidated Auditors' Fees**			
	Shahjalal Islami Bank PLC.	(Note-37a)	1,035,000	550,000
	Shahjalal Islami Bank Securities Ltd.		69,000	76,500
			1,104,000	**626,500**
37a	**Auditor's Fees of the Bank**			
	Auditor's Fees*		**1,035,000**	**550,000**
	* Auditor's Fees of 2023 include interim audit fee for September 2023 Tk. 345,000 (including VAT).			
38.	**Consolidated Depreciation & Repairs of Assets**			
	Shahjalal Islami Bank PLC.	(Note-38a)	600,330,115	558,210,217
	Shahjalal Islami Bank Securities Ltd.		21,180,052	22,995,211
			621,510,167	**581,205,428**
38a	**Depreciation & Repairs of Bank's Assets**			
	a) Depreciation of Bank's Assets (Annexure-B)			
	Land & Building		19,660,190	19,660,190
	Furniture & Fixtures		94,603,272	86,516,080
	Office Equipment		107,496,127	96,856,740
	Computer & Network Equipment		76,186,225	84,608,955
	Vehicles		13,093,922	15,131,791
	Right of Use (ROU) Assets*		240,590,387	211,365,471
	Books		-	17,394
	b) Amortization of Bank's Assets (Annexure-B)			
	Software-Core Banking		-	-
	Software-Others		7,041,477	5,629,448
			558,671,600	**519,786,068**

		2023 Taka	2022 Taka
c) Repairs on Bank's Assets			
Office Premises		1,620,354	4,483,679
Office Equipment		17,911,535	20,078,653
Office Furniture & Fixtures		1,467,402	1,438,233
Vehicles		3,689,997	2,588,643
Procurement of Parts, Spares & Others		16,969,227	9,834,940
		41,658,515	**38,424,148**
		600,330,115	**558,210,217**

*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.

39. Zakat Expenses of the Bank

Zakat Expenses		243,649,917	205,584,162
		243,649,917	**205,584,162**

40. Consolidated Other Expenses

Shahjalal Islami Bank PLC.	(Note-40a)	956,556,170	866,192,092
Shahjalal Islami Bank Securities Ltd.		27,954,857	42,069,963
		984,511,027	**908,262,056**

40a Other Expenses of the Bank

Petrol, Oil and Lubricants	9,289,052	8,024,457
Entertainment	50,836,074	60,096,297
Subscription	6,578,508	6,638,710
Traveling and Conveyance	30,127,735	26,017,405
Training Expenses	7,831,304	7,460,010
Car expenses	204,280,898	196,771,514
Gratuity expenses	300,000,000	250,000,000
Papers & Periodicals	386,795	163,000
Utility	7,068,476	6,860,190
Uniform & Liveries	3,032,869	4,047,511
Bank Charges	1,479,968	2,386,376
Business development & promotion	25,156,629	45,241,360
Upkeep and cleaning of office premises	52,030,874	42,646,925
Security Service- outsourcing	107,195,276	94,935,383
Credit Rating fee	287,500	618,125
SJIBPLC. Card expenses	76,699,710	53,319,234
Islamic Credit Card Expenses	19,078,208	15,319,565
AGM & meeting expenses	8,106,859	7,491,245
Capital Enhancement Fees	10,059,546	4,768,046
Contribution to Social Security Superannuation Fund	2,000,000	2,000,000
Laundry and Washing	454,064	404,285
Crockeries, Kettle and others	710,313	661,854
Photograph and Photocopy	688,412	830,133
Loss on Disposal of Fixed Assets	7,145,598	4,127,765
CSR Expense	410,000	500,000
Agent Banking Expanse	9,201,161	6,747,461
Miscellaneous Expenses	14,148,078	16,728,292
Branch Opening Expenses	2,272,264	1,386,950
	956,556,170	**866,192,092**

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. Expenditures on different heads are being monitored closely in order to ensure cost savings during the period under review which has helped the Bank to keep the cost within the acceptable limit.

			2023 Taka	2022 Taka
41.	**Consolidated Provision against Investments, Off-balance Sheet Items & Others**			
	Shahjalal Islami Bank PLC.	(Note-41a)	1,733,580,890	1,108,365,441
	Shahjalal Islami Bank Securities Ltd.		-	103,423,877
			1,733,580,890	**1,211,789,318**
41a	**Provision against Investments, Off-balance Sheet Items & Others of the Bank**			
	Provision on Unclassified Investments		194,060,890	210,885,441
	Provision on Classified Investments		1,570,920,000	785,480,000
	Provision on Off-balance Sheet Items		(31,400,000)	-
	Provisions on Investments in Securities		-	-
	Provision on Other Assets		-	112,000,000
			1,733,580,890	**1,108,365,441**
42.	**Consolidated Deferred Tax (Income)/Expenses**			
	Shahjalal Islami Bank PLC.	(Note-42a)	(166,926,414)	-
	Shahjalal Islami Bank Securities Ltd.		(235,132)	334,272
			(167,161,546)	**334,272**
42a	**Deferred Tax (Income)/Expenses of the Bank**			
	Closing deferred tax liability		70,225,452	237,151,866
	Opening deferred tax liability		237,151,866	237,151,866
	Deferred tax expenses/(Income)		**(166,926,414)**	**-**
42b	**Consolidated Tax Expenses**			
	Current tax		3,718,392,081	3,745,966,752
	Deferred tax		(167,161,546)	334,272
			3,551,230,535	**3,746,301,024**
42c	**Tax Expenses of the Bank**			
	Current tax	(Note-15a.2)	3,695,304,699	3,701,218,481
	Deferred tax	(Note-42a)	(166,926,414)	-
			3,528,378,285	**3,701,218,481**
43.	**Consolidated Earnings per Share (EPS)**	(Note-2.19)		
	Net Profit after Taxes		3,580,980,909	3,580,349,082
	No. of Ordinary Shares outstanding		1,112,968,351	1,112,968,351
			3.22	**3.22**
43a	**Earnings per Share (EPS) of the Bank**	(Note-2.19)		
	Net Profit after Tax		3,624,871,988	3,525,058,077
	Number of Ordinary Shares outstanding		1,112,968,351	1,112,968,351
			3.26	**3.17**

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 and Other Operating Income.

43(i)	**Net Asset Value (NAV) per Share:**			
	Net Asset Value (Consolidated)		23,798,873,140	21,952,716,012
	Net Asset Value (Bank's)		23,760,189,123	21,870,140,916
	No. of Outstanding Shares		1,112,968,351	1,112,968,351
	Net Asset Value (NAV) per Share (Consolidated) [previous year's figure restated]		**21.38**	**19.72**
	Net Asset Value (NAV) per Share (Bank's) [previous year's figure restated]		**21.35**	**19.65**

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.

		2023 Taka	2022 Taka
43(ii)	**Net Operating Cash Flows per Share (NOCFPS):**		
	Net cash flow from operating activities (Consolidated)	11,225,745,426	3,914,721,079
	Net cash flow from operating activities (Bank's)	11,222,663,771	3,881,596,555
	No. of Outstanding Shares	1,112,968,351	1,112,968,351
	Net Operating Cash Flow per Share (NOCFPS) (Consolidated) [previous year's figure restated]	**10.09**	**3.52**
	Net Operating Cash Flow per Share (NOCFPS) (Bank's) [previous year's figure restated]	**10.08**	**3.49**

Net Operating Cash Flows per Share (NOCFPS) has increased significantly compared to that of last year mainly due to the increase in deposits from customers while decrease in placement with other Banks and Financial Institutions as well as increase in investment income during the year

44. Consolidated Investment Income Receipt in Cash

Shahjalal Islami Bank PLC.	(Note-44a)	19,673,238,630	17,054,304,197
Shahjalal Islami Bank Securities Ltd.		270,063,809	422,752,323
		19,943,302,439	**17,477,056,520**

44a Investment Income Receipt of the Bank

Investment income receipt (excluding Dividend Income)	(Note 24a & 26a)	19,634,629,778	17,438,525,068
Add: Opening profit receivable	(Note-10a.2)	1,083,252,168	699,031,297
Less: Closing profit receivable	(Note-10a.2)	1,044,643,316	1,083,252,168
		19,673,238,630	**17,054,304,197**

45. Consolidated Profit Paid on Deposits

Shahjalal Islami Bank PLC.	(Note-45a)	8,762,916,189	7,778,867,646
Shahjalal Islami Bank Securities Ltd.		213,119,960	213,604,636
		8,976,036,149	**7,992,472,282**

45a Profit Paid on Deposits of the Bank

Profit Paid on Deposits	(Note-25a)	8,964,029,741	8,335,129,184
Add: Opening profit payable on deposit	(Note-13a)	1,151,802,996	595,541,458
Less: Closing profit payable on deposit	(Note-13a)	1,352,916,548	1,151,802,996
		8,762,916,189	**7,778,867,646**

46. Consolidated Cash Receipts from Other Operating activities

Shahjalal Islami Bank PLC.	(Note-46a)	1,535,197,977	1,346,180,485
Shahjalal Islami Bank Securities Ltd.		6,832,043	6,579,919
		1,542,030,020	**1,352,760,404**

46a Cash Receipts from other Operating activities of the Bank

Postage & Telex Charge Recovery	156,676,719	139,048,317
Incidental Charge	700	915
Supervision & Monitoring Charge	119,753,604	4,102,206
Other charges (except income from sale of fixed assets)	1,258,766,954	1,203,029,048
	1,535,197,977	**1,346,180,485**

47. Consolidated Cash Payments for Other Operating activities

Shahjalal Islami Bank PLC.	(Note-47a)	1,961,852,413	1,563,784,406
Shahjalal Islami Bank Securities Ltd.		37,920,817	52,609,132
		1,999,773,230	**1,616,393,539**

			2023 Taka	2022 Taka
47a	**Cash Payments for Other Operating activities of the Bank**			
	Rent, Taxes, Insurance, Lighting etc.	(Note-30a)	663,442,022	395,349,782
	Legal Expenses	(Note-31a)	2,399,713	1,362,822
	Postage, Stamp, Telegram & Telephone	(Note-32a)	54,839,785	53,233,194
	Directors' Fee & Expenses	(Note-35)	4,343,644	6,596,383
	Shariah Supervisory Committee's Fees & Expenses	(Note-36)	1,073,245	619,587
	Auditor's Fee	(Note-37a)	1,035,000	550,000
	Repairs & Maintenance of Bank's Assets	(Note-38a.c)	41,658,515	38,424,148
	Zakat Expenses	(Note-39)	243,649,917	205,584,162
	Other Expenses		949,410,572	862,064,327
			1,961,852,413	**1,563,784,406**
48.	**Cash Increase/Decrease in Consolidated Other Assets**			
	Shahjalal Islami Bank PLC.	(Note-48a)	6,771,363,308	3,436,552,181
	Shahjalal Islami Bank Securities Ltd.		28,047,699	34,652,250
			6,799,411,007	3,471,204,431
	Less: Cash Increase/(Decrease) through Inter Company Transaction		2,515,000,000	2,515,000,000
			4,284,411,007	**956,204,431**
	Cash (Increase)/Decrease in Other Assets		**(3,328,206,576)**	**(600,543,150)**
48a	**Cash Increase/Decrease in Other Assets of the Bank**			
	Stock of Stationery and Stamps		47,167,552	32,352,408
	Advance deposits and rent		42,604,032	42,794,922
	Suspense Account		499,979,226	476,794,286
	Other Prepayments		262,130,247	133,509,156
	Shahjalal Islami Bank Securities Ltd.	(Note 10a.3)	2,515,000,000	2,515,000,000
	Advance Insurance premium		4,019,272	58,852
	Other Receivables		3,034,667	3,034,667
	SJIBL General Account-Net		3,397,428,313	229,407,891
	Advance for New Branches		-	3,600,000
			6,771,363,308	**3,436,552,181**
	Cash (Increase)/Decrease in Other Assets		**(3,334,811,127)**	**(591,081,108)**
49.	**Cash Increase/Decrease in Consolidated Other Liabilities**			
	Shahjalal Islami Bank PLC.	(Note- 49a)	1,454,907,245	1,552,675,008
	Shahjalal Islami Bank Securities Ltd.		1,514,236,031	1,571,028,856
			2,969,143,276	3,123,703,864
	Less: Cash Increase/(Decrease) through Inter Company transaction		-	-
			2,969,143,276	**3,123,703,864**
	Cash Increase/(Decrease) in Other Liabilities		**(154,560,589)**	**(104,835,524)**
49a	**Cash Increase/Decrease in Other Liabilities of the Bank**			
	Other Payables		922,566,905	943,732,744
	Taxation on other income & prior years		326,223,283	326,223,283
	Outstanding Expenses		201,022,073	263,492,306
	Unearned Income on Quard		5,094,984	19,226,676
			1,454,907,245	**1,552,675,008**
	Cash Increase/(Decrease) in Other Liabilities		**(97,767,764)**	**179,156,379**

		2023 Taka	2022 Taka
50. Consolidated Cash and Cash Equivalents			
Shahjalal Islami Bank PLC.	(Note-50a)	29,652,375,666	20,618,979,706
Shahjalal Islami Bank Securities Ltd.		386,922,871	343,641,221
		30,039,298,537	20,962,620,927
Less: Cash Increase/(Decrease) through Inter Company Transaction		363,822,654	319,707,359
		29,675,475,883	**20,642,913,568**
50a Cash and Cash Equivalents of the Bank			
Cash in Hand		2,247,682,953	2,399,102,842
Balance with Bangladesh Bank & Sonali Bank PLC. (as agent of Bangladesh Bank)		23,432,585,249	14,924,287,024
Balance with Other Banks & Financial Institutions		3,972,107,464	3,295,589,841
		29,652,375,666	**20,618,979,706**
51. 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		3,624,871,988	3,525,058,077
Provision for taxation		3,528,378,285	3,701,218,481
Provision for investments, shares & contingent liabilities		1,733,580,890	1,108,365,441
(Increase)/decrease profit receivable		38,608,852	(384,220,871)
Increase/(decrease) profit payable on deposits		201,113,552	556,261,539
Depreciation & amortization of fixed assets		558,671,600	519,786,068
Recoveries on investment previously written-off		22,100,718	66,934,374
Income tax paid		(4,201,023,656)	(2,188,624,194)
Loss/profit on the sale of Bank's assets		5,967,381	(921,092)
Non-cash Impact of IFRS 16 "Lease"		(207,734,555)	-
Effect of exchange rate changes on cash and cash equivalents		(143,887,613)	(169,724,866)
Operating profit before changes in operating assets and liabilities		**5,160,647,441**	**6,734,132,958**

52. 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 2,875.

53. 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. 354 held on 11 January 2023 reconstituted the Committee by the following members:

Name	Status with the Bank	Status with the Committee	Educational Qualification
K.A.M. Majedur Rahman	Independent Director	Chairman	Masters
Abdul Halim	Director	Member	Bachelor
Khandaker Sakib Ahmed	Director	Member	MBA
Ekramul Hoque	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. All of them are playing active role in the Board Audit Committee.

b) Meeting of Audit Committee

During 1st January to 31st December 2023, the Audit Committee of the Board conducted 10 (Ten) meetings in which among others, the following issues were discussed:

i)The duties and responsibilities of the Committee as stated in BRPD Circular No. 11 dated 27 October 2013;

ii) Regular review of the Internal and External (including Bangladesh Bank) Inspection& Audit Report with a view to implementing the suggestion of Internal and External Auditors in respect of Internal Control structure and techniques;

iii)Minimization of expenditure in all operational activities where possible;

iv)Reviewing the accounting procedures with a view to ascertain that the International Financial Reporting Standards (IFRSs) have been applied in maintaining books and records of the Bank.

54. Related Party Disclosures of the Bank

54.1 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
A. K. Azad	Chairman	i) Ha-Meem Denim Mills Ltd. ii) Ha-Meem Apparels Ltd. iii) Ha-Meem Spinning Mills Ltd. iv) Ha-Meem Design Ltd. v) That's It Fashions Ltd. vi) That's It Sweater Ltd. vii) That's It Sportswear Ltd. viii) That's It Garments Ltd. ix) That's It Knit Ltd. x) Sajid Washing & Dyeing Ltd. xi) Nishat Jute Mills Ltd. xii) Refat Garments Ltd. xiii) Modern Washing & Dyeing Industries Ltd. xiv) Refat Packaging & Printing Industries Ltd. xv) Sakib Poly Industries Ltd. xvi) Apparels Galary Ltd. xvii) Artistic Design Ltd. xviii) Creative Collections Ltd. xix) Creative Wash Ltd. xx) Express Washing & Dyeing Ltd. xxi) Times Media Ltd. [Channel 24 & The Daily Samakal] xxii) That's It Packaging Ltd. xxiii) Nishat Packaging & Printing Industries Ltd. xxiv) Crecent Spinning Mills Ltd. xxv) Ha-Meem Pharmaceuticals Ltd. xxvi) Shahjalal Islami Bank Securities Ltd.
Mohammed Younus	Vice 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.

Name of Director	Status with the Bank	Name of the Firms/Companies in which they have Interest
		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) Long Lasting Coating xxxvi) Fly Galaxy Travel and Tours xxxvii) NRB Recruiting Agency xxxviii) Perfume Chemical Industries Ltd. xxxix) Jago Corporation Ltd. xxxx) Wordbridge School xxxxi)Fareast International University xxxxii) 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.
Dr. Anwer Hossain Khan, MP	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) Bangladesh Journal xi) Anwer Khan Modern Securities Ltd. xii) Anwer Khan Modern University xiii) 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.
Abdul Karim (Nazim) (Rep. of Shamsuddin Khan & Harun Miah Ltd.)	Director	i) Shamsuddin Khan & Harun Miah Ltd. (UK) ii) Maharani Camden (UK) iii) Karim Enterprise Ltd. (UK) iv) Shahjalal Islami Bank Securities Ltd.

Name of Director	Status with the Bank	Name of the Firms/Companies in which they have Interest
Md. Abdul Barek	Director	i) Arju Electronics ii) Jony Electronics iii) Rony Electronics iv) Shahjalal Islami Bank Securities Ltd.
Abdul Halim	Director	i) Abdul Halim & Brothers ii) Excellent Ceramic Industries Ltd. iii) Excellent Tiles Industries Ltd. iv) Excellent Motors Ltd. v) Shahjalal Islami Bank Securities Ltd.
Akkas Uddin Mollah (Rep. of Akkas Uddin Mollah Ltd.)	Director	i)Russel Garments ii) Russel Apperals iii) Ekram Sweaters Ltd. iv) PNR Industries Ltd. v) Tania Cotton Mills Ltd. vi) Russel Washing Plant vii) Russel Spinning Mills Ltd. viii) Nurul Islam Spinning Mills Ltd. ix)Alalpur Agro & Fisheries Ltd. x) Goodman Pharmaceuticals Ltd. xi) Tofaz Dresses Ltd. xii) Ekram Export Ltd. xiii) Akkas Uddin Mollah Ltd. xiv) 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) 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 xi) Eng. Towhidur Rahman 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. vi) Fakir Securities Ltd.
Md. Moshiur Rahman Chamak (Rep. of Fresh Export Import Ltd.)	Director	i) Fresh Export Import Ltd. ii) Libas Textiles Ltd. iii) Fresh Knitwear Ltd. iv) Natural Febs Ltd. v) Moshiur Infrastructure Ltd. vi) Eng. Towhidur Rahman Ltd
Mrs. Tahera Faruque	Director	i) F & T Property Management Company (UK) ii) Star of India Restaurant (UK)

Name of Director	Status with the Bank	Name of the Firms/Companies in which they have Interest
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. v) Fakir Logistics Service vi) Fakir Securities 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, FCA, FCS	Independent Director	i) MABS & J Partners, Chartered Accountants ii) ZN Consultants (Strategic Management & HR Consulting Firm)

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

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

54.4 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).

54.5 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	6,509,160	-	Regular
ii)	Electra International Ltd.	Sanaullah Shahid	BMCTR-Rev	-	13,598,999	Regular
iii)	Own the World Company Limited	Khandaker Sakib Ahmed	BMCTR/BG	5,000,000	3,107,550	Regular
iv)	M/s. Rupsha Trading Corporation	Md. Mohiuddin Ahmed	L/C /MPI-TR/ Bai-Muajjal	-	31,883,005	Regular
v)	Abdul Hakim	Abdul Halim	HPSM-Real Estate	-	11,351,066	Regular
vi)	Shoyeb Ahmed	Abdul Halim	HPSM-Real Estate	-	11,393,199	Regular
vii)	Modern Diagnostic Center Limited	Anwer Hossain Khan	HPSM-Real Estate	-	155,047,145	Regular
viii)	Daffodilss Trading International	Mrs. Jabun Nahar	Bai-Muajjal/ HPSM	-	99,334,257	Regular
ix)	Shahjalal Islami Bank Securities Ltd.	Subsidiary	Bai-Muajjal/BG	100,000,000	1,833,488,452	Regular
				111,509,160	**2,159,203,672**	

54.6 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

54.7 Investments in Securities of Directors and their related concern: Nil

55. Events after Reporting Period

The Board of Directors of the Bank at its 377th meeting held on 17 April 2024 has recommended 14% cash dividend for the year 2023. 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 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 22 of Income Tax Act, 2023.

Dhaka,
17 April 2024

Chairman **Director** **Director** **Managing Director & CEO**

Shahjalal Islami Bank PLC.

Annexure-A

Investments in Shares & Securities (Listed with Stock Exchanges)

As at 31 December 2023

(Amount in Taka)

Sl. No.	Name of Company	No. of Shares/ Securities	Market Price per Share	Market Value as at 31 December 2023	Cost Price as at 31 December 2023	Unrealised Gain/(loss)
	Quoted					
1	The ACME Laboratories Limited	535,000	85.00	45,475,000	49,116,095	(3,641,095)
2	Active Fine Chemicals Ltd.	2,200,000	19.30	42,460,000	60,709,192	(18,249,192)
3	Aftab Automobiles Limited	1,223,775	30.00	36,713,250	72,694,437	(35,981,187)
4	AIBL 1st Islamic Mutual Fund	8,099,050	7.70	62,362,685	72,760,284	(10,397,599)
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 PLC.	11,500,000	10.40	119,600,000	158,148,898	(38,548,898)
7	Generation Next Fashions Limited	1,989,845	6.10	12,138,055	25,741,813	(13,603,759)
8	Meghna Petroleum Limited	500,000	198.60	99,300,000	103,596,757	(4,296,757)
9	RAK Ceramics (Bangladesh) Limited	1,000,000	42.90	42,900,000	49,814,878	(6,914,878)
10	Square Textile Ltd.	1,186,491	67.50	80,088,143	82,481,825	(2,393,683)
11	The Dacca Dyeing & Mfg. Co. Limited	2,800,000	13.50	37,800,000	102,948,339	(65,148,339)
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.	700,000	52.70	36,890,000	47,262,250	(10,372,250)
14	Singer Bangladesh Limited	500,000	151.90	75,950,000	88,910,881	(12,960,881)
16	Square Pharmaceuticals Ltd.	850,000	210.30	178,755,000	188,977,997	(10,222,997)
17	The IBN SINA Pharmaceutical Industry Ltd.	100,000	286.60	28,660,000	31,346,168	(2,686,168)
18	MJL Bangladesh Limited	953,500	86.70	82,668,450	82,688,225	(19,775)
19	Silva Pharmaceuticals Limited	2,300,000	21.60	49,680,000	48,788,156	891,844
20	Robi Axiata Limited	3,000,000	30.00	90,000,000	142,756,117	(52,756,117)
21	Linde Bangladesh Ltd.	50,000	1,397.70	69,885,000	75,143,517	(5,258,517)
22	Power Grid Company of Bangladesh Ltd.	2,000,000	52.40	104,800,000	123,322,659	(18,522,659)
23	Lub-rref (Bangladesh) Limited	1,500,000	35.10	52,650,000	69,212,179	(16,562,179)
24	Mir Akhter Hossain Limited	1,200,000	50.80	60,960,000	87,290,575	(26,330,575)
25	ACI Limited	157,500	260.20	40,981,500	44,635,402	(3,653,902)
26	ACI Formulations Limited	555,000	155.00	86,025,000	91,841,140	(5,816,140)
27	Agni Systems Ltd.	1,000,000	23.70	23,700,000	26,617,488	(2,917,488)
28	Grameenphone Ltd.	50,000	286.60	14,330,000	14,420,277	(90,277)
29	Apex Tannery Limited	100,000	99.30	9,930,000	13,619,478	(3,689,478)
31	BDCOM Online Ltd.	50,000	34.50	1,725,000	1,774,623	(49,623)
32	BSRM Steels Limited	100,000	63.90	6,390,000	6,666,609	(276,609)
33	Crown Cement PLC.	350,000	75.70	26,495,000	27,526,229	(1,031,229)
34	Energypac Power Generation Limited	750,000	34.50	25,875,000	29,171,775	(3,296,775)
35	Global Islami Bank Limited	1,383,235	8.60	11,895,821	13,173,670	(1,277,849)
37	IFAD Autos Limited	525,000	44.10	23,152,500	24,142,177	(989,677)
38	IT Consultants Limited	600,000	37.00	22,200,000	22,930,714	(730,714)
39	LafargeHolcim Bangladesh Limited	1,571,500	69.30	108,904,950	110,074,700	(1,169,750)
40	Summit Alliance Port Limited	1,500,000	27.20	40,800,000	48,240,857	(7,440,857)
41	Agricultural Marketing Company Ltd. (Pran)	60,000	252.00	15,120,000	16,586,180	(1,466,180)
42	Aamra Technologies Limited	200,000	30.50	6,100,000	6,642,625	(542,625)
43	ADN Telecom Limited	100,000	117.10	11,710,000	13,232,555	(1,522,555)
44	Bashundhara Paper Mills Limited	350,000	61.00	21,350,000	28,595,419	(7,245,419)
45	JMI Hospital Requisite Manufacturing Limited	450,000	70.30	31,635,000	34,780,361	(3,145,361)
47	LankaBangla Securities Limited	97,828	17.60	1,721,773	4,999,989	(3,278,216)
48	Union Bank Limited	2,100,000	8.90	18,690,000	25,711,346	(7,021,346)
49	Fareast Islami Life Insurance Co. Ltd.	50,000	75.00	3,750,000	3,482,952	267,048
50	Agro Organica PLC	3,694	17.60	65,014	36,940	28,074
	Un-Quoted					
1	CWT – Community Bank Shariah Fund	2,000,000	10.00	20,000,000	20,000,000	-
2	Investment A/C - SWIFT Membership Share			11,758,622	11,758,622	-
Total				**2,273,680,762**	**2,771,009,710**	**(497,328,949)**

Shahjalal Islami Bank PLC.

Annexure-B

Schedule of Fixed Assets including Premises, Furniture and Fixtures

As at 31 December 2023

(Amount in Taka)

Particulars	Cost				Depreciation & Amortization						Written Down Value as at 31.12.2023
	Balance as at 01.01.2023	Addition during the year	Adjustment during the year	Balance as at 31.12.2023	Rate	Balance as at 01.01.2023	Adjustment during the year	Charged during the year	Exch. Rate effect of OBU	Balance as at 31.12.2023	
Tangible Assets											
Land	1,876,724,350	-	-	1,876,724,350	-	-	-	-		-	1,876,724,350
Building	893,986,278	-	-	893,986,278	2.50%	165,951,506	-	19,660,190		185,611,696	708,374,582
Furniture & Fixtures	1,208,748,919	120,886,867	31,120,009	1,298,515,777	10% & 20%	574,180,566	22,264,048	94,603,272	1,763	646,521,553	651,994,224
Office Equipment	781,386,436	54,409,827	11,317,883	824,478,380	20%	550,373,603	10,670,680	107,496,127	2,960	647,202,010	177,276,369
Computer & Network Equipment	708,831,394	44,702,648	11,331,388	742,202,653	20%	513,038,393	11,300,051	76,186,225		577,924,568	164,278,085
Vehicles	129,909,231	3,317,150	-	133,226,381	20%	99,273,633	-	13,093,922		112,367,554	20,858,827
Right of Use Assets (ROU)	2,095,664,041	338,307,565	81,528,400	2,352,443,206	-	543,391,236	42,614,844	240,590,387		741,366,779	1,611,076,428
Books	1,042,667	-	-	1,042,667	20%	1,020,539	-	-		1,020,539	22,128
Sub-total	**7,696,293,315**	**561,624,057**	**135,297,680**	**8,122,619,692**		**2,447,229,475**	**86,849,624**	**551,630,123**	**4,724**	**2,912,014,699**	**5,210,604,993**
Intangible Assets											
Software-Core Banking	62,615,431	-	-	62,615,431	20%	62,601,317	-	-		62,601,317	14,114
Software-Others	110,314,387	7,983,594	-	118,297,981	20%	86,729,867	-	7,041,477		93,771,343	24,526,638
Sub-total	**172,929,818**	**7,983,594**	**-**	**180,913,412**		**149,331,184**	**-**	**7,041,477**	**-**	**156,372,661**	**24,540,751**
Grand Total	**7,869,223,133**	**569,607,651**	**135,297,680**	**8,303,533,104**		**2,596,560,659**	**86,849,624**	**558,671,600**	**4,724**	**3,068,387,359**	**5,235,145,745**

Shahjalal Islami Bank PLC.

Schedule of Fixed Assets including Premises, Furniture and Fixtures

As at 31 December 2022

(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	Exch. Rate effect of OBU	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 PLC.

Annexure-C

Statement of Foreign Currency

As at 31 December 2023

[Refer to Note-5a.2 to the financial statements]

Sl. No.	Name of the Bank	Currency Name	31-Dec-23			31-Dec-22		
			Amount in Foreign Currency	Conversion Rate per Unit F.C.	Amount in Taka	Amount in Foreign Currency	Conversion Rate per Unit F.C.	Amount in Taka
1	Standard Chartered Bank, NY	USD	4,280,525.13	110.0000	470,857,764	417,823.14	103.2970	43,159,877
2	Mashreq Bank PSC, NY	USD	194,253.24	110.0000	21,367,856	258,990.42	103.2970	26,752,933
3	Standard Chartered Bank, Mumbai	USD	222,198.53	110.0000	24,441,838	222,198.53	103.2970	22,952,442
4	Habib American Bank, USA	USD	42,118.49	110.0000	4,633,034	595,701.28	103.2970	61,534,155
5	ICICI Bank, Hong Kong	USD	758,447.80	110.0000	83,429,258	30,864.31	103.2970	3,188,191
6	WACHOVIA BANK, NY, USA	USD	149,157.03	110.0000	16,407,273	2,915,672.46	103.2970	301,180,218
7	Commerzbank AG Frankfurt	USD	1,009,467.52	110.0000	111,041,427	214,960.23	103.2970	22,204,747
8	Bank Aljazira	USD	770.80	110.0000	84,788	770.80	103.2970	79,621
9	JPMorgan Chase Bank N.A., NY, USA	USD	85,082.05	110.0000	9,359,026	49,629.90	103.2970	5,126,620
10	Citibank N.A., NY, USA	USD	179,380.01	110.0000	19,731,801	48,038.63	103.2970	4,962,246
11	AB Bank Ltd. Mumbai	ACUD	193,289.12	110.0000	21,261,803	45,804.14	103.2970	4,731,430
12	Standard Chartered Bank, Mumbai	ACUD	178,265.21	110.0000	19,609,173	1,800,343.02	103.2970	185,970,033
13	Standard Chartered Bank, Colombo	ACUD	7,882.01	110.0000	867,021	319,155.01	103.2970	32,967,755
14	ICICI Bank, Mumbai	ACUD	182,773.60	110.0000	20,105,096	55,410.28	103.2970	5,723,716
15	Habib Metropoliton Bank Ltd.	ACUD	14,834.87	110.0000	1,631,836	6,309.20	103.2970	651,721
16	United Bank of India, Kolkata	ACUD	204,557.84	110.0000	22,501,362	104,684.31	103.2970	10,813,575
17	Sonali Bank Ltd. ACU, Kolkata	ACUD	59,614.82	110.0000	6,557,630	22,144.86	103.2970	2,287,498
18	Bank of Bhutan Ltd. Main Branch	ACUD	4,821.19	110.0000	530,331	39,090.21	103.2970	4,037,901
19	AXIS Bank Ltd. India	ACUD	237,605.51	110.0000	26,136,606	48,895.46	103.2970	5,050,754
20	MCB Bank Limited	ACUD	134,552.09	110.0000	14,800,730	41,620.00	103.2970	4,299,221
21	HDFC Bank Ltd., Mumbai	ACUD	1,427,041.63	110.0000	156,974,579	4,578.19	103.2970	472,913
22	Nabil Bank Limited, Kathmandu, Nepal	ACUD	4,945.19	110.0000	543,971	33,640.75	103.2970	3,474,989
23	Standard Chartered Bank, Frankfurt	EURO	1,794,738.64	122.3200	219,532,430	1,015,780.50	109.6394	111,369,565
24	Commerzbank AG	EURO	1,402,972.54	122.3200	171,611,601	418,178.23	109.6394	45,848,810
25	Wells Fargo Bank, N. A. London, UK	EURO	991,268.47	122.3200	121,251,959	1,153,631.55	109.6394	126,483,471
26	JPMorgan Chase AG, Frankfurt	EURO	669,173.77	122.3200	81,853,336	497,812.98	109.6394	54,579,916
27	Standard Chartered Bank,Tokyo	YEN	1,427,743.01	0.7782	1,111,070	351,766.00	0.7683	270,262
28	Habib Bank AG Zurich	CHF	27,542.06	130.9867	3,607,644	2,688.88	111.2509	299,140
29	ICICI Bank, Canada	CAD	28,664.65	83.3460	2,389,084	24,019.23	75.9369	1,823,946
30	Bank Aljazira, KSA	SAR	1,191,466.49	29.3568	34,977,643	39,468.23	27.5019	1,085,451
31	Riyad Bank, KSA	SAR	1,433,341.37	29.3568	42,078,316	41,966.28	27.5019	1,154,152
32	Standard Chartered Bank, London	GBP	120,337.48	140.9650	16,963,373	17,770.12	124.1630	2,206,391
33	JPMorgan Chase Bank N.A., London	GBP	13,654.64	140.9650	1,924,826	2,793.79	124.1630	346,885
34	Mashreq Bank PSC, UAE	AED	130,081.24	29.9540	3,896,453	135,082.24	28.1279	3,799,580
35	Emirates Islamic Bank PJSC, Dubai	AED	10,728.00	29.9540	321,347	37,000.00	28.1279	1,040,732
36	Standard Chartered Bank, China	CNY	18,253.35	15.4551	282,107	80,797.74	14.8043	1,196,154
Total					**1,754,675,394**			**1,103,127,014**

Details of Information on Investments Exceeding 10% of

Annexure-D

Bank's Total Regulatory Capital (Funded & Non-Funded)

As at 31 December 2023

(Taka in Lac)

Sl. No.	Name of Client	Outstanding			% of Investments to Total Capital		
		Funded	Non-funded	Total	Funded	Non-Funded	Total
1	LOGOS APPARELS LTD.	11,835	8,831	20,665			
	RAHMAT SWEATER (BD) LTD.	2,921	2,669	5,590			
	BELKUCHI SPINNING MILLS LTD.	8,954	-	8,954			
	M/S. SHAHI PRODUCTS	6,449	-	6,449			
	MOHAMMAD ALI SPINNING MILLS LTD.	-	17,794	17,794			
	M/S. SHAHI DYEING AND FINISHING MILLS LTD.	-	4	4			
	Group-total	**30,160**	**29,297**	**59,457**	**8.84%**	**8.59%**	**17.42%**
2	MOONLIGHT GARMENTS LTD.	683	1,274	1,957			
	M/S.EHSAN GARMENTS LTD.	252	4,017	4,269			
	NOURISH POULTRY AND HATCHERY LTD.	5,989	9,061	15,050			
	NOURISH AGRO LTD.	16,762	2,257	19,019			
	NOURISH FEEDS LTD.	7,050	339	7,388			
	NOURISH FOODS LTD.	-	146	146			
	TELNET COMMUNICATION LTD.	-	10	10			
	EHSAN PACKAGING & PRINTING LTD.	-	-	-			
	AGROW FRUITS & VEGETABLES LTD.	1,156	7	1,163			
	Agrow Auto Rice Mill Limited	-	89	89			
	Group-total	**31,891**	**17,199**	**49,090**	**9.35%**	**5.04%**	**14.38%**
3	ANWAR SILK MILLS LTD.	3,819	1,294	5,114			
	A-ONE POLYMER LTD.	162	95	258			
	ANWAR CEMENT LTD	-	4,730	4,730			
	ANWAR ISPAT LTD.	4,244	2,052	6,296			
	ANWAR JUTE SPINNING MILLS LTD.	-	34	34			
	A.G. AUTOMOBILES LTD.	604	70	675			
	A.G. MOTORS LTD.	254	3	257			
	HOSSAIN DYEING & PRINTING MILLS LTD.	8,111	5,643	13,755			
	MEHMUD INDUSTRIES (PVT.) LTD.	7,704	6,222	13,926			
	ANWAR CEMENT SHEET LTD.	21,968	18,128	40,096			
	TOLEDO MOTORS LIMITED	237	1	238			
	EUTOCARS LIMITED	-	7	7			
	Group-total	**47,104**	**38,279**	**85,383**	**13.80%**	**11.22%**	**25.02%**
4	NASSA BASICS LTD.	11,469	18,328	29,797			
	NASSA SPINNING LTD.	5,019	-	5,019			
	NASSA BASIC WASH LTD.	-	-	-			
	NASSA HI TECH WASH LTD	3,658	500	4,158			
	NASSA TAIPEI TEXTILE MILLS LTD.	6,199	2,726	8,925			
	Group-total	**26,345**	**21,554**	**47,899**	**7.72%**	**6.32%**	**14.04%**
5	CHITTAGONG DENIM MILLS LTD	7,034	7,799	14,833			
	SMART JEANS LTD	1,863	145	2,007			
	SMART JACKET LTD.	1,405	1,505	2,910			
	SHEHAN TEXTILE LTD.	283	439	722			
	SMART BIO-INCEPTION LTD	-	90	90			
	APPAREL PROMOTERS LIMITED	2,525	6,982	9,506			
	AL-RAZI CHEMICAL COMPLEX LTD.	9,868	3,760	13,628			
	BM CONTAINER (BD)LTD.	4,433	262	4,695			

(Taka in Lac)

Sl. No.	Name of Client	Outstanding			% of Investments to Total Capital		
		Funded	Non-funded	Total	Funded	Non-Funded	Total
	BM ENERGY (BD) LTD.	1,902	11,476	13,378			
	SHOISHOB FASHION LTD.	387	-	387			
	Group-total	**29,700**	**32,457**	**62,157**	**8.70%**	**9.51%**	**18.21%**
6	ALIM KNIT (BD) LTD.	9,380	14,311	23,691			
	MONDOL INTIMATES LTD.	2,048	6,787	8,834			
	MONDOL KNIT TEX LTD.	-	151	151			
	MONDOL SPINNING MILLS LTD.	6,888	4,220	11,108			
	APPOLLO KNITWEAR BD LTD	1,161	2,547	3,708			
	APPOLLO FASHIONS LTD	527	1,326	1,853			
	APPOLLO PACKAGING (BD) LTD.	-	16	16			
	TROPICAL KNITEX LTD.	123	4,475	4,598			
	COTTON CLUB (BD) LTD.	1,036	24	1,060			
	COTTON CLOTHING (BD) LTD.	2,734	2,328	5,062			
	COTTON CLOUT (BD) LTD.	-	-	-			
	COTTON FIELD (BD) LTD.	1,097	1,869	2,966			
	Group-total	**24,995**	**38,053**	**63,048**	**7.32%**	**11.15%**	**18.47%**
7	INCEPTA PHARMACUTICALS LTD.	7,493	18,802	26,295			
	INCEPTA VACCINE LTD.	-	3,869	3,869			
	INCEPTA HYGIENE AND HOSPICARE LTD.	-	98	98			
	INCEPTA CHEMICALS LTD.	-	1,412	1,412			
	INCEPTA HERBAL AND NUTRICARE LTD.	-	77	77			
	MAHEEN DIZAYN ETIKET (BD) UNIT-2 LIMITED	3,519	714	4,233			
	IMPRESS FASHION LIMITED	2,809	6,534	9,343			
	IMPRESS ACCESSORIES LIMITED	4,952	528	5,480			
	IPORT LOGISTICS LTD	-	360	360			
	IMPRESS AVIATION LIMITED	873	147	1,020			
	IMPRESS AVIATION LIMITED	-	-	-			
	NEXT SPACES LTD	-	1,284	1,284			
	INFRATRADE LIMITED	-	48	48			
	Group-total	**19,646**	**33,872**	**53,518**	**5.76%**	**9.93%**	**15.68%**
8	BENGAL PLASTICS LTD.	4,764	5,664	10,428			
	BENGAL POLYMER WARES LTD.	5,676	3,345	9,022			
	BENGAL POLYMER WARES LTD. (UNIT-2)	7,126	0	7,126			
	BENGAL CONCEPT AND HOLDINGS LTD	536	-	536			
	EUPHORIA APPARELS LTD	11,709	4,630	16,340			
	Group-total	**29,812**	**13,640**	**43,452**	**8.74%**	**4.00%**	**12.73%**
9	MIR CEMENT LTD	18,560	19,124	37,684			
	MIR CONCRETE PRODUCTS LTD	2,601	2,208	4,810			
	Group-total	**21,162**	**21,332**	**42,494**	**6.20%**	**6.25%**	**12.45%**
10	DHALY CONSTRUCTION LTD.	41,992	2,853	44,845			
	RBS CONSTRUCTION LTD.	2,270	-	2,270			
	Group-total	**44,262**	**2,853**	**47,115**	**12.97%**	**0.84%**	**13.81%**
11	ENERGYPAC ENGINEERING LTD.	565	10,653	11,217			
	ENERGYPAC FASHIONS LIMITED	16,988	15,328	32,316			
	Group-total	**17,553**	**25,981**	**43,534**	**5.14%**	**7.61%**	**12.76%**
12	HAMS GARMENTS LTD.	10,658	42,407	53,066			
	HAMS FASHION LTD.	306	158	465			
	DHAKA GARMENTS & WASHING LIMITED	-	183	183			
	MONOWARA INDUSTRIES LTD.	-	597	597			
	VICTORIA INTIMATE LTD.	-	143	143			
	Group-total	**10,965**	**43,489**	**54,454**	**3.21%**	**12.74%**	**15.96%**

(Taka in Lac)

Sl. No.	Name of Client	Outstanding			% of Investments to Total Capital		
		Funded	Non-funded	Total	Funded	Non-Funded	Total
13	TRADE INTERNATIONAL INDUSTRIES LIMITED	31,331	21,707	53,038			
	TRADE INTERNATIONAL INDUSTRIES LTD	8,578	1,884	10,463			
	MD NURUL AMIN, MD NURUN NEWAZ, MD NURUSSAFA,MD. NURUL AFSER	-	-	-			
	BLUEBERRY CORPORATION	247	-	247			
	ORCHID CORPORATION	469	-	469			
	Group-total	**40,626**	**23,591**	**64,217**	**11.90%**	**6.91%**	**18.82%**
14	BANGLADESH STEEL RE-ROLLING MILLS LTD.	27,626	6,257	33,883			
	BSRM STEELS LIMITED	-	3,384	3,384			
	H. AKBERALI & CO.	-	-	-			
	BSRM STEEL MILLS LIMITED	-	-	-			
	Group-total	**27,626**	**9,641**	**37,267**	**8.10%**	**2.83%**	**10.92%**
15	MAF SHOES LTD.	18,929	21,722	40,651			
	MAF FOOT WARE	-	-	-			
	Group-total	**18,929**	**21,722**	**40,651**	**5.55%**	**6.37%**	**11.91%**
16	ROSE SWEATERS LTD.	2,674	858	3,532			
	MADINAPLE FASHIONS CRAFT LTD	2,902	1,252	4,155			
	TEXEUROP (BD) LTD	-	11,541	11,541			
	SCARLET KNITWEARS LTD.	4,444	6,475	10,919			
	PANTEX DRESS LTD	393	4,247	4,640			
	T SHIRT PRINTERS LTD	-	-	-			
	Group-total	**10,414**	**24,373**	**34,787**	**3.05%**	**7.14%**	**10.19%**
17	M. HOSSAIN SPINNING MILLS (PVT.) LTD.	9,241	2,635	11,875			
	M. HOSSAIN COTTON SPINNING MILLS (PVT.) LTD.	22,450	3,552	26,003			
	HOSSAIN TRADING CO.	-	169	169			
	EASTERN TRADING CO.	-	-	-			
	DHAKA TRADING CO.	-	43	43			
	S.A. TRADING CO.	-	248	248			
	FAYSAL TRADING CO.	-	203	203			
	UNITED PLASTIC WOOD IND. (PVT.) LTD.	1,487	218	1,705			
	UNITED LEATHER PVT. IND. LTD.	3,353	344	3,697			
	SELINA TRADING CO.	-	-	-			
	United Polymer Industries (URF)	118	184	302			
	Group-total	**36,648**	**7,596**	**44,244**	**10.74%**	**2.23%**	**12.96%**
18	LIZ FASHION INDUSTRY LIMITED	9,584	617	10,201			
	LIDA TEXTILE & DYEING LIMITED	13,987	10,803	24,790			
	PANDA SHOES INDUSTRY LIMITED	4,589	433	5,022			
	GOOD & FAST PACKAGING CO. LTD.	10,718	555	11,273			
	LIZDA HOLDING LTD.	3,932	-	3,932			
	Group-total	**42,810**	**12,407**	**55,217**	**12.54%**	**3.64%**	**16.18%**
Total		**510,647**	**417,337**	**927,984**			

Total Capital of the Bank as at 31 December 2023 is Taka 341,262.36 lac.

Annexure-E

Highlights of Performance of the Bank

As at and for the year ended 31 December 2023

(Amount in Taka)

Sl. No.	Particulars	2023	2022
1	Paid-up Capital	11,129,683,510	10,805,517,980
2	Total Capital (Tier-I + Tier-II)	34,126,236,372	34,064,482,378
3	Capital Surplus	11,463,554,717	10,370,733,177
4	Total Assets	351,719,340,172	339,818,866,156
5	Total Deposit	249,585,024,682	227,982,058,614
6	Total Investments (Loans & Advance)	241,750,801,224	237,229,977,592
7	Total Contingent Liabilities and Commitment	164,382,133,811	154,272,177,491
8	Investment Deposit Ratio (%)	85.13%	83.64%
9	Percentage of Classified Investments against Total Investments	4.42%	4.78%
10	Profit after Tax and Provision	3,624,871,988	3,525,058,077
11	Amount of Classified Investments	10,689,017,890	11,332,826,570
12	Provisions kept against Classified Investments	4,019,935,518	3,927,533,630
13	Provisions Surplus	9,217,599	217,729,826
14	Cost of Fund	5.64%	5.27%
15	Profit Earning Assets	281,805,124,784	285,102,871,972
16	Non-Profit Earning Assets	69,914,215,388	54,715,994,184
17	Return on Investments (ROI) in Securities	4.89%	4.63%
18	Return on Assets (ROA)	1.05%	1.08%
19	Income from Investment in Securities	1,721,361,713	1,732,562,841
20	Earnings per Share	3.26	3.17
21	Net Income per Share	3.26	3.17
22	Price Earning Ratio (Times)	5.62	5.94

Shahjalal Islami Bank PLC. (Offshore Banking Unit)

Balance Sheet

As at 31 December 2023

	Note	31.12.2023		31.12.2022	
		USD	Taka	USD	Taka
Property and Assets					
Cash					
Cash in Hand (including Foreign Currencies)		-	-	-	-
Balance with Bangladesh Bank & Sonali Bank PLC. (including Foreign Currencies)		-	-	-	-
		-	-	-	-
Placement with Other Banks & Financial Institutions		-	-	-	-
Balance with Other Banks and Financial Institutions					
Inside Bangladesh		61,701.36	6,787,150	583,263.81	60,249,402
Outside Bangladesh		-	-	-	-
	3	**61,701.36**	**6,787,150**	**583,263.81**	**60,249,402**
Investments					
General Investment etc.		22,648,618.49	2,491,348,034	25,548,445.58	2,639,077,783
Bills Purchased and Discounted		53,926,937.58	5,931,963,134	121,946,232.13	12,596,679,940
	4	**76,575,556.07**	**8,423,311,168**	**147,494,677.71**	**15,235,757,723**
Fixed Assets including Premises, Furniture and Fixtures	5	2,044.21	224,863	4,423.84	456,969
Other Assets		-	-	-	-
Non-Banking Assets		-	-	-	-
Total Property and Assets		**76,639,301.64**	**8,430,323,180**	**148,082,365.36**	**15,296,464,095**
Liabilities and Capital					
Liabilities					
Placement from Other Banks & Financial Institutions	6	**74,188,000.00**	**8,160,680,000**	**145,091,900.00**	**14,987,557,994**
Deposits and Other Accounts					
Mudaraba Savings Deposits		3,177.47	349,522	34,882.24	3,603,231
Mudaraba Term Deposits		-	-	-	-
Other Mudaraba Deposits		-	-	-	-
Al-Wadeeah Current & Other Deposit Accounts		126,151.92	13,876,711	296,086.51	30,584,848
Bills Payable		-	-	-	-
	7	**129,329.39**	**14,226,233**	**330,968.75**	**34,188,079**
Other Liabilities	8	**2,321,972.25**	**255,416,948**	**2,659,496.61**	**274,718,021**
Total Liabilities		**76,639,301.64**	**8,430,323,180**	**148,082,365.36**	**15,296,464,095**
Capital/Shareholders' Equity					
Paid-up Capital		-	-	-	-
Statutory Reserve		-	-	-	-
Foreign Currency Translation Reserve		-	9,087,189	-	-
Retained Earnings	9	-	(9,087,189)	-	-
Total Shareholders' Equity		-	(0.00)	-	-
Total Liabilities & Shareholders' Equity		**76,639,301.64**	**8,430,323,180**	**148,082,365.36**	**15,296,464,095**

Shahjalal Islami Bank PLC. (Offshore Banking Unit)

Off-balance Sheet Items

As at 31 December 2023

	Note	31.12.2023		31.12.2022	
		USD	Taka	USD	Taka
Contingent Liabilities					
Acceptances & endorsements		-	-	-	-
Letters of guarantee		-	-	-	-
Irrevocable letters of credit (including back to back bills)		-	-	-	-
Bills for collection		707,386.27	77,812,490	1,558,995.05	161,039,512
Other contingent liabilities			-	-	-
Total		**707,386.27**	**77,812,490**	**1,558,995.05**	**161,039,512**
Other commitments					
Documentary credits, short term and trade related transactions		-	-	-	-
Forward assets purchased and forward deposits placed		-	-	-	-
Undrawn note issuance, revolving and underwriting facilities		-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-	-	-
Total		-	-	-	-
Total off-balance sheet items including contingent liabilities		**707,386.27**	**77,812,490**	**1,558,995.05**	**161,039,512**

Shahjalal Islami Bank PLC. (Offshore Banking Unit)

Profit and Loss Account

For the year ended 31 December 2023

	Note	2023		2022	
		USD	Taka	USD	Taka
Investment Income	10	6,588,415.14	710,286,275	8,991,355.38	928,780,037
Less: Profit paid on Deposits & Borrowing	11	2,430,060.64	261,980,868	3,574,052.22	369,188,872
Net Investment Income		**4,158,354.50**	**448,305,407**	**5,417,303.16**	**559,591,165**
Commission, Exchange and Brokerage	12	15,848.11	1,708,559	27,138.49	2,803,325
Other Operating Income	13	84,113.80	9,068,171	136,291.31	14,078,483
		99,961.91	**10,776,730**	**163,429.80**	**16,881,808**
Total Operating Income		**4,258,316.41**	**459,082,137**	**5,580,732.96**	**576,472,973**
Salaries and Allowances	14	101,950.80	10,991,149	120,771.56	12,475,340
Rent, Taxes, Insurances, Electricity etc.	15	974.53	105,062	945.58	97,676
Legal Expenses		-	-	-	-
Postage, Stamps, Telecommunication etc.	16	112.09	12,084	157.57	16,277
Stationery, Printings, Advertisements etc.	17	290.73	31,343	491.85	50,807
Auditor's Fees		-	-	-	-
Depreciation & Repairs of Bank's Assets	18	2,155.40	232,370	1,463.81	151,207
Other Expenses	19	6,423.06	692,460	7,579.11	782,899
Total Operating Expenses		**111,906.61**	**12,064,469**	**131,409.48**	**13,574,205**
Profit before Provision		**4,146,409.80**	**447,017,668**	**5,449,323.48**	**562,898,768**
Specific provision for Classified Investments		-	-	-	-
General provision for Unclassified Investments		101.01	10,890	(339,937.84)	(35,114,559)
Provision for Other Assets		-	-	-	-
Total Provision		**101.01**	**10,890**	**(339,937.84)**	**(35,114,559)**
Total Profit before Provisions for Taxation		**4,146,308.79**	**447,006,778**	**5,789,261.32**	**598,013,327**
Deferred Tax Expenses		-	-	-	-
Current Tax Expenses		-	-	-	-
		-	-	-	-
Net Profit after Taxation		**4,146,308.79**	**447,006,778**	**5,789,261.32**	**598,013,327**
Retained Earnings from previous year		-	-	-	-
Add: Retained Earnings of current year		4,146,308.79	447,006,778	5,789,261.32	598,013,327
Retained Earnings carried forward		**4,146,308.79**	**447,006,778**	**5,789,261.32**	**598,013,327**
Less: Retained earnings transferred to central operation		**4,146,308.79**	**456,093,967**	**5,789,261.32**	**598,013,327**
Translation Reserve Movement			**(9,087,189)**		
		-	-	-	-

Shahjalal Islami Bank PLC. (Offshore Banking Unit)

Cash Flow Statement

For the year ended 31 December 2023

	2023		2022	
	USD	Taka	USD	Taka
Cash flows from operating activities				
Investment income receipt in cash	6,588,415.14	710,286,275	8,991,355.38	928,780,037
Profit paid on deposits & borrowings	(2,430,060.64)	(261,980,868)	(3,574,052.22)	(369,188,872)
Fees & commission receipt in cash	15,848.11	1,708,559	27,138.49	2,803,325
Cash payments to employees	(101,950.80)	(10,991,149)	(120,771.56)	(12,475,340)
Cash payments to suppliers	(290.73)	(31,343)	(491.85)	(50,807)
Receipts from other operating activities	84,113.80	9,068,171	136,291.31	14,078,483
Payments for other operating activities	(7,285.45)	(815,085)	(8,682.26)	(987,183)
(i) Operating profit before changes in operating assets and liabilites	**4,148,789.43**	**447,244,559**	**5,450,787.29**	**562,959,643**
Changes in operating assets and liabilities				
(Increase)/decrease of investments to customers	70,919,121.64	6,812,446,556	34,648,729.47	392,146,613
Increase/(decrease) of deposits received from customers	(201,639.36)	(19,961,846)	282,669.51	30,044,004
Increase/(decrease) of other liabilities	(337,625.37)	(19,311,964)	438,656.34	90,117,819
(ii) Cash flows from operating assets and liabilities	**70,379,856.91**	**6,773,172,746**	**35,370,055.32**	**512,308,435**
Net cash used in operating activities (A)=(i+ii)	**74,528,646.34**	**7,220,417,305**	**40,820,842.61**	**1,075,268,078**
Cash flows from investing activities				
Proceeds from sale of fixed assets	-	-	-	-
Purchases of fixed assets	-	-	(724.96)	(74,886)
Net cash used in investing activities (B)	**-**	**-**	**(724.96)**	**(74,886)**
Cash flows from financing activities				
Borrowings from Banks & Financial Institutions	(70,903,900.00)	(6,826,877,994)	(34,979,600.00)	(462,576,706)
Profit transferred to Shahjalal Islami Bank PLC.	(4,146,308.79)	(456,093,967)	(5,789,261.32)	(598,013,327)
Net cash flow from financing activities (C)	**(75,050,208.79)**	**(7,282,971,961)**	**(40,768,861.32)**	**(1,060,590,032)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(521,562.45)**	**(62,554,656)**	**51,256.33**	**14,603,160**
Add/(Less): Effects of Exchange Rate Changes on Cash & Cash Equivalent	-	9,087,189	-	-
Add: Cash and cash equivalents at the beginning of the year	583,263.81	60,249,402	532,007.48	45,646,242
Cash and cash equivalents at the end of the year	**61,701.36**	**6,781,934**	**583,263.81**	**60,249,402**

Notes to the Financial Statements

As at and for the year ended 31 December 2023

1. Status of the Unit

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

1.1 Nature of Business/Principal Activities

The principal activities of Offshore Banking Unit are to provide all kinds of shariah based commercial banking services to its customers complying the applicable rules & regulations.

2. Significant Accounting Policies

2.1 Basis of Accounting

The accounting records of the unit are maintained in USD form and the financial statements are prepared on a going concern basis under the historical cost convention and in accordance with First Schedule of the Banking Companies Act, 1991 (as amended up to date) by Bangladesh Bank BRPD Circular No. 15 dated 09 November 2009, other Bangladesh Bank circulars, International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act, 1994, the listing regulations of the Stock Exchanges, the Securities and Exchange Rule, 1987 and other laws and rules applicable in Bangladesh.

2.2 Common Expense

a. Expenditure for audit fees has not been separately accounted for in the Financial Statements of OBU.

b. Provision for taxation, investments and off-balance sheet items has not been accounted for in the separate Financial Statements of OBU. However, all provisions have been accounted for in the Financial Statement of Shahjalal Islami Bank PLC. instead of OBU.

2.3 General

a. These Financial Statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.

b. Assets & liabilities have been converted to BDT currency which is the functional currency of the Bank @ US$1 = Taka 110.00 [closing rate (inter-bank weighted average)] and income & expenses have been converted to BDT currency @ US$1 = Taka 107.8084 (monthly average rate of inter-bank weighted average rate). The arising differences from the above two rates have been recognized as foreign currency translation reserve.

		31.12.2023		31.12.2022	
		USD	Taka	USD	Taka
3. Balance with Other Banks and Financial Institutions					
(other than Mudaraba Term Fund)					
Inside Bangladesh	(Note-3.1)	61,701.36	6,787,150	583,263.81	60,249,402
Outside Bangladesh		-	-	-	-
		61,701.36	**6,787,150**	**583,263.81**	**60,249,402**
3.1 Inside Bangladesh					
Shahjalal Islami Bank PLC.		61,701.36	6,787,150	583,263.81	60,249,402
		61,701.36	**6,787,150**	**583,263.81**	**60,249,402**
4. Investments (Loans and Advances)					
Country-wise Classification of Investments					
Inside Bangladesh					
Gross Murabaha, Bai-Muajjal etc.		22,648,618.49	2,491,348,034	25,548,445.58	2,639,077,783
Less: Profit receivable on Murabaha, Bai-Muajjal etc.		-	-	-	-
Net Murabaha, Bai-Muajjal etc.		**22,648,618.49**	**2,491,348,034**	**25,548,445.58**	**2,639,077,783**
Net Bills Purchased and Discounted	(Note- 4.1)	53,926,937.58	5,931,963,134	121,946,232.13	12,596,679,940
Outside Bangladesh		-	-	-	-
		76,575,556.07	**8,423,311,168**	**147,494,677.71**	**15,235,757,723**
4.1 Bills Purchased and Discounted					
Payable inside Bangladesh		3,074,298.00	338,172,780	2,992,982.29	309,166,092
Payable outside Bangladesh		51,031,261.28	5,613,438,741	119,107,431.16	12,303,440,317
Gross Bills Purchased and Discounted		**54,105,559.28**	**5,951,611,521**	**122,100,413.45**	**12,612,606,408**
Less: Profit receivable on Bills Purchased and Discounted		178,621.70	19,648,387	154,181.32	15,926,468
Net Bills Purchased and Discounted		**53,926,937.58**	**5,931,963,134**	**121,946,232.13**	**12,596,679,940**
5. Fixed Assets including Premises, Furniture & Fixtures					
Furniture & Fixture		905.84	99,642	1,710.45	176,684
Office Equipment		1,138.37	125,221	2,713.39	280,285
Carrying Value		**2,044.21**	**224,863**	**4,423.84**	**456,969**
Other Assets					
		-	-		-
Adjusting Account Debit		**-**	**-**	**-**	**-**
6. Placement from other Banks & Financial Institutions					
Mudaraba Term Deposit from other Banks		-	-	47,975,000.00	4,955,673,575
Borrowing from Shahjalal Islami Bank PLC.		74,188,000.00	8,160,680,000	97,116,900.00	10,031,884,419
		74,188,000.00	**8,160,680,000**	**145,091,900.00**	**14,987,557,994**
7. Deposits and Other Accounts					
Al-Wadeeah Current Deposit		16,667.34	1,833,407	193,520.60	19,990,097
Sundry Deposits		109,484.58	12,043,304	102,565.91	10,594,751
		126,151.92	**13,876,711**	**296,086.51**	**30,584,848**
Mudaraba Savings Deposit		1,249.47	137,442	1,237.34	127,814
Foreign Currency Deposits		1,928.00	212,080	33,644.90	3,475,417
		3,177.47	**349,522**	**34,882.24**	**3,603,231**
Mudaraba Term Deposit		-	-	-	-
		-	-	-	-
		129,329.39	**14,226,233**	**330,968.75**	**34,188,079**

	31.12.2023		31.12.2022	
	USD	Taka	USD	Taka
8. Other Liabilities				
Profit Payable	820,413.00	90,245,430	1,168,582.62	120,711,079
Provision for Investments	1,490,000.00	163,900,000	1,489,898.99	153,902,096
Other Payables	10,639.25	1,170,318	-	-
Outstanding Expenses	920.00	101,200	1,015.00	104,846
	2,321,972.25	**255,416,948**	**2,659,496.61**	**274,718,021**
9. Surplus in Profit and Loss Account/Retained Earnings				
Opening Balance	-	-	-	-
Add: Profit/(Loss) during the Period	4,146,308.79	447,006,778	5,789,261.32	598,013,327
	4,146,308.79	**447,006,778**	**5,789,261.32**	**598,013,327**
Less: Transfer to Central Operation during the Year	4,146,308.79	456,093,967	5,789,261.32	598,013,327
Closing Balance	**-**	**(9,087,189)**	**-**	**-**

	2023		2022	
	USD	Taka	USD	Taka
10. Profit on Investments				
Profit received from Mudaraba Import Bills (UPAS)	5,323,853.38	573,955,937	7,554,776.16	780,385,713
Profit received from Murabaha	-	-	-	-
Profit received from Hire Purchase	704,332.86	75,932,975	836,306.03	86,387,904
Profit received from Ijara	321,382.37	34,647,708	200,488.37	20,709,847
Profit on Inland Document Bill Purchased	238,846.53	25,749,654	399,784.82	41,296,573
	6,588,415.14	**710,286,275**	**8,991,355.38**	**928,780,037**
11. Profit paid on Deposits & Borrowings				
Profit on Deposits	-	-	101.81	10,516.67
Profit paid on Borrowings	2,430,060.64	261,980,868	3,573,950.41	369,178,356
	2,430,060.64	**261,980,868**	**3,574,052.22**	**369,188,872**
12. Commission, Exchange & Brokerage				
Commission from LC	**15,848.11**	**1,708,559**	**27,138.49**	**2,803,325**
13. Other Operating Income				
SWIFT & REUTERS	16,797.22	1,810,881	27,928.06	2,884,885
Miscellaneous Earnings	67,301.04	7,255,615	108,348.85	11,192,111
Service & Charges Receipts	15.54	1,675	14.40	1,487
	84,113.80	**9,068,171**	**136,291.31**	**14,078,483**
14. Salary & Allowances				
Basic Salary	40,818.63	4,400,590	47,386.54	4,894,887
Allowances	36,370.38	3,921,031	42,383.74	4,378,113
Bonus	20,858.95	2,248,769	26,416.71	2,728,767
Bank's Contribution to Provident fund	3,902.84	420,759	4,584.57	473,572
	101,950.80	**10,991,149**	**120,771.56**	**12,475,340**
15. Rent, Taxes, Insurance, Electricity etc.				
Insurance	974.53	105,062	945.58	97,676
	974.53	**105,062**	**945.58**	**97,676**

	2023		2022	
	USD	Taka	USD	Taka
16. Postage, Stamps, Telecommunication etc				
Telephone charges	112.09	12,084	157.57	16,277
	112.09	**12,084**	**157.57**	**16,277**
17. Stationery, Printing, Advertisement etc				
Computer Stationery	256.26	27,627	481.25	49,712
Publicity and Advertisement	34.47	3,716	10.60	1,095
	290.73	**31,343**	**491.85**	**50,807**
18. Depreciation and Repairs of Fixed Assets				
Depreciation of Fixed Assets				
Furniture & Fixtures	804.61	86,744	802.98	82,945
Office Appliance & Equipment	1,350.79	145,626	660.83	68,262
	2,155.40	**232,370**	**1,463.81**	**151,207**
Repairs & Maintainance	**-**	**-**	**-**	**-**
	2,155.40	**232,370**	**1,463.81**	**151,207**
19. Other Expenses				
Entertainment Expense	29.21	3,149.08	87.81	9,070.51
Travelling Expense	5.15	555	15.52	1,603.17
Business Development & Promotion	-	-	255.12	26,353.13
Car Expense	6,145.86	662,575	7,148.83	738,452.69
Miscellaneous Expenses	18.61	2,006.31	71.83	7,419.82
Losses	224.23	24,174	-	-
	6,423.06	**692,460**	**7,579.11**	**782,899**

Financial Statements of

SHAHJALAL ISLAMI BANK SECURITIES LTD.

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, 2023 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 2023, 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Company' financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 2020 and the BSEC's Risk Based Capital Adequacy Rules 2019 we also report the following:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books;

c) the statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns;

d) Capital to total risk requirement ratio as required by BSEC has been maintained by the Company adequately; and

e) the expenditure incurred was for the purposes of the Company's business.

For K. M. HASAN & CO.
Chartered Accountants



Md. Amirul Islam FCA, FCS
Senior Partner, Enrol. No. 331
DVC No. 2404170331AS225136

Place : Dhaka
Dated : 03 April 2024

SHAHJALAL ISLAMI BANK SECURITIES LTD.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 Taka	2022 Taka
ASSETS			
Current assets			
Cash and bank balances	4	386,922,871	343,641,221
Receivables from securities trading	5	1,545,649	5,771,826
Receivable from others	6	23,873,685	25,774,658
Receivable from clients	7	4,283,917,356	4,892,947,742
Proprietary position in securities & other investments	8	1,703,804,878	1,711,518,584
Other advances	9	493,890,429	454,696,578
Other assets	10	5,066,679	370,352
		6,899,021,547	**7,434,720,961**
Non-current assets			
Fixed assets	11	127,493,473	141,008,032
Intangible assets	12	220,236	275,294
Investment in exchanges	13	428,000,000	428,000,000
Other long term assets	14	1,502,083	1,266,951
		557,215,792	570,550,277
Total assets		**7,456,237,339**	**8,005,271,238**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Payable to clients	15	350,493,064	315,072,740
Short term business liabilities	16	2,065,040,064	2,523,473,895
Payable to exchanges	17	9,625,631	26,815
Other liabilities and provisions	18	2,248,933,766	2,336,735,257
		4,674,092,525	**5,175,308,707**
Shareholders' equity			
Share capital	19	2,740,000,000	2,740,000,000
Capital Reserve	20	34,820,349	28,796,597
Retained earnings	21	7,324,465	61,165,934
		2,782,144,814	2,829,962,531
Total Liabilities and Shareholders' Equity		**7,456,237,339**	**8,005,271,238**
Net asset value per share		**10.15**	**10.33**

The financial statements should be read in conjunction with the annexed notes.

Chief Executive Officer (Current Charge)

Vice Chairman

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. 2404170331AS225136

Place : Dhaka
Dated : 03 April 2024

SHAHJALAL ISLAMI BANK SECURITIES LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	2023 Taka	2022 Taka
Brokerage commission	22	81,847,846	148,003,064
Income from margin investments		214,858,259	267,013,721
Income from investment in securities	23	47,770,588	155,738,602
Other operating income	24	6,355,265	6,319,723
Total operating income		**350,831,958**	**577,075,110**
Operating expenses	25	(15,488,121)	(24,133,977)
Income from operation		**335,343,837**	**552,941,133**
Other income	26	476,778	260,196
Administrative and general expenses	27	(110,873,677)	(126,261,482)
Financial expenses	28	(195,112,404)	(218,195,910)
Net profit before Provision and income tax		**29,834,534**	**208,743,937**
Provision for investment in securities	18.2	-	(12,400,000)
Provision for margin investment	18.3	-	(91,023,877)
General provision		-	-
Net profit before income tax		**29,834,534**	**105,320,060**
Current tax	18.1	(23,087,383)	(44,748,271)
Deferred tax	14.1	235,132	(334,273)
		(22,852,251)	(45,082,544)
Net profit after income tax		**6,982,283**	**60,237,516**
Other comprehensive income		-	-
Total comprehensive income		**6,982,283**	**60,237,516**
Earnings Per Share (EPS)	29	**0.03**	**0.22**

The financial statements should be read in conjunction with the annexed notes.

Chief Executive Officer (Current Charge)

Vice Chairman

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. 2404170331AS225136

Place : Dhaka
Dated : 03 April 2024

Shahjalal Islami Bank Securities Limited

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

Amount in Taka

Particulars	Share capital	Capital Reserve	Retained earnings	Total
Balance as at 01 January 2023	2,740,000,000	28,796,597	61,165,934	2,829,962,531
Net profit for the year	-	-	6,982,283	6,982,283
Transferred to Capital Reserve	-	6,023,752	(6,023,752)	-
Dividend Paid	-	-	(54,800,000)	(54,800,000)
Balance as at 31 December 2023	**2,740,000,000**	**34,820,349**	**7,324,465**	**2,782,144,814**

For the year ended 31 December 2022

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**

Chief Executive Officer (Current Charge)

Vice Chairman

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. 2404170331AS225136

Place : Dhaka
Dated : 03 April 2024

SHAHJALAL ISLAMI BANK SECURITIES LTD.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

		Notes	2023 Taka	2022 Taka
A.	**Cash flows from operating activities**			
	Cash received from commission and others		613,759,462	472,592,310
	Payment for operating expenses & others		(171,055,508)	(307,505,779)
	Receipt/(Payment) from investments in marketable securities		7,713,706	(69,394,269)
	Receipt/(Payment) from margin investment		352,706,810	(42,927,633)
	Finance expenses paid		(195,112,404)	(218,195,910)
	Income tax paid		(40,697,329)	(42,377,210)
	Net Cash flow from/(used in) operating activities	30	**567,314,737**	**(207,808,491)**
B.	**Cash flow from investing activities**			
	Investment to executive car finance scheme		(3,670,250)	335,550
	Purchase of fixed assets		(7,129,006)	(18,177,271)
	Net Cash flow from/(used in) investing activities		**(10,799,256)**	**(17,841,721)**
C.	**Cash flow from financing activities**			
	Short term business liabilities		(458,433,831)	16,954,230
	Dividend paid		(54,800,000)	-
	Net cash flow from/(used in) financing activities		**(513,233,831)**	**16,954,230**
	Net Increase/(decrease) in cash and cash equivalents (A+B+C)		43,281,650	(208,695,982)
	Opening cash and cash equivalents		343,641,221	552,337,203
	Closing cash and cash equivalents		**386,922,871**	**343,641,221**

The financial statements should be read in conjunction with the annexed notes.

Chief Executive Officer (Current Charge)

Vice Chairman

Chairman

Place : Dhaka
Dated : 03 April 2024

SHAHJALAL ISLAMI BANK SECURITIES LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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 78 employees all over Bangladesh. It has corporate membership of Dhaka Stock Exchange PLC. (DSE) and Chittagong Stock Exchange PLC. (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 2023.

b. Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2023.

c. Statement of Changes in Equity for the year ended 31 December 2023.

d. Statement of Cash Flows for the year ended 31 December 2023.

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 profit/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 (Section 163(5) Income tax Act 2023). 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. Charging of mark up profit on margin account having negative equity is kept suspended as per decision of the Board of Directors in its meeting held on August 28, 2016.

(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 payable 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 recognized 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.

		2023 Taka	2022 Taka
4.	**Cash and bank balances**		
	Cash at bank in company's accounts	12,049,851	5,179,223
	Cash at bank in trading accounts (dealer account)	1,237,081	826,778
	Cash at bank in consolidated customer accounts	373,635,939	337,635,220
	Cash at bank in IPO account	-	-
		386,922,871	**343,641,221**
	Details are shown in "Annexure-B"		
5.	**Receivables from securities trading**		
	Receivable from DSE (Note:5.1)	1,545,649	4,645,131
	Receivable from CSE (Note:5.2)	-	1,126,695
		1,545,649	**5,771,826**
5.1	**Receivable from DSE**		
	Receivable from DSE Broker Activities (note: 5.1.1)	1,545,649	4,645,131
	Receivable from DSE Dealer Activities (note: 5.1.2)	-	-
		1,545,649	**4,645,131**
5.1.1	**Receivable from DSE Broker Activities**		
	Receivable against A,B,G and N category instruments	-	4,087,819
	Receivable against Z category instruments	1,045,328	557,312
	Receivable against spot trading	500,321	-
		1,545,649	**4,645,131**
5.1.2	**Receivable from DSE Dealer Activities**		
	Receivable against A,B,G and N category instruments	-	-
	Receivable against Z category instruments	-	-
	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 instruments	-	1,126,695
	Receivable against Z category instruments	-	-
		-	**1,126,695**
5.2.2	**Receivable from CSE Dealer Activities**		
	Receivable against A,B,G and N category instruments	-	-
	Receivable against Z category instruments	-	-
		-	-
6.	**Receivable from others**		
	Receivable from others	-	-
	Cash dividend receivables from investment in shares	23,873,685	25,774,658
		23,873,685	**25,774,658**
7.	**Receivable from clients**		
	Margin Investment (Note:7.1)	3,191,684,104	3,544,937,645
	Profit receivable from margin investment (Note:7.2)	1,089,814,143	1,346,137,719
	Fees & charges receivable from clients	2,419,109	1,872,378
		4,283,917,356	**4,892,947,742**
7.1	**Margin Investment**		
	Receivable from clients having negative equity	2,076,451,739	2,476,159,213
	Receivable from clients fall under force sale condition (e.g. Equity is >DB but <125% of DB)	208,707,934	65,875,244

		2023 Taka	2022 Taka
	Receivable from clients fall under margin call (e.g. Equity is >125% of DB but <150% of DB)	131,603,266	74,130,893
	Receivable from regular margin clients (e.g. Equity is >150% of DB)	774,921,165	928,772,295
		3,191,684,104	**3,544,937,645**
7.2	**Profit receivable from margin investment**		
	Receivable from clients having negative equity	871,220,022	1,201,201,740
	Receivable from clients fall under force sale condition (e.g. Equity is >DB but <125% of DB)	49,293,453	15,326,343
	Receivable from clients fall under margin call (e.g. Equity is >125% of DB but <150% of DB)	77,471,649	73,510,438
	Receivable from regular margin clients (e.g. Equity is >150% of DB)	91,829,019	56,099,198
		1,089,814,143	**1,346,137,719**
8.	**Proprietary position in securities & other investment**		
	Investment in securities Dealer Account (Note:8.1)	1,294,036,934	1,296,072,613
	Investment in securities Special Fund Account (Note:8.2)	116,041,065	116,041,065
	Investment in securities BB Special Fund Account (Note:8.3)	263,726,879	269,404,906
	Investment in un-Quoted share (Xpert Fintech Ltd.)*	30,000,000	30,000,000
		1,703,804,878	**1,711,518,584**

*SJIBSL provided the amount to Xpert Fintech Ltd. for facilitated to use Order Management System (OMS)

8.1	**Investment in securities - Dealer Account**		
	Value of "A" category instruments	1,293,999,994	1,234,142,477
	Value of "N" category instruments	36,940	61,930,136
	Value of "Z" category instruments	-	-
		1,294,036,934	**1,296,072,613**
	Deposit for application of right shares/IPO	-	-
		1,294,036,934	**1,296,072,613**
	Investment in securities at cost	1,294,036,934	1,296,072,613
	Investment in securities at market value	1,014,401,235	1,038,754,687
	Diminution in value of investment in shares	**279,635,699**	**257,317,926**

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	116,041,065
		116,041,065	**116,041,065**
	Investment in securities at cost	116,041,065	116,041,065
	Investment in securities at market value	96,750,319	97,496,719
	Diminution in value of investment in shares	**19,290,746**	**18,544,346**
	Value of "A" category instruments	116,041,065	116,041,065
	Value of "N" category instruments	-	-
	Value of "Z" category instruments	-	-
		116,041,065	**116,041,065**

Details of investment in marketable securities are shown in "Annexure- C.2 ".

		2023 Taka	2022 Taka
8.3	**Investment in securities BB - Special Fund Account**		
	Investment in securities	263,726,879	269,404,906
		263,726,879	**269,404,906**
	Investment in securities at cost	263,726,879	269,404,906
	Investment in securities at market value	224,846,297	229,697,856
	Diminution in value of investment in shares	**38,880,582**	**39,707,050**
	Value of "A" category instruments	263,726,879	269,404,906
	Value of "N" category instruments	-	-
	Value of "Z" category instruments	-	-
		263,726,879	**269,404,906**
	Details of investment in securities are shown in "Annexure- C.3 "		
9.	**Other Advances**		
	Advance income tax (Note: 9.1)	492,618,443	451,921,114
	Advance office rent (Note: 9.2)	1,118,650	2,421,792
	Advance commission for bank guarantee	153,336	353,672
		493,890,429	**454,696,578**
9.1	**Advance income tax**		
	Opening balance	451,921,114	409,543,904
	Add: Paid during the year	40,697,329	42,377,210
		492,618,443	451,921,114
	Less: Adjustment during the year	-	-
	Closing balance	**492,618,443**	**451,921,114**
9.1.1	**Advance tax paid during the year**		
	Tax on transaction (DSE)	13,017,968	24,085,628
	Tax on transaction (CSE)	461,622	147,670
	Advance tax on profit (SND)	23,555	24,715
	Advance income tax	18,031,504	9,517,417
	Advance tax on dividend income	9,162,680	8,601,780
		40,697,329	**42,377,210**
	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	42,377,210
	Year 2023	40,697,329	-
		492,618,443	**451,921,114**
9.2	**Advance office rent**		
	Advance office rent	6,555,290	8,861,037
	Transfer to advance office rent under IFRS 16*	(5,436,640)	(6,439,245)
		1,118,650	**2,421,792**
10.	**Other assets**		-
	Prepaid expenses	1,356,379	330,302
	Investment to executive car finance scheme	3,710,300	40,050
		5,066,679	**370,352**

		2023 Taka	2022 Taka
11.	**Fixed assets net off depreciation**		
	Furniture and fixtures	39,935,353	44,343,296
	Office equipment	11,237,529	12,696,778
	Right of Use Assets as per IFRS 16*	76,320,591	83,967,958
		127,493,473	**141,008,032**

* Right of Use Assets are measured at cost less any accumulated depreciation and adjusted for any measurement of lease liabilities.

Details are shown in "Annexure-D"

12.	**Intangible assets**		
	Software	**220,236**	**275,294**

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 favor 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)	**1,502,083**	**1,266,951**

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	127,713,709	141,283,326
Tax base written down value	133,175,830	145,890,420
Deductible Temporary difference on written down value	**(5,462,121)**	**(4,607,094)**
Applicable tax rate	27.50%	27.50%
Closing deferred tax (assets)/liabilities	(1,502,083)	(1,266,951)
Opening deferred tax (assets)/liabilities	(1,266,951)	(1,601,224)
Deferred tax income/(expenses)	**235,132**	**(334,273)**

15.	**Payable to clients**		
	Payable to clients (IPO)	13,490,000	-
	Payable to clients (Trading)	337,003,064	315,072,740
		350,493,064	**315,072,740**

		2023 Taka	2022 Taka
16.	**Short term business liabilities**		
	Shahjalal Islami Bank PLC. (Note: 16.1)	1,833,488,452	2,260,530,757
	Social Islami Bank Ltd. (Note: 16.2)	231,551,612	251,121,750
	Investment Corporation of Bangladesh (Note: 16.3)	-	11,821,388
		2,065,040,064	**2,523,473,895**
16.1	**Shahjalal Islami Bank PLC.**		
	Bai Muajjal (Commercial) Investment (Note: 16.1.1)	1,542,769,765	1,972,880,825
	Bai Muajjal (Commercial) Inv. BB Special Fund (Note: 16.1.2)	290,718,687	287,649,932
		1,833,488,452	**2,260,530,757**
16.1.1	**Bai Muajjal (Commercial) Investment**		
	Principal business liabilities	1,498,000,000	1,895,200,000
	Profit payable on business liabilities	44,769,765	77,680,825
		1,542,769,765	**1,972,880,825**

Shahjalal Islami Bank PLC., Bai-muazzal (Comm.)- investment limit of Tk.170.00 crore. Rate of return 10.47%. Validity up to 30.10.2024.

16.1.2	**Bai Muajjal (Commercial) Investment BB Special Fund**		
	Principal business liabilities	274,280,000	270,780,000
	Profit payable on business liabilities	16,438,687	16,869,932
		290,718,687	**287,649,932**

Shahjalal Islami Bank PLC., 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 PLC.**		
	Principal business liabilities	215,000,000	250,000,000
	Profit payable on business liabilities	16,551,612	1,121,750
		231,551,612	**251,121,750**

Social Islami Bank PLC., Bai- Muazzal (Revolving)- investment limit of Tk. 25.00 crore. Rate of return 11.47%. Validity up to 31.01.2024. Security covered by Corporate Guarantee.

16.3	**Investment Corporation of Bangladesh.**		
	Principal business liabilities	-	11,726,275
	Profit payable on business liabilities	-	95,113
		-	**11,821,388**
17.	**Payable to exchanges**		
	Payable to DSE (note:17.1)	9,625,631	26,815
	Payable to CSE (note:17.2)	-	-
		9,625,631	**26,815**
17.1	**Payable to DSE**		
	Payable to DSE for Broker activities	9,625,631	26,815
	Payable to DSE for Dealer activities	-	-
		9,625,631	**26,815**
17.2	**Payable to CSE**		
	Payable to CSE for Broker activities	-	-
	Payable to CSE for Dealer activities	-	-
		-	**-**
18.	**Other liabilities and provisions**		
	Provision for income tax (Note: 18.1)	500,412,566	477,325,183
	Provision for investment in marketable securities (Note: 18.2)	300,900,000	275,900,000
	Provision for margin investment (Note: 18.3)	244,038,129	285,550,000
	General Provision (Note: 18.4)	49,465,735	49,465,735
	Other liabilities (Note: 18.5)	1,154,117,336	1,248,494,339
		2,248,933,766	**2,336,735,257**

		2023 Taka	2022 Taka
18.1	**Provision for income tax**		
	Opening balance	477,325,183	432,576,912
	Add: Provision made during the year	23,087,383	44,748,271
		500,412,566	477,325,183
	Less: Adjustment during the year	-	-
	Closing balance	**500,412,566**	**477,325,183**
	Year wise provision for income tax:		
	Year 2011	19,976,268	19,976,268
	Year 2012	33,011,983	33,011,983
	Year 2013	22,983,299	22,983,299
	Year 2014	36,389,854	36,389,854
	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	44,748,271
	Year 2023	23,087,383	-
		500,412,566	**477,325,183**
	Income tax assessment status is shown in "Annexure- E"		
18.2	**Provision for investment in marketable securities**		
	Opening balance	275,900,000	263,500,000
	Add: Addition during the year	-	12,400,000
	Add: Transferred from provision for margin investment during the year	25,000,000	-
	Closing balance	**300,900,000**	**275,900,000**

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 & Directive No. BSEC/SRI/NE/2023/840 dated 22-10-2023 (valid up to 30-06-2024) 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. 298,926,445 as on 31 December 2023. The Company has maintained provision of Tk. 300,900,000 as on December 31, 2023 leaving surplus of Tk.1,973,555.00

18.3	**Provision for margin investment**		
	Opening balance	285,550,000	194,526,123
	Add: Addition during the year	-	91,023,877
	Less: Adjustment during the period	(16,511,871)	-
	Less: Transferred to provision for investment in marketable securities during the year	(25,000,000)	-
	Closing balance	**244,038,129**	**285,550,000**

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 & Directive No. BSEC/SRI/NE/2023/840 dated 22-10-2023 (valid up to 30-06-2024) 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. 1,707,814,227 as on December 31, 2023 against margin investment including profit receivable of Tk.2,947,673,556 thus arised negative equity of Tk. 1,274,925,264.00. If the market price of the securities against margin investment go up in future this equity erosion will be reduced. However, the Company's profit suspense on margin investment stood at Tk. 1,041,586,543 (note-18.5) as on 31.12.2023 and also maintained provision for margin investment Tk. 244,038,129.00 as on 31.12.2023 leaving total surplus of Tk.10,699,408.00

18.4	**General Provision**		
	Opening balance	49,465,735	49,465,735
	Add: Provision made during the year	-	-
	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, 2023 against the required provision of Tk. 42,839,174 leaving surplus of Tk. 6,626,561 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.

		2023 Taka	2022 Taka
18.5	**Other liabilities**		
	Accrued expenses	4,055,970	7,306,076
	VAT payable	348,083	341,247
	Office rent payable	107,229	1,078,640
	Withholding tax payable	278,155	282,177
	Leave fare assistance payable	2,007,162	1,936,339
	Income suspense account	13,889,389	13,646,019
	Profit suspense account	1,041,586,543	1,078,666,690
	Security deposit	-	34,402
	Profit Payable to Client for consolidated customer bank account*	505,914	12,802,383
	Outstanding cheques*	640,617	640,617
	Employees retirement obligation	4,786,496	42,768,266
	Untraced deposits*	834,749	834,749
	Lease liabilities as per IFRS-16 (Note. 18.5.1)	85,077,029	88,156,734
		1,154,117,336	**1,248,494,339**

*Profit Payable to Client for consolidated customer bank account has been distributed on 29.01.2024

*Outstanding cheques are the cheques whose date were accross in 06 months from the date of issuance but the paid cheques were not placed for clearance in bank. The cheques may paid at any time.

*Untraced deposits are the deposits that could not traced. The customers deposited the money in our bank account but they did not provide any document to deposit their BO account.

18.5.1 As mentioned in note -3.6 the Company has recognized the lease liabilities in accordance with IFRS-16 "Lease"

18.5.2	**Maturity analysis of lease liabilities (as per para 58 of IFRS-16)**		
	Not later than one month;	737,728	525,830
	Later than one month and not later than three months;	1,501,337	1,063,522
	Later than three months and not later than one year; and	7,436,461	5,470,535
	Later than one year and not later than five years.	43,729,489	39,306,714
	Later than five year and not later than five years.	31,672,013	41,790,133
		85,077,029	**88,156,734**

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 PLC.	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

			2023 Taka	2022 Taka
13	Alhaj Akkas Uddin Mollah	1,250,000	12,500,000	12,500,000
14	Alhaj Khandaker Sakib Ahmed	1,250,000	12,500,000	12,500,000
15	Alhaj Engr.Md.Towhidur Rahman	1,250,000	12,500,000	12,500,000
16	Alhaj A. K. Azad	1,250,000	12,500,000	12,500,000
17	Alhaj Mohammed Younus	1,250,000	12,500,000	12,500,000
18	Sanawar Bano	156,251	1,562,510	1,562,510
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	34,820,349	28,796,597
Retained earnings	7,324,465	61,165,934
	2,782,144,814	**2,829,962,531**
(ii) Supplementary Capital		
General provision	39,572,588	39,572,588
Specific provision	381,456,690	393,015,000
	421,029,278	**432,587,588**
B.Total Eligible capital (i+ii)	**3,203,174,092**	**3,262,550,119**
C. Total risk requirement (Annexure-A)	**536,208,269**	**583,294,455**
D. Required capital (120% of total risk requirement)	**643,449,923**	**699,953,346**
E. Capital surplus (B-D)	**2,559,724,169**	**2,562,596,773**
F. Capital adequacy ratio	**597%**	**559%**
Core capital to total risk requirement	519%	485%
Supplementary to total risk requirement	79%	74%
G. Operational risk requirement	**26,113,654**	**22,468,174**
H. Core capital to operational risk requirement (minimum 100%)	**107**	**126**
	times	**times**

The detail computation of capital adequacy has been shown in " Annexure-A"

19.2 Net Capital to aggregate liabilities Ratio

A. Liquid Assets		
Cash in hand or in Bank	386,922,871	343,641,221
Cash Surrender Value of life insurance policy	-	-
Customer's Debit Balances receivable within 3 days	3,191,684,104	3,544,937,645
Interest, dividend or commission receivable within 30 days	48,227,600	267,471,029
Clearing House Deposits	100,000,000	400,000,000
Amounts Receivable in the ordinary 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.	1,545,649	5,771,826
Investment in Treasury bills, bonds or certificates issued by the Government of Bangladesh		
Market Value of Investment in Securities traded in an exchange.	1,335,997,851	1,365,949,262

		2023 Taka	2022 Taka
	Market value of Investment in Mutual fund	-	-
	Market value of Investment in collective investment scheme with haircut of 15%	-	-
	Value of Investment in Securities not traded in the Exchange with haircut of 30% of its face value.	67,890,613	67,890,613
	Total Liquid Assets (A)	**5,132,268,688**	**5,995,661,596**
	Designated Liabilities:		
	Amount payable in the ordinary course of dealing in securities	9,625,631	26,815
	Overdraft & Loan from banks	1,987,280,000	2,427,706,275
	Accrued Expenses	127,245	127,245
	Tax payable, net of advance taxes	-	-
	All other liabilities that are regarded as liabilities under generally accepted accounting principles in Bangladesh which are payable (within 30 days)	414,763,128	410,840,360
	Total Designated Liabilities (B)	**2,411,796,004**	**2,838,700,695**
	C. Net Capital Balance (A-B)	**2,720,472,684**	**3,156,960,901**
	D. Net Capital to aggregate Liabilities Ratio	**1:1.72**	**1:1.64**
	E. Maximum permissible Ratio	**1 : 20**	**1 : 20**
20.	**Capital Reserve**		
	Opening Balance	28,796,597	3,449,994
	Add: Addition during the year	6,023,752	25,346,603
	Closing Balance	**34,820,349**	**28,796,597**

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	61,165,934	26,275,021
	Add: Net Profit after tax during the year	6,982,283	60,237,516
	Less: Amount transferred to Capital Reserve (Note: 20)	(6,023,752)	(25,346,603)
	Less: Dividend paid	(54,800,000)	-
	Closing Balance	**7,324,465**	**61,165,934**
22.	**Brokerage commission**		
	Commission income through DSE	80,291,528	147,146,808
	Commission income through CSE	1,556,318	856,256
		81,847,846	**148,003,064**
23.	**Income from investment in shares**		
	Capital gain on sale of shares	3,265,194	106,327,473
	Dividend income (Note: 23.1)	44,505,394	49,411,129
		47,770,588	**155,738,602**
23.1	**Dividend income**		
	Cash dividend from DSE & CSE	5,390,462	3,879,464
	Cash dividend from investment in shares	38,224,232	43,751,073
	Cash dividend from investment in shares (ICB Fund)	890,700	1,780,592
		44,505,394	**49,411,129**
24.	**Other operating income**		
	Margin documentation fee	6,000	18,000
	BO account opening fee	206,500	460,500
	Income from share transfaer,transmission, pladge etc.	983,805	408,694
	BO account maintenance charge	5,103,900	5,248,084
	BO account closing fee	31,860	46,110
	IPO processing fee	23,200	138,335
		6,355,265	**6,319,723**

		2023 Taka	2022 Taka
25.	**Operating expenses**		
	Howla charge	34,900	80,450
	Laga charge	6,852,938	12,119,232
	BO A/C maintenance fee	4,080,650	4,419,100
	CDBL transaction fee	3,567,987	6,582,151
	Service charge	951,646	933,044
		15,488,121	**24,133,977**
26.	**Other income**		
	Cheque dishonour fee	10,000	39,000
	Profit on special notice deposit	124,122	153,807
	Notice pay earning	283,828	51,980
	Miscellaneous income	58,828	15,409
		476,778	**260,196**
27.	**Administrative and general expenses**		
	Rent, taxes, insurance, electricity etc. (Note: 27.1)	6,446,864	6,596,978
	Salaries and allowances (Note: 27.2)	66,837,039	74,090,233
	Legal and professional expenses	102,350	77,250
	Postage, stamp, telecommunication etc. (Note: 27.3)	2,866,317	3,042,601
	Stationery, printing & advertisement (Note: 27.4)	905,319	1,446,724
	Depreciation, repairs & maintenance (Note: 27.5)	21,180,052	22,995,211
	Other expenses (Note: 27.6)	12,535,736	18,012,485
		110,873,677	**126,261,482**
27.1	**Rent, taxes, insurance, electricity etc.**		
	Office rent (Note:27.1.1)	2,835,889	3,017,511
	Electricity and generator	2,579,567	2,621,078
	Insurance for motor vehicle	92,029	50,738
	Insurance premium (healthcare & fire)	532,533	522,842
	Fuel	406,846	384,809
		6,446,864	**6,596,978**
27.1.1	**Office rent**		
	Office rent	20,697,229	21,992,759
	Transfer to depreciation and profit expenses under IFRS 16*	17,861,340	18,975,248
		2,835,889	**3,017,511**
27.2	**Salaries and allowances**		
	Basic salary	27,723,707	26,279,320
	Casual salary	2,821,181	3,329,059
	Allowances	26,341,241	25,035,994
	Other allowance	643,750	717,750
	Consolidated salary	1,307,627	754,527
	Bonus	5,227,160	15,345,629
	Contribution to provident fund	2,772,373	2,627,954
		66,837,039	**74,090,233**
27.3	**Postage, stamp, telecommunication etc.**		
	Revenue stamp	11,269	25,003
	Telephone & mobile	634,510	627,946
	Networking	2,142,411	2,341,095
	Postage and courier	78,127	48,557
		2,866,317	**3,042,601**
27.4	**Stationery, printing & advertisement**		
	Office stationery	24,732	37,857
	Other stationery	117,975	148,801
	Paper expenses	298,800	264,432
	Advertisement	98,636	204,833
	Printing	114,227	764,251
	Computer & electronic accessories	250,949	26,550
		905,319	**1,446,724**

		2023 Taka	2022 Taka
27.5	**Depreciation, repairs & maintenance**		
	Depreciation	7,186,647	7,322,215
	Depreciation on Right of Use Assets	13,511,976	14,927,155
	Repairs & maintenance	481,429	745,841
		21,180,052	**22,995,211**
27.6	**Other expenses**		
	Expenses for Bank Guaranty	430,336	757,993
	Conveyance	237,687	255,526
	Travelling and conveyance	13,698	34,500
	Uniform	84,324	69,567
	Water bill	886,974	922,637
	Renewal fees	1,006,678	939,210
	Training expense	6,000	1,000
	Bank charge	35,085	25,923
	Excise duty	309,578	306,572
	Entertainment	2,676,838	3,476,381
	Audit fee	69,000	76,500
	Utility bill	12,720	14,142
	Directors fee	341,000	231,000
	Software expenses	-	132,300
	Car maintenance	29,098	23,970
	Office maintenance	1,106,478	2,728,359
	Miscellaneous expenses	403,746	588,933
	Loss for written off margin Investment	-	2,017,206
	Social security superannuation fund expenses	100,000	100,000
	Gratuity expenses	4,786,496	5,310,766
		12,535,736	**18,012,485**
28.	**Financial expenses**		
	Profit paid on Bai-muazzal (Commercial) TR investment, SIBL	20,817,226	21,541,643
	Profit paid on Bai-muazzal (Commercial) TR investment, SJIBL	148,045,158	169,824,880
	Profit paid on Bai-muazzal (Comm.) BB. Special Fund, SJIBL	18,335,599	17,508,944
	Profit paid to Investment Corporation of Bangladesh	-	1,266,663
	Profit on lease liabilities as per IFRS-16*	7,914,421	8,053,780
		195,112,404	**218,195,910**

* As per note-3.6 in accordance with IFRS-16 the Company has recognized the lease liabilities and related profit expenses is shown above.

29.	**Earnings per share**		
	Net profit attributable to ordinary shareholders	6,982,283	60,237,516
	Number of ordinary shares outstanding	274,000,000	274,000,000
	Earnings per share of Tk. 10 each	**0.03**	**0.22**
30.	**Cash flow from operating activities under indirect method**		
	Net profit before tax	29,834,534	105,320,060
	Adjustment for non-cash items:		
	Depreciation	20,698,623	22,249,370
	Loss on sale of Assets	-	-
		50,533,157	**127,569,430**
	Adjustment for changes in working capital:		
	Decrease in accounts receivables	262,450,726	(1,319,119)
	(Increase) in advance deposits and prepayments	477,401	1,208,336
	Increase in provision for investment in marketable securities	-	12,400,000
	Increase in General provision for all outstanding margin	-	-
	(Increase)/Decrease in margin investment	352,706,810	(42,927,633)
	(Increase)/Decrease in investment in marketable securities	7,713,706	(69,394,269)
	(Decrease) in provision for margin investment	(16,511,871)	91,023,877
	(Decrease) in trade and other payables	(49,357,863)	(283,991,903)
		557,478,909	**(293,000,711)**
		608,012,066	(165,431,281)
	Less: Income tax paid	(40,697,329)	(42,377,210)
	Net Cash Flow from/(used in) opareting activities	**567,314,737**	**(207,808,491)**

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 01.01.2023	Transaction during the year (Net)		Balance as on 31.12.2023
			Cr.	Dr.	Cr.	Cr.
Shahjalal Islami Bank PLC.	Parent Company	Short-term borrowing with Profit payable	2,260,530,757	-	(427,042,305)	1,833,488,452

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

Investment (Credit) risk is the risk of financial loss to the company if a customer fails to meet its contractual obligations and arises principally from the Company's margin investments (loans). Investment (Credit) Risk Management assesses all Investment (Credit) exposure in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Company is controlling Investment (Credit) risk and Investment (Credit) exposure based on margin rules-1999.

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 unfavorable terms. The organization is carefully maintaining it Asset and Liability to mitigate the liquidity risk.

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. Top Management of the Company constantly monitors the market situation and makes appropriate adjustments as required. Moreover, Company's clients' base consists of a combination of institutions and retail investors. Hence, the impact of any volatility of the Capital Market on Company's activities will be least.

33. Event after the reporting period

(a) The Board of Directors in its meeting held on 03 April 2024 approved the financial statements of the Company for the year ended 31 December 2023 and authorized the same for issue.

(b) Except above, no other significant event had occurred till date of signing the financial statements.

Chief Executive Officer (Current Charge) | **Vice Chairman** | **Chairman**

Place : Dhaka,
Dated : 03 April 2024

SHAHJALAL ISLAMI BANK SECURITIES LTD.

Statement Showing Computation of Capital Adequacy

As at 31 December 2023

Annexure-A

A. Eligible Capital

Amount in Taka

Components	Amount	Haircut %	Haircut Amount	2023	2022
				Eligible Amount	Eligible Amount
Paid-up-capital	2,740,000,000	0		2,740,000,000	2,740,000,000
Capital Reserve	34,820,349	0		34,820,349	28,796,597
Retained Earnings	7,324,465	0		7,324,465	61,165,934
Sum of core capital				**2,782,144,814**	**2,829,962,531**
General Provision	49,465,735	20%	9,893,147	39,572,588	39,572,588
Specific Provision:					
Margin investment	244,038,129	30%	73,211,439	170,826,690	199,885,000
Investment in marketable securities	300,900,000	30%	90,270,000	210,630,000	193,130,000
Sum of supplementary capital				**421,029,278**	**432,587,588**
	Total Capital			**3,203,174,092**	**3,262,550,119**

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%**	26,113,654	22,468,174
Position Risk Requirement (PRR):			
i. Proprietary positions in Equity securities:		-	
Value of "A" category securities	**10%**	167,376,794	161,958,845
Value of "B/G/N/." category securities	**12%**	4,433	7,431,616
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%**	342,713,388	391,435,819
Total risk requirement		**536,208,269**	**583,294,455**

C. Capital Adequacy Ratio (CAR)= $\frac{\text{Total Capital (TC)}}{\text{Total Risk Requirement(TRR)}} \times 100$ — 597% i.e.5.97 times; 559% i.e. 5.59 times

Chief Executive Officer (Current Charge) | **Vice Chairman** | **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. 2404170331AS225136

Place : Dhaka,
Dated : 03 April 2024

SHAHJALAL ISLAMI BANK SECURITIES LTD.

Cash and bank balances

as at 31 December 2023

Annexure-B

Amount in Taka

Particulars	Name of Bank Account	Name of the Bank name	Branch name	Account Number	Balance as on 31 December 2023	Balance as on 31 December 2022
Cash at bank in Company's accounts	SJIBSL Revenue A/C (DSE) A/C	Shahjalal Islami Bank PLC	Motijheel Branch	001310000301	1,148,852	1,411,122
	Shahjalal Islami Bank Securities Ltd. A/C	Shahjalal Islami Bank PLC	Motijheel Branch	001310000900	336,477	2,975,612
	Shahjalal Islami Bank Securities Ltd. A/C	Shahjalal Islami Bank PLC	Motijheel Branch	001310004205	14,104	62,630
	SJIBSL Special Fund Portfolio A/C	Shahjalal Islami Bank PLC	Motijheel Branch	0013100004231	9,404,160	311,702
	Shahjalal Islami Bank Securities Ltd. A/C,	Shahjalal Islami Bank PLC	GSA Branch.	0013100000011	1,197	1,517
	SJIBSL Gulshan Branch A/C	Shahjalal Islami Bank PLC	GSA Branch.	0012100003280	4,805	56,538
	SJIBSL Uttara Branch A/C	Shahjalal Islami Bank PLC	Uttara Branch.	0011100009766	67,688	99,463
	SJIBSL Collegegate Branch A/C	Shahjalal Islami Bank PLC	Collegegate Branch.	0013100000082	32,261	29,097
	SJIBSL Eskaton Branch A/C	Shahjalal Islami Bank PLC	Eskaton Branch	0011100000381	30,202	24,384
	SJIBSL Savar Branch A/C	Shahjalal Islami Bank PLC	Savar Branch.	0013100000501	2,254	11,746
	SJIBSL Agrabad Branch A/C	Shahjalal Islami Bank PLC	Agrabad Branch	0013100001096	19,665	67,875
	SJIBSL Chawkbazar Branch A/C	Shahjalal Islami Bank PLC	Chawkbazar Branch	0011100006045	12,164	12,757
	SJIBSL Sylhet Branch A/C	Shahjalal Islami Bank PLC	Sylhet Branch.	0013100003668	22,073	13,945
	SJIBSL Investment A/C	Shahjalal Islami Bank PLC	Motijheel Branch	0013100004235	318,282	-
	Shahjalal Islami Bank Securities Ltd. A/C	Social Islami Bank PLC	Principal Branch	002360002026	617,633	77,674
	Shahjalal Islami Bank Securities Ltd. A/C	Al-Arafah Islami Bank PLC	Motijheel Branch	000020042768	3,020	8,085
	SJIBSL Special Fund Portfolio A/C	Al-Arafah Islami Bank PLC	HO Corporate	1431220000813	5,286	6,313
	SJIBSL G-Sec. A/C	Southeast Bank PLC	Motijheel Branch	002711100007743	965	-
	Shahjalal Islami Bank Securities Ltd. A/C	Prime Bank PLC	Dilkusha Branch	3108312001426	8,763	8,763
Total Cash at bank Company's account					**12,049,851**	**5,179,223**

SHAHJALAL ISLAMI BANK SECURITIES LTD.

Cash and bank balances

as at 31 December 2023

Annexure-B

Amount in Taka

Particulars	Name of Bank Account	Name of the Bank name	Branch name	Account Number	Balance as on 31 December 2023	Balance as on 31 December 2022
Cash at bank in trading accounts (Stock dealer account)	SJIBSL Dealer A/C DSE	Shahjalal Islami Bank PLC	Motijheel Branch	001310000324	644,594	636,970
	SJIBSL Dealer A/C DSE	Social Islami Bank PLC	Principal Branch	0021360003253	592,487	189,808
Total Cash at bank in Stock dealer account					**1,237,081**	**826,778**
Cash at bank in Consolidated customer accounts	SJIBSL Consolidated customer A/C DSE	Shahjalal Islami Bank PLC	Motijheel Branch	001310000290	351,763,876	313,992,001
	SJIBSL Consolidated customer A/C DSE	Social Islami Bank PLC	Principal Branch	0021360003242	21,780,653	23,551,119
	SJIBSL Consolidated customer A/C	Commercial bank of ceylon	Panthapath Branch	002809006966	91,410	92,100
Total Cash at bank in Consolidated customer account					**373,635,939**	**337,635,220**
Cash at bank in IPO account	SJIBSL IPO Process A/C	Shahjalal Islami Bank PLC	Motijheel Branch	001310004096	-	-
Total Cash at bank in IPO account					**-**	**-**
Grand total cash at bank balance					**386,922,871**	**343,641,221**

SHAHJALAL ISLAMI BANK SECURITIES LTD.

Investment in securities - Dealer Account

As at 31 December 2023

Annexure-C.1

Amount in Taka

Sl. No.	Name of the company	Category	No of shares	Cost value per share	Cost value	Market value per share	Market value
1	ACI Limited	A	17,955	262.81	4,718,670	260.20	4,671,891
2	The ACME Laboratories Limited	A	209,500	91.88	19,249,307	85.00	17,807,500
3	AIBL Mudaraba Perpetual Bond	A	1	4,973	4,973	4,897	4,897
4	BDCOM Online Limited	A	170,000	35.71	6,071,514	34.50	5,865,000
5	Beximco Pharmaceuticals Ltd	A	240,000	203.90	48,935,431	146.20	35,088,000
6	Beximco Green Sukuk Al Istisna'a	A	32,000	94.55	3,025,562	85.00	2,720,000
7	Dhaka Electric Supply Company Limited	A	2,178,208	46.17	100,570,252	36.60	79,722,413
8	Esquire Knit Composite Limited	A	41,780	45.00	1,880,100	34.50	1,441,410
9	Global Islami Bank Limited	A	1,383,235	9.52	13,173,670	8.60	11,895,821
10	MJL Bangladesh Limited	A	538,405	102.26	55,054,632	86.70	46,679,714
11	Mir Akhter Hossain Limited.	A	193,983	65.76	12,757,232	50.80	9,854,336
12	Navana CNG Limited	A	75,000	27.50	2,062,773	24.50	1,837,500
13	RAK Ceramics (Bangladesh) Ltd.	A	500,000	52.92	26,460,204	42.90	21,450,000
14	Shasha Denims Limited	A	6,141,228	30.80	189,120,609	27.00	165,813,156
15	Social Islami Bank Limited	A	1,627,500	12.49	20,320,229	11.70	19,041,750
16	Summit Alliance Port Limited	A	1,630,000	35.36	57,633,619	27.20	44,336,000
17	Takaful Islami Insurance Limited	A	1,532,109	54.41	83,358,244	42.10	64,501,789
Total Value of "A" category instruments					**644,397,021**		**532,731,177**
1	Agro Organica PLC	N	3,694	10.00	36,940	17.60	65,014
Total Value of "N" category instruments					**36,940**		**65,014**
1	The Dacca Dyeing & Manufacturing Co.Ltd.	B	4,537,500	24.76	112,370,346	13.50	61,256,250
2	Robi Axiata Limited	B	850,000	40.88	34,750,044	30.00	25,500,000
3	UNION BANK Limited	B	3,888,150	11.74	45,637,952	8.90	34,604,535
4	Energypac Power Generation Limited	B	234,087	51.43	12,039,749	34.50	8,076,002
5	Islamic Finance Company Limited	B	519,000	24.50	12,715,878	19.70	10,224,300
6	Standard Bank Limited	B	13,341,216	9.87	131,612,043	8.60	114,734,458
7	Titas Gas Transmission & Dist. Co. Ltd.	B	3,150,000	59.31	186,836,702	40.90	128,835,000
8	Lub-rref (Bangladesh) Limited.	B	695,000	42.24	29,357,974	35.10	24,394,500
9	Silco Pharmaceuticals Limited	B	1,500,000	28.03	42,045,296	23.40	35,100,000
10	Silva Pharmaceuticals Limited	B	1,800,000	23.46	42,236,989	21.60	38,880,000
Total Value of "B" category instruments					**649,602,973**		**481,605,044**
	Grand Total				**1,294,036,934**		**1,014,401,235**

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 per share	Cost value	Market value per share	Market value
1	ACI Formulations Limited	A	80,000	172.28	13,782,560	155.00	12,400,000
2	Associated Oxygen Limited	A	330,264	44.86	14,815,713	36.50	12,054,636
3	Jumuna Oil Company Limited	A	30,000	183.63	5,509,010	168.50	5,055,000
Total Value of "A" category instruments					**34,107,283**		**29,509,636**
1	Fu-Wang Ceramic Industry Limited	B	936,000	23.87	22,345,807	19.00	17,784,000
2	Intech Limited	B	600,000	41.37	24,823,474	25.40	15,240,000
4	AFC Agro Biotech LTD.	B	412,795	30.03	12,396,570	23.50	9,700,683
3	Silva Pharmaceuticals Limited	B	1,135,000	19.71	22,367,931	21.60	24,516,000
Total Value of "B" category instruments					**81,933,782**		**67,240,683**
	Grand Total				**116,041,065**		**96,750,319**

SHAHJALAL ISLAMI BANK SECURITIES LTD.

Investment in securities - BB Special Fund Account

As at 31 December 2023

Annexure-C.3

Amount in Taka

Sl. No.	Name of the company	Category	No of shares	Cost value per share	Cost value	Market value per share	Market value
1	ACI Limited	A	134,467	270.32	36,349,266	260.20	34,988,313
2	Beximco Pharmaceuticals Limited	A	575,169	192.25	110,574,921	146.20	84,089,708
3	EXIM Bank Limited	A	5,000,000	11.94	59,699,744	10.40	52,000,000
4	Jamuna Oil Company Limited	A	90,000	185.29	16,676,255	168.50	15,165,000
5	BDCOM Online Limited	A	100,000	35.34	3,533,754	34.50	3,450,000
6	Power Grid Company of Bangladesh Ltd.	A	228,856	60.47	13,839,208	52.40	11,992,054
7	Singer Bangladesh Limited	A	49,827	150.19	7,483,742	151.90	7,568,721
8	LafargeHolcim Bangladesh Limited	A	225,000	69.20	15,569,988	69.30	15,592,500
Total Value of "A" category instruments					**263,726,879**		**224,846,297**

SHAHJALAL ISLAMI BANK SECURITIES LTD.

Schedule of Fixed assets

as at December 31, 2023

Annexure-D

Amount in taka

Particulars	COST				Rate (%)	DEPRECIATION				Written Down value as at 31.12.2023
	Balance as at 01.01.2023	Addition during the year	Adjustments /disposal during the year	Balance as at 31.12.2023		Balance as at 01.01.2023	Charged during the year	Adjustments /disposal during the year	Balance as at 31.12.2023	
Tangible assets										
Furniture and fixtures	74,223,383	28,060	-	74,251,443	10%	29,880,087	4,436,003	-	34,316,090	39,935,353
Office equipment	46,278,593	1,236,337	-	47,514,930	20%	33,581,815	2,695,586	-	36,277,401	11,237,529
Sub-Total	**120,501,976**	**1,264,397**	**-**	**121,766,373**		**63,461,902**	**7,131,589**	**-**	**70,593,491**	**51,172,882**
Intangible assets										
Software	2,684,379	-	-	2,684,379	20%	2,409,085	55,058	-	2,464,143	220,236
Total tangible & intangible assets	**123,186,355**	**1,264,397**	**-**	**124,450,752**		**65,870,987**	**7,186,647**	**-**	**73,057,634**	**51,393,118**
Right of use Assets	123,782,727	5,864,609	6,977,315	122,670,021	-	39,814,769	13,511,976	6,977,315	46,349,430	76,320,591
Total as at December 31, 2023	**246,969,082**	**7,129,006**	**6,977,315**	**247,120,773**	-	**105,685,756**	**20,698,623**	**6,977,315**	**119,407,064**	**127,713,709**
Total as at December 31,2022	**228,791,811**	**18,177,271**	**-**	**246,969,082**		**83,436,386**	**22,249,370**	**-**	**105,685,756**	**141,283,326**

SHAHJALAL ISLAMI BANK SECURITIES LTD.

Income Tax Assessment Status

As at 31 December 2023

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	29,758,777	Appeal pending with High Court.
2013-2014	33,011,983	21,260,860	27,934,372	Appeal pending with Appellate Tribunal.
2014-2015	22,983,299	22,983,982	30,238,228	Appeal pending with Appellate Tribunal.
2015-2016	36,389,854	32,244,498	33,654,905	Return filed U/S- 82BB
2016-2017	64,277,748	49,295,197	50,295,197	Return filed U/S- 82BB
2017-2018	34,407,336	26,457,738	30,541,831	Return filed U/S- 82BB
2018-2019	82,787,438	82,786,711	82,790,985	Return filed U/S- 82BB
2019-2020	23,136,288	23,136,288	25,288,287	Appeal pending with Appellate Tribunal.
2020-2021	28,070,778	27,458,336	27,489,184	Appeal pending with Appellate Tribunal.
2021-2022	22,589,103	22,917,752	23,417,925	Return filed U/S- 82BB
2022-2023	64,946,817	65,023,589	65,023,589	Return filed U/S- 82BB
2023-2024	44,748,271	43,467,828	43,519,338	Return filed U/S- 180
2024-2025	23,087,383		22,665,825	Return to be submitted
Total	**500,412,566**	**412,623,504**	**492,618,443**	

Shahjalal Islami Bank Securities Limited

Computation of Total Income & Tax Liability

Income year ended December 31, 2023

Assessment year 2024-2025

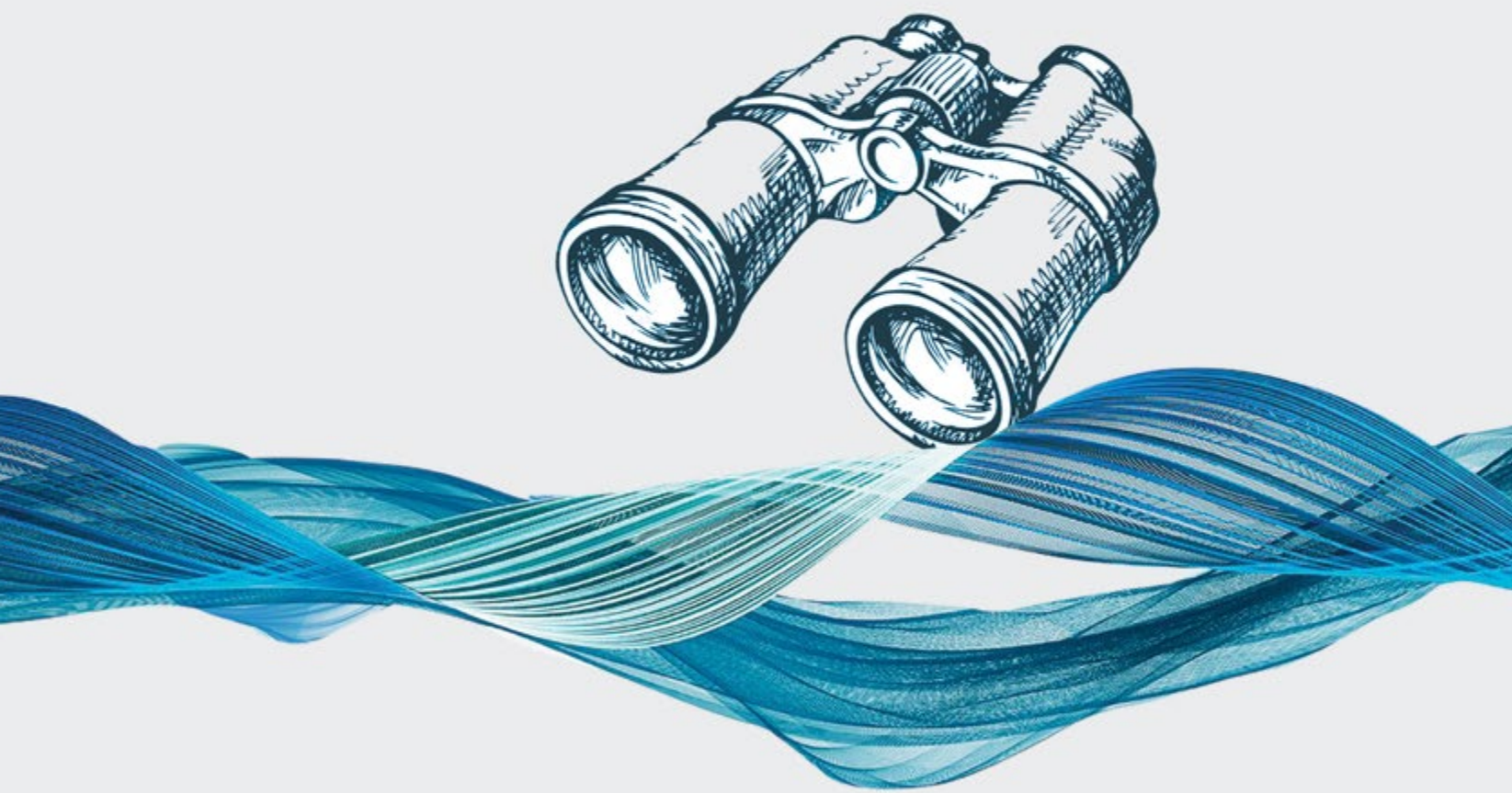
Annexure-F

Particulars	Notes	Taka	Taka
Net profit before Provision as per audited Profit and Loss Account			29,834,534
Add:			
Excess Perquisite		944,028	
Accounting depreciation on Fixed Assets	Annex-D	7,186,647	
Accounting depreciation As Per IFRS 16	Annex-D	13,511,976	
Interest charge of lease liability As Per IFRS 16	28	7,914,421	29,557,072
			59,391,606
Less:			
Depreciation as per 3rd Schedule		6,331,620	
Rental expenses As per IFRS 16	27.1.1	17,861,340	24,192,960
			35,198,646
Less:			
Brokerage Commission	22	81,847,846	
Dividend Income	23.1	44,505,394	
Gain on sale of share	23	3,265,194	129,618,434
		Total Loss	(94,419,788)
Business Loss for the year		(94,419,788)	
Add: carried Forward of Previous Year Loss A.Y-2023-2024		(90,338,058)	
Add: carried Forward of Previous Year Loss A.Y-2022-2023		(29,853,678)	
Add: carried Forward of Previous Year Loss A.Y-2021-2022		(102,450,875)	
Add: carried Forward of Previous Year Loss A.Y-2020-2021		(86,028,333)	
Add: carried Forward of Previous Year Loss A.Y-2019-2020		(50,270,991)	
Total Loss		**(453,361,723)**	
Minimum Tax on Brokerage commission u/s 163		13,479,590 X 100 / 27.5	49,016,691
			49,016,691
Add: Income from separate consideration			
Dividend Income		44,505,394	
Add: Cash Dividend Receivable from Previous Year		25,774,658	
Less: Cash Dividend Receivable from Current Year		23,873,685	
		46,406,367	
Gain on sale of investment in share		3,265,194	49,671,561
		Total Income	**98,688,252**

CALCULATION OF TAX LIABILITY

		Attachment		Taka
Business Income	49,016,691	27.5%		13,479,590
Tax on Dividend Income	46,406,367	20%		9,281,273
Tax on Gain on sale of investment in share	3,265,194	10%		326,519
Taxable Income	**98,688,252**	**Total Tax Liability**		**23,087,383**

OTHER INFORMATION



BRANCH NETWORK

Dhaka Zone	
Dhaka Main Branch 58 Dilkusha C/A, Dhaka-1000 Phone: 02 223390795-8, 02 223390805 e-mail: dhakamain@sjiblbd.com	Moulvi Bazar Branch, Dhaka Moulvi Bazar Tower 69, 70 No. Moulvi Bazar, Dhaka-1100 Phone: 57315533, 57313788, 57319114 Fax: 02-7315534 e-mail: mitford@sjiblbd.com
Dhanmondi Branch Momtaz Plaza (1st Floor), House # 07, Road # 04 Dhanmondi R/A, Dhaka-1205 Phone: 58615138, 02 223365766, Fax: 02-57315534 e-mail: dhanmondi@sjiblbd.com	Gulshan Branch Baro Bhuiyan, Holding No-3/A, Block- CWN(A), Kamal Ataturk Avenue, Gulshan-2, Dhaka Phone: 02 222290322, 02 222293008, 02 222290520 Fax: 02-9893008 e-mail: gulshan@sjiblbd.com
Foreign Exchange Branch Humayun Court (Ground & 1st Floor), 21 Motijheel C/A, Dhaka-1000 Phone: 02 223380480, 02223354726-8, Fax: 02-9574729 e-mail: fex@sjiblbd.com	Joydevpur Chowrasta Branch Khaleque Complex (1st Foor) Joydevpur Chowrasta, Gazipur Phone: 49262393-4 Fax: 02-9262393 e-mail: jcb@sjiblbd.com
Kawran Bazar Branch T K Bhaban, 13 KaziNazrul Islam Avenue Kawran Bazar, Dhaka Phone: 55011949, 55011947-8, 55011950 Fax: 02-9126604 e-mail: kawran@sjiblbd.com	Uttara Branch Anwar Complex (1st Foor), House # 12 Road # 14/C, Sector # 4, Uttara Model Town Dhaka-1230 Phone: 02-8932084, 48953553, 7912660 Fax: 02-8953586 e-mail: uttara@sjiblbd.com
Bangshal Branch 215/1 Bangshal Road, Dhaka-1100 Phone: 02 223350937 Fax: 02-7172910 e-mail: bangshal@sjiblbd.com	Baipail (Dhaka EPZ) Branch Swapneel Tower (1st Floor), Baipail DEPZ, Savar, Dhaka Phone: 996688717, 996688292, Fax: 02-7790517 e-mail: baipail@sjiblbd.com
Narayanganj Branch Osman Tower 56/1, S. M. Maleh Road, Narayanganj Phone: 02-7635172, Fax: 02-7635173 e-mail: narayanganj@sjiblbd.com	Satmasjid Road Branch Green City Center, 58, Satmasjid Road, Dhanmondi, Dhaka Phone: 48123028, 48115812, Fax: 02-9129848 e-mail: satmasjid@sjiblbd.com
Banani Branch Ataturk Tower (1st Floor), 22 Kamal Ataturk Avenue, Road # 17, Banani, Dhaka-1213 Phone: 02 222274626-8 Fax: 02-9820626 e-mail: banani@sjiblbd.com	Joypara Branch Monowara Mansion (1st Floor), Joypara Dohar, Dhaka Phone: 02 7768155 (PABX), 01755556120, Fax: 02-7768155 e-mail: joypara@sjiblbd.com
Motijheel Branch 1/C RAJUK Avenue, Dainak Bangla Moor Motijheel C/A, Dhaka-1000 Phone: 02 223353591,02 223353587, 02 223384029(cash), Fax: 02-9564029 e-mail: motijheel@sjiblbd.com	Mirpur Branch Saleha Complex 142/1 Begum Rokeya Sarani, Ward-14, Mirpur-10, Dhaka-1216 Phone: 58051941-4, Fax: 02-9012857 e-mail: mirpur@sjiblbd.com
Savar Branch Bismillah Super Market (1st Floor) B-71/1 & B-72/1 Bazar Road, Savar, Dhaka Phone: 02-224442894-5, Fax: 02-7742893 e-mail: savar@sjiblbd.com	Bijoynagar Branch MCT Ally's Center (1st Floor) 40 Bijoynagar, Kakrail, Dhaka-1000 Phone: 58310069, Fax: 02-9344867 e-mail: bijoy@sjiblbd.com

Progati Sarani Branch Confidence Center (1st Floor), Kha-9, Progati Sarani Gulshan, Dhaka-1229 Phone: 55048332, Fax: 02- 9852247 e-mail: progati@sjiblbd.com	Keranigonj Branch Ma Plaza (1st Floor), Shahid Nagar Keranigonj, Dhaka Phone: 02-7762293-4, 7762291 Fax: 02-7762292 e-mail: keranigonj@sjiblbd.com
Mymensingh Branch Noor Fatema Tower (1st Floor) 25 Shawdeshi Bazar, Mymensingh Phone: 091-64397, 091-62617 Fax: 091-62370 e-mail: mymensingh@sjiblbd.com	Panthapath Branch ENA Tower, Di-Olie (1st Floor) 57/3, 57/4 Lake Circus Road Kolabagan, Dhanmondi, Dhaka-1212 Phone: 48114571, 48113540, 48113776 Fax: 02-9133745 e-mail: panthapath@sjiblbd.com
College Gate Branch Union Center (1st Floor) 1/5 Mohammadpur Housing Estate Mirpur Road, Dhaka Phone: 02 44822253-4, Fax: 02-9136197 e-mail: collegegate@sjiblbd.com	Baruakhali Branch Baruakhali High School Market (1st Floor) P.S.: Nababganj, P.O.: Baruakhali, Dhaka Mobile: 01755556136 e-mail: baruakhali@sjiblbd.com
Madhabdi Branch M. B. Tower (1st floor), Holding no.-256, Par Kashipur Road, Madhabdi Bazar, Madhabdi, Narsingdi Phone: 01755556137, 01755556237, 02 224457017, 02 224457167 Fax: 9446167 e-mail: madhabdi@sjiblbd.com	Ashkona Branch City Port, 398 Ashkona Bazar Road (Haji Camp), Dhaka Phone: 48952137-8, Fax: 02-7911606 e-mail: ashkona@sjiblbd.com
Barachowna Bazar Branch Surjo Jyoti Shopping Complex, Dag No- 45, Khatian No- 994, Mouja- Barachowna, Union- Kalia, P.S.- Sakhipur, Dist: Tangail, Bangladesh Phone: 0755556145 e-mail: barachowna@sjiblbd.com	Shafipur Branch A-62 Haji Osman Market, Shafipur Bazar Kaliakair, Gazipur Phone: 49271203-5, Fax- 06822-51867 e-mail: shafipur@sjiblbd.com
Gulshan South Avenue Branch NASSA Heights, Hoding No. 47, Gulshan Avenue, Gulshan-1, Dhaka-1212 Phone: 02 222287406, 02 222287427 02222299104 Fax: 02-9847406 e-mail: gsa@sjiblbd.com	Tongi SME/Agri Branch Rupali Plaza (1st Floor), Holding No. 24 Anarkoli Road, Tongi Bazar, Tongi, Gazipur Phone: 02-9817391-3 Fax: 02-9817394 e-mail: tongi@sjiblbd.com
Bhaluka SME/Agri Branch Masud Market (1st Floor), Holding No. 58 Bhaluka, Mymensingh Phone: 09022-56175, 01755556154 Fax- 09022- 56237 e-mail: bhaluka@sjiblbd.com	Eskaton Branch Eskaton Fantasia (2nd Floor) 122 & 123 New Eskaton, Dhaka Phone: 48318645, 48316973,48316848 Fax: 02-9355672 e-mail: eskaton@sjiblbd.com
Mawna Branch Bhai Bhai City Complex 255, Sreepur Road, Mawna, Gazipur Phone: 06825-55026, 01755556156, Fax: 06825-53905 e-mail: mawna@sjiblbd.com	Faridpur Branch 110 Thana Road (1st & 2nd Floor), Faridpur Phone: 0631-67156, 0631-67155, Fax: 0631-67154 e-mail: faridpur@sjiblbd.com
Tangail Branch Nirala Complex (1st & 2nd Floor) Nirala More, Main Road, Tangail Phone: 0921-62434, Fax- 0921-62435 e-mail: tangail@sjiblbd.com	Shikarpur Nimtola Branch Eajuddin Mollah Super Market (1st Floor) 573 Shirajdikhan, Keyan, Munshigonj Cell: 01755556165 e-mail: nimtola@sjiblbd.com

Mohakhali Branch Venture Tower (1st & 2nd Floor), Plot-03, BirUttam A.K. Khandaker Road; Mohakhali C/A, Dhaka-1213 Phone: 01755556169, 01755556269, 02 222284782-4, Fax: 02 9881103 e-mail: mohakhali@sjiblbd.com	Nawabpur Road Branch Fazlur Rahman Plaza (1st Floor) 218 Nawabpur Road, Dhaka Phone: 47114377, 57164212, Fax: 02-7125982 e-mail: nawabpur@sjiblbd.com
Uttara Ladies Branch Solar Trade Center (1st & 2nd Floor) Plot #16, Sector #11 Garib-E-Newaz Avenue, Uttara, Dhaka-1230 Phone: 48952231-2, Fax: 02-8991902 e-mail: uttaraladies@sjiblbd.com	Malibagh Chowdhurypara Branch Holding # 34-B (1st Floor), DIT Road Malibagh Chowdhurypara, Khilgaon, Dhaka-1219 Phone: 02-9357317, 48319725, 48317930, 48319725, Fax: 02-9334356 e-mail: malibagh@sjiblbd.com
Haluaghat Branch Uttar Bazar, Haluaghat Sadar Haluaghat, Mymensingh Mob: 01755556177 e-mail: haluaghat@sjiblbd.com	Karatia Branch Karatia Bazar (Karatia Bus Stand), Karatia, Tangail Mob: 01755556178 e-mail: karatia@sjiblbd.com
Nawabgonj Branch Isamoti Plaza (1st Floor), Baghmara Bazar, Kolakopa, Nawabgonj, Dhaka Phone: 02-7765286, 7765289, 01755556179, Fax: 02-7765287 e-mail: nawabgonj@sjiblbd.com	Sarulia Branch Khandaker Super Market (1st & 2nd floor) Khandaker Moor, Tengra Road, Sarulia Bazar Demra, Dhaka Phone: 02 22334119 (Direct), 02 22334117 (PABX) Fax: 88-02-7500654 e-mail: sarulia@sjiblbd.com
Donia Branch Fatema Monjil(1st Floor) 436 Donia, Zia Sarani Moor Kadamtoli, Dhaka Phone: 02 223341117, 02 223341119 e-mail: donia@sjiblbd.com	Jamalpur Branch Haji Market (1st floor), 84-85 Jam-e-Masjid Road Jamalpur Sadar, Jamalpur Phone: 09816-4990, 09816-4978, 01755556184 Fax: 09816-5022 e-mail: jamalpur@sjiblbd.com
Nagarpur Branch Refaz Uddin Plaza (1st Floor), 369 Sadar Road Nagarpur, Tangail Phone: 02 997756844, 02997756846 Mobile: 01755556186, Fax: 09233-73213 e-mail: nagarpur@sjiblbd.com	Bandura Branch Roksana Shopping Complex and Pawl & Elizabeth Holy Garden (1st Floor), 592 Old Bandura Bazar Bandura, Nawabgonj, Dhaka Phone: 01755-556187 e-mail: bandura@sjiblbd.com
Elephant Road Branch Fahim Mansion (1st Floor), 23 Elephant Road New Market, Dhaka-1205 Phone: 02 223367710, 02 223363385 Mobile: 01755-556190 e-mail: elephantrd@sjiblbd.com	Manikgonj Branch Salam Tower (1st Floor), 168 Shaheed Rafique Road, Manikgonj Sadar, Manikgonj Phone: 996611620 Fax: 7711783, Mobile: 01755556192 e-mail: manikgonj@sjiblbd.com
Dighirpar Branch Dighirpar Bus Stand, Mulchor Tongibari, Munshigonj Mobile: 01755556193 e-mail: dighirpar@sjiblbd.com	Charbhadrasan Branch Charbhadrasan Bazar, Charbhadrasan, Faridpur Phone: 01755556196, 02 478806874 (PABX), e-mail: charbhadrasan@sjiblbd.com
Jurain Branch Rezia Alam Shopping Complex (1st Floor), Holding No.-414/2, New Jurain, Alambagh Road, Kadamtoli Dhaka-1204 Phone: +88 01755556199 e-mail: jurain@sjiblbd.com	Chalakchar Branch Chalakchar Bus Stand, Chalakchar Monohardi, Narsingdi Phone: 01755556402, 01755556452 e-mail: chalakchar@sjiblbd.com
Chinishpur Branch Kafil Uddin Mansion (1st Floor), Nandipara Velanagar, NarsingdiSadar, Narsingdi Phone: 01755556403, 029451960(PABX), 029451957(Direct), Fax: 029451959 e-mail: chinishpur@sjiblbd.com	Shahjalal Islami Bank Tower Branch Shahjalal Islami Bank Tower, Plot No: 4, CWN(C)Gulshan Avenue, Dhaka-1212. Phone: 9895059, 01755556404 e-mail: towerbranch@sjiblbd.com

Ati Bazar Branch Shah Alam Tower, 65 Ati Bazar Main Road Keraniganj, Dhaka, Phone: 01755556405, 01755556455 e-mail: atibazar@sjiblbd.com	Panchabati Branch Mirbaksh Plaza (1st Floor), Panchabati, Fatullah, Narayanganj. Phone: 01755556406, 01755556456 e-mail: panchabati@sjiblbd.com
Kalihati Branch Haji Samad Shopping Complex 116, Kalihati Bus Stand, Kalihati, Tangail Phone: 01755556408, 09227-74625, 09227-74016 e-mail: kalihati@sjiblbd.com	Sherpur Branch Bhasha Sainik Shafiuddin Bhaban 187, C&B Road, Sherpur Phone:0931-61194,0931-61191, 01755556409, 01755556459 e-mail: sherpur@sjiblbd.com
Baraikhali Branch Islam Super Market, Baraikhali Bazar Srinagar, Munsigonj Phone: 01755556415, 01755556465 e-mail: baraikhali@sjiblbd.com	Vararia Bazar Branch Vararia Bazar, Vararia Manikgonj Phone: 01755556416 , 01755556466 e-mail: vararia@sjiblbd.com
Sheikhpur Bazar Branch Molla Bhaban, Sheikhpur Bazar Shibchar, Madaripur Phone: 01755556417,01755556467 e-mail: sheikhpur@sjiblbd.com	Takterchala Bazar Branch Takterchala Bazar, Takterchala Shakhipur, Tangail Phone: 01755556419, 01755556469 e-mail: takterchala@sjiblbd.com
Sadarpur Branch Jomjom Tower, Sadarpur Main Road Hospital Moor, Sadarpur, Faridpur Phone: 01755556420 , 01755556470 e-mail: sadarpur@sjiblbd.com	Basail Branch Doctor Wazed Ali Super Market, Holding no. 901, Upzilla Road Bashail, Tangail Phone: 01755556422, 01755556472 e-mail: basail@sjiblbd.com
Uttarkhan Branch Shah Tower, 2294/A, Shah Kabir Road, Uttarkhan, Dhaka-1230 Phone: 02 48956445-6, 01755556423, 01755556473 e-mail: uttarkhan@sjiblbd.com	Gharishar Branch Italy Plaza, Gharishar Main Road, Gharishar, Naria, Shariatpur, Bangladesh. Phone: 01755556426, 01755556476 e-mail: gharishar@sjiblbd.com
Gafargaon Branch Hekim Tower, M-396, Station Road, Gafargaon, Mymensingh, Bangladesh. Phone: 01755556428 e-mail: gafargaon@sjiblbd.com	Karimganj Branch Euro Super Market, 19, Thana Road, Karimganj, Kishoreganj, Bangladesh. Phone: 01755556429, 01755556479 e-mail: karimganj@sjiblbd.com
Pallabi Branch Holding No.-23, Road No.-8, Block-A, Section-12, Pallabi, Mirpur, Dhaka-1216. Phone: 01755556430, 58070450-2 e-mail: pallabi@sjiblbd.com	Saturia Branch Muktijoddha Complex Bhaban, Bangladesh Muktijoddha Sangsad, Saturia, Manikganj. Phone: 01755556432, 01755556482 e-mail: saturia@sjiblbd.com
Jhitka Bazar Branch Jolly Super Market, Jhitka Bazar,Upazila: Harirampur, Dist: Manikgonj, Cell No. 01755556434 E-mail: jhitkabazar@sjiblbd.com	Tongibari Branch Chand City Center, College Road,Upazila: Tongibari, Dist: Munshiganj, Cell No. 01755556435 E-mail: tongibari@sjiblbd.com
Darus Salam Road Branch S. A. Khan Tower,3/A, Darus Salam Road,Mirpur-1, Dhaka-1216, Cell No. 01755556438 E-mail: darussalam@sjiblbd.com	
Chattogram Zone	
Agrabad Branch Delwar Building, 104 Agrabad C/A, Chattogram Phone: 02 333323050-3, 031-728294 Fax: 031-716960 e-mail: agra@sjiblbd.com	Khatungonj Branch 398/A Khatungonj (1st & 2nd Floor), Chattogram Phone: 02 222290322, 02 222293008, 02 222290520 Fax: 031-637281 e-mail: khatungonj@sjiblbd.com
Jubilee Road Branch Haque Tower (1st Floor) 610/11 Jubilee Road, Chattogram Phone: 02 333353151-2, Fax: 031-2853153 e-mail: jubilee@sjiblbd.com	Muradpur Branch Shiraj Shopping Complex (1st Floor) 85 Muradpur, Chattogram Phone: 02 334451413,02 334455431,02 334451414, 02 334451415, Fax: 031-2552592 e-mail: muradpur@sjiblbd.com

Cumilla Branch Salahuddin Complex (1st & 2nd Floor) MonohorpurChowmuhoni, Laksam Road, Cumilla Phone: 081-61655, Fax: 081-61545 e-mail: comilla@sjiblbd.com	Ashugonj Branch Doctor Plaza (1st Floor), Kachari Road, Ashugonj Phone: 02 334431803-4 Fax- 08528-74104 e-mail: ashugonj@sjiblbd.com
Nazirhat Branch B. A. Center (1st Floor), Nazirhat Fatikchhari, Chattogram Mobile: 01755556147 e-mail: nazirhat@sjiblbd.com	Chawkbazar Branch Holding no.- 13, Chawkbazar, Kapashgola Road, Ward No.-16, Chattogram City Corporation, PS- Kotwali, District- Chattogram, Bangladesh. Phone: 02 333365281-4, , Fax: 0312-865284 e-mail: chawkbazar@sjiblbd.com
Ramgonj Branch Islam Plaza (1st Floor), 85 Sonapur Bazar Ramgonj, Laksmipur Phone: 0382-475405, 03824-75079 Fax: 0382-475072 e-mail: ramgonj@sjiblbd.com	Cox's Bazar Branch A. B. Super Market (1st Floor) 145 Laldighirpar, Cox's Bazar Phone: 0341-52030-31, Fax: 0341-52032 e-mail: coxsbazar@sjiblbd.com
Brahmanbaria Branch City Center Shopping Complex (2nd Floor) 1072 Court Road, Brahmanbaria Phone: 0851-61170, 0851-61270, Fax: 0851-61370 e-mail: bbaria@sjiblbd.com	Bandartila Branch L.A Tower, 2353/3401 M.A. Aziz Road, Chattogram Phone:, 02 333341174,02 333341195, 02 33331214, Fax: 031-741195 e-mail: bandartila@sjiblbd.com
Chowmuhani Branch Bhuiyan Center, Holding No- 65/1, D.B Road, Ward No-6, Pouroshova- Chowmuhani, P.S.- Begumganj, District- Noakhali Phone: 02 334494026, Fax: 0321-56645 e-mail: chowmuhani@sjiblbd.com	Hajigonj Branch Maa Mansion (1st & 2nd Floor) 622 Hajigonj, Chandpur Phone: 08424-75138, 01755556164, Fax: 08424-75139 e-mail: hajigonj@sjiblbd.com
Laxmipur Branch Shafique Chowdhury Mansion (1st Floor), Holding No.- 1028, College Road, Banchanagar, Ward no.- 7, Laxmipur Sadar, Laxmipur. Phone: 02 334441303, 02 334494026, Fax: 0381-61360 e-mail: laxmipur@sjiblbd.com	Feni Branch Maisa A. M Ahmed Tower, Holding No: 192, S.S.K Road, Ward No-17, Pouroshova- Feni, P.S.-Feni Sadar, District-Feni, Bangladesh. Phone: 02 334473833, Fax: 0331-73372 e-mail: feni@sjiblbd.com
Madunaghat Branch Abul Farah Market (1st Floor) Madunaghat Bazar Road, Madarsha, Hathazari, Chattogram Phone: 031-2573261-3, Fax: 031-2573264 e-mail: modunaghat@sjiblbd.com	WASA Moor Branch Moss Rose Heights H#521/522, R#42, M M Ali Road CDA Avenue, WASA Moor, Lalkhan Bazar, Chattogram Phone: 031-633060-1,031-633063 e-mail: wmoor@sjiblbd.com
Anderkilla Branch Pubali Art Press Bhaban (1st Floor) 320 Anderkilla, Chattogram Phone: 02 333369701-4, Fax: 031-2869704 e-mail: anderkilla@sjiblbd.com	Dattapara Branch Chowdhury Bhaban (1st Floor), 549, Dattapara Road Dattapara Bazar, Laxmipur Sadar, Laxmipur Mobile: 01755556188 e-mail: dattapara@sjiblbd.com
Gunabati Branch Faraiji Shopping Complex (1st Floor), College Road Gunabati, Chouddagram, Cumilla Mobile: 01755556189 e-mail: gunabati@sjiblbd.com	Pahartoli Branch Nazir Saleh Complex (1st Floor) 612/544 D. T. Road, Pahartoli, Chattogram Phone: 02 43150872, FAX- 03127-73875 e-mail: pahartoli@sjiblbd.com
Dashgharia Branch Nur Shopping Complex, Paniwala Road, Dashgharia Bazar, Chatkhil, Noakhali, Bangladesh Phone:01755556410 e-mail: dashgharia@sjiblbd.com	Mainamati Branch A.M. Haji Market, Nishchintapur Mainamati Cantonment, Cumilla Phone:081-74267-8, 01755556411 e-mail: mainamati@sjiblbd.com

Halishahar Branch Shahidullah Bhaban, 1764/1/2221 North Agrabad, Doublemuring, Chattogram Phone: 02 333318236, 01755556412 e-mail: halishahar@sjiblbd.com	Rajapur Branch Shenu Member Market, Dhagonbhuiya Road RajapurBazar, Dhagonbhuiya, Feni Phone: 01755556414 e-mail: rajapur@sjiblbd.com
Samitir Bazar Branch Samitir Bazar, Ramgonj, Laxmipur Phone: 01755556418 e-mail: samitir@sjiblbd.com	Brahmanpara Branch Yousuf Miaji Plaza, Upazilla Sarak, Brahmanpara, Cumilla Phone: 01755556424 e-mail: brahmanpara@sjiblbd.com
Mirsharai Branch Lucky Rozy Market, Holding No.-NHB-88, Dhaka-Chattogram Highway, Mirsharai, Chattogram. Phone: 01755556431 e-mail: mirsharai@sjiblbd.com	Debidwar Branch Bandhan Tower,Holding No. 353/3,Cumilla-Sylhet Highway,Upazila: Debidwar,Dist: Cumilla, Cell No. 01755556436 E-mail: debidwar@sjiblbd.com
Chakaria, Branch Janata Shopping Center,1143, Janata Market Road, Upazila: Chakaria, Dist: Cox's Bazar, Cell No. 01755556439 E-mail: chakaria@sjiblbd.com	Bokshirhat Branch Ahsan Market, Holding No-466, Bokshirhat, Bizbag, Senbag, Noakhali Phone: 01755556350 e-mail: bokshirhat@sjiblbd.com
Khulna Zone	
Khulna Branch J&J Tower, 65 KDA Avenue, Khulna Phone: 04777-28458-60 Fax: 041-2830457 e-mail: khulna@sjiblbd.com	Jashore Branch Sadhinata Castle (1st & 2nd Floor) 91 M.K. Road, Kotowali, Jashore Phone: 02 477765530-1 e-mail: jessore@sjiblbd.com
Kaligonj Branch Munsur Plaza (1st Floor), 162 Madhugonj Bazar, Kaligonj, Jhenaidah Phone: 02 477748515, 02 477748518, Fax: 04523-56678 e-mail: kaligonj@sjiblbd.com	Kushtia Branch 1 N. S. Road (1st & 2nd Floor) Kushtia Sadar, Kushtia Phone: 02 477782645-6, 071-63094, 071-63103, Fax: 071-63095 e-mail: kustia@sjiblbd.com
Chuadanga Branch Malik Tower (1st & 2nd Floor) 43 & 107 Shaheed AK Road, Chuadanga Phone: 02 477787580, 0761-81013-4, Fax: 0761-81016 e-mail: chuadanga@sjiblbd.com	Chuknagar Branch Azad Plaza (1st floor), Chuknagar Bazar, Atlia, Dumuria, Khulna Phone: 01755556197 e-mail: chuknagar@sjiblbd.com
Hat Gopalpur Branch Shahjalal Shopping Complex, Padmakar, Jhenaidah Sadar, Jhenaidah Phone: +88 01755556400 e-mail: hatgopalpur@sjiblbd.com	Moheshpur Branch Royal Plaza, 770, Moheshpur, Jhenaidah, Bangladesh. Phone: +88 01755556427 e-mail: moheshpur@sjiblbd.com
Meherpur Branch Kerma Plaza,11072, Main Road,Meherpur Sadar,Upazila: Meherpur Sadar, Dist: Meherpur, Cell No. 01755556440 E-mail: meherpur@sjiblbd.com	
Sylhet Zone	
Beani Bazar Branch City Centre Bhaban (1st Floor) Beani Bazar Market, Beani Bazar, Sylhet Phone: 02 2996646429-30, Fax: 08223-56133 e-mail: beani@sjiblbd.com	Sylhet Branch Al-Falah Tower (1st Floor) Dhupadighir Purbopar, Kotowali, Sylhet Phone: 02 996635815 Fax: 0821-725225 e-mail: sylhet@sjiblbd.com
Dargah Gate Branch 297 Amberkhana, Dargah Gate, Airport Road, Sylhet Phone: 0821-727234, 0821-727239, Mobile: 01755556112, Fax: 0821-814277 e-mail: dargah@sjiblbd.com	Moulvibazar Branch 286/300 Ahmed Mansion (1st Floor) Saifur Rahman Road, Moulvibazar-3200 Phone: 0861-62874,0861- 62876, Fax- 0861-62875 e-mail: moulvi@sjiblbd.com

Goalabazar Branch Afzal Mansion (1st Floor), Goala Bazar P.O.: Goala Bazar, P.S.: Osmani Nagor, Sylhet Phone: 08242-56304,08242-56307, Fax: 08242-56238 e-mail: goalabazar@sjiblbd.com	Subidbazar Branch Merlin Tower, Holding No: 7746, Sunamganj Road, Sylhet Phone: 0821- 727407-8 (PABX), 0821- 727462 01755556194 e-mail: subidbazar@sjiblbd.com
Habiganj Branch Harun Tower, 3679-01 B Zaman Khan Road, Habiganj, Bangladesh Phone: 01755556413, 0831-54331-2 e-mail: habiganj@sjiblbd.com	
Rajshahi Zone	
Saidpur Branch Saidpur Plaza (1st Floor), Sher-e-Bangla Road Saidpur, Nilphamari Phone: 02 589956928-9, 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: 02 589905652-3 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 Shopping Complex, Holding no. 8, Road no. 1, G.L Roy Road, Ward no 24, 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 Yunus Plaza (1st Floor), 444 K.B. Hemayet Uddin Road, Girza Mahalla, Barishal Sadar, Barishal- 8200. 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	Anwer Khan Modern Medical College & Hospital Sub-Branch Holding No.-17, Road-8, Dhanmondi, Dhaka-1205 Mob: +88 01755556392, Tel: 02 4461156, 02 4461155

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,
Fax: 02 9514550

Extension of Main Office 1 DSE Annex Building 9/E, Motijheel C/A, Dhaka 1000 Phone: 02-89513964, 47113059, Fax: 02-7161877	Extension of Main Office 2 DSE Tower (Level- 10), Room-195, Plot-46 Road-21, Nikunja-2, Dhaka-1229 Phone: 01704129047

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

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 Bhaban, 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
Charbhadrasan ATM	Charbhadrasan Bazar, Charbhadrasan, Faridpur
Joydevpur Chowrasta Branch ATM	Khaleque Complex (1st floor), Joydevpur Chowrasta, Gazipur
SJIBPLC Incepta_Savar_01 ATM	Incepta Pharmaceuticals Ltd, Dewan Idris Road, Boro Rangamati, Jirabo, Savar, Dhaka
SJIBPLC Incepta_Savar_02 ATM	Incepta Pharmaceuticals Ltd, Dewan Idris Road, Boro Rangamati, Jirabo, Savar, Dhaka
SJIBPLC 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
Tarabo Bazar GRG ATM	377/1, North Tarabo, Tarabo Bazar, Rupgonj, Narayangonj.
Aswad Mawna GRG ATM 1	Aswad Composit Mills, 1317, Beraider Chala, Sreepur, 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.
Paniala Bazar Sub Branch ATM	Patwary super market, Komaruddin Road, Paniala Bazar, Ramgonj, Laxmipur
Chakaria Branch ATM	Janata Shopping Center, 1143, Janata Market Road, Chakaria, Coxs Bazar
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 PLC.
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 PLC. do hereby appoint Mr./Mrs. _____ of (address) _____ as my/our proxy on my/our behalf to attend and vote for me/us at the 23rd Annual General Meeting of the Bank to be held on **Thursday, the 30th May 2024 at 11:00 a.m.** through Digital Platform at any adjournment thereof.

Signed this _____ day of _____ 2024.

(Signature of the Member)

(Signature of the Proxy)

BO ID No. | | | | | | | | | | | | | | | |

Affix Revenue Stamp of Tk.100.00

Number of Shares held on record date: _____

Notes:

- Scanned copy of the proxy form duly signed, with revenue stamped of Tk.100.00 (One Hundred) must be mailed to **sblshare@sjiblbd.com** not later than 72 (Seventy-Two) hours before the AGM.
- Signature of the Members should match with the specimen signature registered with the Company/Depository Participant(s).

Shahjalal Islami Bank PLC.
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 23rd Annual General Meeting to be held on **Thursday, the 30th May 2024 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
Phone: +88-02-222283457
Fax: +88-02-222297607
Email: sjiblho@sjiblbd.com
Web: www.sjiblbd.com

24/7 Call Center
Committed to Cordial Service
16302

nymphea | www.nymphea-bd.com