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INFORMATION MEMORANDUM

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



Issuer: Shahjalal Islami Bank PLC.

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

Trustee: DBH Finance PLC.

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

Total Face Value: Up to BDT 5,000 million

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

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

Number of Securities: 5,000 nos.

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

Profit rate and YTM: Floating

Issue Date of IM: -----

Credit Rating status of the Issue: AA

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


Mandated Lead Arranger
Standard Chartered Bank



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


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


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


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


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

ARRANGER'S DISCLAIMER

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

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

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

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

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

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ISSUER'S DISCLAIMER

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

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

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

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

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

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

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

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

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Each person receiving this Information Memorandum acknowledges that:

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

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

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


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TRUSTEE: DBH FINANCE PLC.

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SVP & Company Secretary (Compliance Officer of Trustee)

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LETTER OF AUTHORITY

09 April 2023

Nasreen Rehman

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

LETTER OF AUTHORITY

Dear Sir,

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

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

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

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

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

Yours sincerely,


Sd/-

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


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Managing Director & CEO
DBH Finance PLC.


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Annexure 2: Due Diligence Certificate of Trustee

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

ANNEXURE 4: Credit Rating Report of the Issue

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

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

A. Profit (Interest) Rate Risks

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

Management Perception:

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

B. Exchange Rate Risks

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

Management Perception:

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

C. Non-Repayment Risks (Credit Risks)

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

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

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

Management Perception:

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

D. Prepayment, Call or Refunding Risks

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

Management Perception:

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

E. Security Risks

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

Management Perception:

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

F. Liquidity Risks

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

Management Perception:

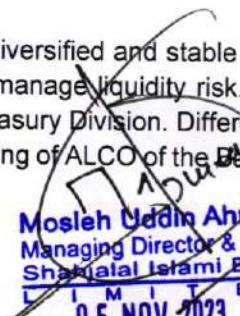
Shahjalal Islami Bank PLC. maintains diversified and stable funding base comprising of core retail, corporate and institutional deposits to manage liquidity risk. The prime responsibility of managing the liquidity risk of the bank lies with Treasury Division. Different key ratios including LCR and NSFR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


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in every month to review LCR, NSFR report and overall liquidity position of the bank. Treasury Division maintains liquidity based on current liquidity position anticipated future funding requirement, sources of fund, options for reducing funding needs, present and anticipated asset quality, present and future earning capacity, present and planned capital position, etc.

G. Management Risks

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

Management Perception:

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

H. Operational Risks

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

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

Management Perception:

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

I. Business Risks

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

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Management Perception:

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

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

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

J. Industry Risks

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

Management Perception:

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

K. Market and Information Technology-related Risks

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

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

Management Perception:

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

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

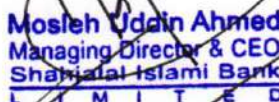
- Implementation of Layer-7 security to protect cyber attacks on ICT Infrastructure.
- Deployment of XtrimIO storage, recovery Point and Disk Based Backup system to protect and secure business data and to ensure high availability.
- Ensure restriction over unauthorized/unwanted physical access by implementing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



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FAD, Head Office, Dhaka



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



Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
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Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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L. Risks related to potential or existing government regulations

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

Management Perception:

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

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

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

Management Perception:

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


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3. DETAILED DESCRIPTION AND INFORMATION OF ISSUER'S APPLICATION

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

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

2. Particulars of Issue Manager: Not applicable

3. Particulars of the Issue:

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

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


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Moslem Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank

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

4. Particulars of the Trustee:

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

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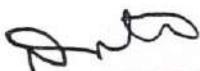
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SEVP & Company Secretary
Shahjalal Islami Bank PLC

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

5. Particulars of the Credit Rating Company:

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



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DBH Finance PLC.


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6. Particulars of originators, if any: Not applicable


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1. The purpose of this document is to provide information regarding the activities of the [redacted] in the [redacted] area.

2. [redacted]

3. The [redacted] has been observed in the [redacted] area, and it is believed that it is engaged in [redacted] activities.

4. It is recommended that [redacted] be kept under close surveillance, and that any further information regarding its activities be reported immediately.

5. The [redacted] is believed to be a member of the [redacted] organization, and it is believed that it is engaged in [redacted] activities.

6. It is recommended that [redacted] be kept under close surveillance, and that any further information regarding its activities be reported immediately.

7. The [redacted] is believed to be a member of the [redacted] organization, and it is believed that it is engaged in [redacted] activities.

8. It is recommended that [redacted] be kept under close surveillance, and that any further information regarding its activities be reported immediately.

9. The [redacted] is believed to be a member of the [redacted] organization, and it is believed that it is engaged in [redacted] activities.

10. It is recommended that [redacted] be kept under close surveillance, and that any further information regarding its activities be reported immediately.

11. The [redacted] is believed to be a member of the [redacted] organization, and it is believed that it is engaged in [redacted] activities.

12. It is recommended that [redacted] be kept under close surveillance, and that any further information regarding its activities be reported immediately.

13. The [redacted] is believed to be a member of the [redacted] organization, and it is believed that it is engaged in [redacted] activities.

14. [redacted]

15. [redacted]

7. Particulars of other contractual parties:

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



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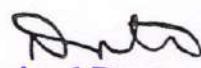
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4. DETAILS OF THE UTILIZATION OF PROCEEDS

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

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


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5. FEATURES OF THE SUBORDINATED BOND TO BE ISSUED

Basic Features of the Instrument

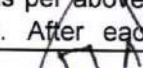
| | |
|------------------------------------|--|
| Issuer: | Shahjalal Islami Bank PLC. |
| The Issue: | SJIBL 3rd Mudaraba Floating Rate, Non-Convertible, Unsecured Subordinated Bond |
| Issue Type: | Non-Convertible, Floating Rate, Redeemable BASEL III compliant Tier 2 Debt instruments |
| Mandated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


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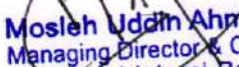
| | adjustment to the Mudaraba Subordinated Bondholders, if there is any additional profit reported in the respective financial year for applied Mudaraba Term Deposit profit. | | | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|---|----|-----|---|----|-----|---|----|-----|---|----|-----|---|----|-----|--------------|--|-------------|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


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Governing Law:

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Applicable Bangladesh Bank Guidelines:


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank

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


Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.

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| Enforcement of charges over securities: | Not Applicable |
| Conditions Precedent: | In form and substance satisfactory to the MLA including without limitation: (i) due diligence having been conducted and completed, (ii) documentation for Financing and appropriate business description disclosure in the offering circular, (iii) receipt by the MLA of appropriate legal opinions from external counsel, (iv) the Issuer having obtained all relevant approvals for Financing. |
| Enforcement of Charges over securities: | At any time after the Bonds have become due and repayable, the Trustee may, and without further notice in writing, take such proceedings against the Issuer as it may think fit to enforce repayment of the Bonds and to enforce the provisions of the Trust Deed, but it will not be bound to take any such proceedings unless (a) it shall have been so requested in writing by the holders of not less than 66 ² / ₃ per cent. in principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (b) it shall have been indemnified and/or secured to its satisfaction. No Bondholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing. |
| Basel Accords | Global minimum standards for the prudential regulation of banks set by the Basel Committee on Bank Supervision, housed with the Bank for International Settlements. The Basel Accords do not have legal force. The standards need to be incorporated into local legal frameworks through each jurisdiction's rule-making process within the predefined time frame established by the Basel Committee on Bank Supervision. There are three main sets of these agreements, which are commonly known as Basel I, II, and III. |
| Basel III | Means the Basel III International regulatory framework for banks. Basel III framework was drafted by the Basel Committee on Banking Supervision, which is a Committee of Bank of International Settlements. It is the risk-based capital framework to be followed by banks across countries and it has been designed to be risk sensitive across various types of banking assets, including securitization exposure. Basel III is based on the following three mutually reinforcing pillars that allow banks and supervisors to evaluate properly the various risks that banks face: <ul style="list-style-type: none"> (i) minimum capital requirements, which seek to refine the present measurement framework; (ii) supervisory review of an institution's capital adequacy and internal assessment process; and market discipline through effective disclosure to encourage safe and sound banking practices. |
| Additional Tier 1 (AT1) capital | Capital instruments that meet the criteria for inclusion in the additional tier 1 capital as defined by the Bangladesh Bank, the Central Bank of Bangladesh. |
| Tier 2 capital | Sum of Capital instruments that meet the criteria for inclusion in the tier 2 capital (gone-concern capital) as defined by the Bangladesh Bank, the Central Bank of Bangladesh. |
| Basel III Regulations/ Basel III Guidelines/ Bangladesh Bank RBCA Guidelines-2014 | BRPD Circular No.-18 dated December 21, 2014 issued by the Bangladesh Bank (the central Bank of Bangladesh) on Basel III Capital Regulations (Guidelines on Risk Based Capital Adequacy, Revised Regulatory Capital Framework for banks in line with Basel III), as amended from time to time covering terms and conditions for |


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SEVP & Company Secretary
Shahjalal Islami Bank PLC

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

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

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

6(c) Transferability/Liquidity:

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

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

Not applicable

6(e) Early redemption or late redemption:

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

6(f) Tax Features:

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

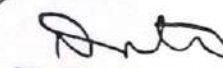
6(f) Cost related to the issue

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


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

6(h) Repayment Schedule

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

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

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

Not applicable

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

Not applicable

5(k) Enforcement of Charges over securities

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


5(l) Force Majeure:

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


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



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SECRET

GROUP 1 - Excluded from automatic downgrading and declassification

1. This document contains information that is exempt from automatic downgrading and declassification under E.O. 13526, paragraph 1(a)(1), because it is information that is specifically excluded from automatic downgrading and declassification under E.O. 13526, paragraph 1(a)(1).

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

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

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

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

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


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7. RIGHTS & OBLIGATIONS OF THE ISSUER

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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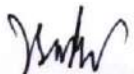
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Shahjalal Islami Bank
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Managing Director & CEO
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Payments – The Issuer shall Pay moneys payable by it to the Trustee hereunder without set off, counterclaim,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

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



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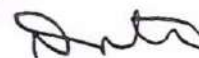
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8. RIGHTS & OBLIGATIONS OF THE TRUSTEE

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

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

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

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

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DBH Finance PLC.

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

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

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

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

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

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

9. RIGHTS & OBLIGATIONS OF THE ARRANGER

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

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

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



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10. RIGHTS & OBLIGATIONS OF ELIGIBLE INVESTORS

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

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

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

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


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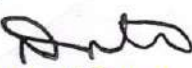
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SEVP & Company Secretary
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11. DESCRIPTION OF THE ISSUER: SHAHJALAL ISLAMI BANK PLC.

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

A. CAPITAL STRUCTURE

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

Shareholding Structure

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

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

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SEVP & Company Secretary
Shahjalal Islami Bank PLC

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Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
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Managing Director & CEO
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| | | |
|--|-----------------|---------|
| Total Capital/Shareholders' Equity | 24,041,435,997 | 6.77% |
| Non-controlling Interest | 228,755,885 | 0.06% |
| Total Liabilities & Capital/Shareholders' Equity | 355,009,780,162 | 100.00% |

Total Regulatory Capital of SJIBPLC. as of 30 September 2023

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

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


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

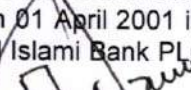
Shahjalal Islami Bank PLC., a Shariah Based Commercial Bank in Bangladesh was incorporated as a public limited company in Bangladesh on 01 April 2001 in the name of "Shahjalal Islami Bank Limited" and subsequently renamed as "Shahjalal Islami Bank PLC" with effect from 26 September 2023 under

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


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

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

Corporate Banking:

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

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

SME Banking:

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

Retail Banking:

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

Off-shore Banking Unit

Off-shore Banking Unit (OBU) is a separate business unit of Shahjalal Islami Bank PLC., governed under the rules and Guidelines of Bangladesh Bank. The Bank obtained the Off-shore Banking Unit permission vide letter no. BRPD (P-3)744(99)/2008-2800 dated 24 July 2008. The Bank opened its Off-shore Banking Unit on 21 December 2008. The unit is located at Shahjalal Islami Bank Tower, Plot # 4, Block- CWN(C), Gulshan Avenue, Gulshan, Dhaka-1212.

Subsidiary: Shahjalal Islami Bank Securities Limited

Shahjalal Islami Bank Securities Limited is a subsidiary company of Shahjalal Islami Bank PLC incorporated as a public limited company under the Companies Act 1994 and commenced its operation on the 25th day of May 2011. The main objective of the company is to carry on business of stock broker/dealers in relation to shares and securities dealings and other services as mentioned in the Memorandum and Articles of Association of the Company. It has corporate membership of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. Shahjalal Islami Bank PLC holds 91.79% shares of Shahjalal Islami Bank Securities Limited.

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Md. Abul Bashar
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Shahjalal Islami Bank PLC

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Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
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C. MANAGEMENT

Board of Directors

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

Executive Committee (EC)

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

Audit Committee

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

Risk Management Committee

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

Shariah Supervisory Committee

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

Board of Directors

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

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

Audit Committee

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

Shariah Supervisory Committee

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

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

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

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

PROFILE OF THE DIRECTORS/OWNERS OF THE ISSUER

Mr. Mohammed Younus Chairman

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

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

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

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

Mr. Mohiuddin Ahmed Vice Chairman

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

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

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

Mr. Abdul Karim Vice Chairman

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

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

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

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

Mr. Anwer Hossain Khan
Director

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

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

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

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

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

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

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


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SEVP & CFO
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FAD, Head Office, Dhaka


Md. Abdul Bashir
SEVP & Company Secretary
Shahjalal Islami Bank PLC
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Managing Director & CEO
Shahjalal Islami Bank
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Mr. Md. Abdul Barek
Director

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

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

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

Mr. Abdul Halim
Director

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

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

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

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

Mr. Akkas Uddin Mollah
Director

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

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

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

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

Mr. Khandaker Sakib Ahmed
Director

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

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

Engr. Md. Towhidur Rahman
Director

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

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

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

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

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

Mr. A. K. Azad
Director

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

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

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

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

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

Mr. Fakir Akhtaruzzaman
Director

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

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

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

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

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

Mr. Md. Moshir Rahman Chamak
Director (Representative of Fresh Export Import Limited)

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

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

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

Mrs. Tahera Faruque
Director

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

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

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

Mrs. Jabun Nahar
Director

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

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

Mr. Fakir Mashrikuzzaman
Director

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

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

Mr. Mohammed Nasir Uddin Khan
Director

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

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

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

Mr. Ekramul Hoque
Independent Director

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

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

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

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

Mr. K.A.M Majedur Rahman
Independent Director

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

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

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

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

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

Mr. Nasir Uddin Ahmed FCA, FCS
Independent Director

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

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

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

Mr. Mosleh Uddin Ahmed
Managing Director & CEO

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

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

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

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

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

D. DESCRIPTION OF ASSETS AND LIABILITIES

Assets (as of 30 September 2023)

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

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

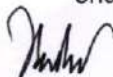
Liabilities (as of 30 September 2023)

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

E. DESCRIPTION OF PREVIOUSLY ISSUED DEBT OR SECURITIES

Mudaraba Subordinated Bond:

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


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Features of SJIBL Mudaraba Subordinated Bonds:


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

Mudaraba Perpetual Bond

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

Description of Paid-up Capital:

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



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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


Md. Jafar Sadeq FCA
SEVP & CFO
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Md. Abul Bashar
SEVP & Company Secretary
Shahjalal Islami Bank PLC
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Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
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Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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

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

Hoda Vasi Chowdhury & Co Chartered Accountants

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

Opinion

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

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

Basis for Opinion

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

Emphasis of Matter – Restriction of use

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

Key Audit Matters

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

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

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

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

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

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

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

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

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

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

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


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

Reporting on other information

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

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

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

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


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

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

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

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

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

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

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

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

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



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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


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

Report on other Legal and Regulatory Requirements

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

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


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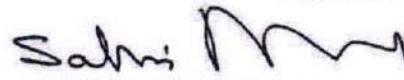
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- (viii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) we have reviewed over 80%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



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

Dhaka, 01 November 2023




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b. Balance Sheet (as of 30 September 2023)

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

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

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Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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

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

| | Note | Jan'23 to Sep'23 Taka | Jan'22 to Sep'22 Taka | Jul'23 to Sep'23 Taka | Jul'22 to Sep'22 Taka |
|---|-------|--------------------------|--------------------------|--------------------------|--------------------------|
| Operating Income | | | | | |
| Investment Income | 23 | 14,014,890,178 | 12,361,843,796 | 5,145,242,031 | 4,648,676,233 |
| Less: Profit paid on Deposits | 24 | 6,681,620,582 | 6,137,713,269 | 2,150,816,455 | 2,242,746,856 |
| Net Investment Income | | 7,333,269,596 | 6,224,130,527 | 2,994,425,576 | 2,405,929,377 |
| Income from Investment in Shares/Securities | 25 | 1,416,444,055 | 1,487,939,584 | 453,871,188 | 445,653,598 |
| Commission, Exchange and Brokerage | 26 | 2,231,895,823 | 2,906,069,704 | 254,743,474 | 623,041,982 |
| Other Operating Income | 27 | 1,088,179,749 | 974,277,255 | 302,050,456 | 319,057,881 |
| | | 4,736,519,627 | 5,368,286,543 | 1,010,665,118 | 1,387,753,461 |
| Total Operating Income | | 12,069,789,223 | 11,592,417,070 | 4,005,090,693 | 3,793,682,839 |
| Operating Expenses | | | | | |
| Salaries and Allowances | 28 | 2,877,421,087 | 2,605,239,610 | 964,451,095 | 924,882,316 |
| Rent, Taxes, Insurance, Electricity etc. | 29 | 282,791,445 | 287,384,350 | 110,918,317 | 100,540,645 |
| Legal Expenses | 30 | 1,957,077 | 825,432 | 643,084 | 208,633 |
| Postage, Stamps, Telecommunication etc. | 31 | 38,975,487 | 35,349,434 | 16,780,337 | 11,849,031 |
| Stationery, Printings, Advertisements etc. | 32 | 95,190,503 | 98,672,363 | 20,171,664 | 20,715,513 |
| Chief Executive's Salary & Fees | 33 | 12,894,000 | 19,094,590 | 3,378,000 | 6,350,970 |
| Directors' Fees & Expenses | 34 | 3,229,244 | 4,458,086 | 1,100,000 | 1,303,540 |
| Shariah Supervisory Committee's Fees & Expenses | 35 | 720,534 | 325,678 | 11,279 | 26,091 |
| Auditors' Fees | 36 | 569,250 | 420,000 | 189,750 | 137,500 |
| Depreciation & Repairs of Bank's Assets | 37 | 448,675,278 | 421,676,324 | 154,294,539 | 140,343,573 |
| Zakat Expenses | | - | - | - | - |
| Other Expenses | 39 | 692,068,738 | 587,717,786 | 221,743,254 | 182,040,181 |
| Total Operating Expenses | | 4,494,493,643 | 4,961,163,653 | 1,493,681,919 | 1,388,398,993 |
| Profit / (Loss) before Provision | | 7,615,296,580 | 7,531,253,417 | 2,511,408,774 | 2,405,283,845 |
| Specific provision for Classified Investments | | 755,000,000 | 450,000,000 | 420,000,000 | 210,000,000 |
| General Provision for Unclassified Investments | | - | 43,043,422 | - | 3,541,673 |
| General Provision for Off-Balance Sheet Items | | - | - | - | (85,000,000) |
| Provision for diminution in value of Investments in Shares | | - | - | - | - |
| Provision for Other Assets | | 10,000,000 | 112,000,000 | 10,000,000 | 46,000,000 |
| Total Provision | 40 | 765,000,000 | 605,043,422 | 430,000,000 | 174,541,673 |
| Total Profit / (Loss) before Taxes | | 6,850,296,580 | 6,926,209,995 | 2,081,408,774 | 2,230,742,172 |
| Provision for Taxation for the period | | | | | |
| Deferred Tax | 41 | (77,773,139) | (21,134,963) | (10,539,476) | (5,653,434) |
| Current Tax | 41b | 3,241,230,472 | 3,335,463,052 | 1,129,506,814 | 1,213,814,943 |
| | | 3,163,457,334 | 3,314,328,089 | 1,118,967,338 | 1,208,161,508 |
| Net Profit / (Loss) after Tax | | 3,686,839,246 | 3,611,881,906 | 962,441,436 | 1,022,580,664 |
| Net Profit after Tax attributable to: | | | | | |
| Equity holders of SJIBL | | 3,685,970,795 | 3,598,620,214 | 961,649,358 | 1,018,626,753 |
| Non-controlling Interest | | 868,451 | 13,261,692 | 792,078 | 3,953,911 |
| | | 3,686,839,246 | 3,611,881,906 | 962,441,436 | 1,022,580,664 |
| Retained Earnings from previous year/period | | 1,745,940,328 | 1,608,632,105 | 1,687,480,338 | 1,488,430,453 |
| Add: Net Profit after Tax (attributable to equity holders of SJIBL) | | 3,685,970,795 | 3,598,620,214 | 961,649,358 | 1,018,626,753 |
| Profit available for Appropriation | | 5,431,911,124 | 5,207,252,319 | 2,649,129,696 | 2,507,057,206 |
| Appropriation: | | | | | |
| Statutory Reserve | 18 | 1,364,914,956 | 1,345,652,123 | 412,723,161 | 434,384,385 |
| Start-up Fund | | 36,762,634 | 34,503,840 | 9,486,652 | 9,744,308 |
| Dividend | | 1,620,827,688 | 1,543,645,421 | - | - |
| Dividend paid against Mudaraba Perpetual Bond | | 275,243,928 | 294,379,381 | 92,756,164 | 99,183,562 |
| Capital Reserve | | - | 25,346,603 | - | - |
| Retained Earnings | 19 | 2,134,161,919 | 1,063,744,952 | 2,134,161,919 | 1,963,744,952 |
| | | 5,431,911,124 | 5,207,252,319 | 2,649,129,696 | 2,507,057,206 |
| Consolidated Earnings per Share(EPS) [Restated] | 42 | 3.31 | 3.23 | 0.86 | 0.92 |
| Consolidated Net Asset Value per Share as at 30 September [Restated] | 42(i) | 21.60 | 19.83 | | |

Chairman

Director

Director

Managing Director & CEO

Dhaka,
01 November, 2023

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

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

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

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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

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

| Note | Jan'23 to Sep'23 Taka | Jan'22 to Sep'22 Taka |
|--|------------------------------|--------------------------|
| Cash flows from operating activities | | |
| Investment income receipt in cash | 43. 15,242,461,663 | 13,306,694,526 |
| Profit paid on deposits and borrowings | 44. (6,553,005,142) | (5,656,056,182) |
| Dividend receipts | 135,581,325 | 125,315,817 |
| Fees & commission receipt in cash | 2,006,114,319 | 2,877,822,943 |
| Recoveries on investment previously written off | 20,733,818 | 60,196,389 |
| Cash payments to employees | (2,890,315,087) | (2,624,334,200) |
| Cash payments to suppliers | (95,190,503) | (98,672,363) |
| Income tax paid | (3,336,687,459) | (1,704,844,085) |
| Receipts from other operating activities | 45. 1,087,223,321 | 969,672,350 |
| Payments for other operating activities | 46. (1,044,345,618) | (939,152,361) |
| (I) Operating profit before changes in operating assets & liabilities | 4,572,570,637 | 6,316,642,834 |
| Changes in operating assets and liabilities | | |
| (Increase)/decrease in investment to customers | 7,101,678,460 | (20,898,353,625) |
| (Increase)/decrease in other assets | (1,748,249,963) | (276,186,118) |
| (Increase)/decrease of placement with other banks & financial institutions | (3,449,060,000) | (7,626,425,000) |
| Increase/(decrease) in deposits from other banks | (35,113,099) | (6,942,267,784) |
| Increase/(decrease) of placement from other banks & financial institutions | (10,026,257,227) | 14,139,253,879 |
| Increase/(decrease) in deposits received from customers | 16,001,175,593 | 27,449,969,485 |
| Increase/(decrease) in other liabilities on account of customers | 954,049,416 | 476,888,491 |
| Increase/(decrease) in other liabilities | (109,499,106) | 1,630,803,492 |
| (II) Cash flows from operating assets and liabilities | 8,688,724,073 | 7,953,682,820 |
| Net cash flow from operating activities (A)=(I+II) | 13,261,294,710 | 14,270,325,654 |
| Cash flows from investing activities | | |
| Proceeds from sale of securities | (2,872,246) | 3,466,614,273 |
| Payments for purchases of securities | (465,467,842) | (1,896,820,888) |
| Proceeds from sale of fixed assets | 2,845,411 | 9,900,865 |
| Payments for purchases of property, plants & equipments | (173,524,028) | (154,321,805) |
| Purchase/sale of subsidiaries | - | - |
| Net cash used in investing activities (B) | (639,018,706) | 1,425,372,445 |
| Cash flows from financing activities | | |
| Receipts from issue of debt instruments | (800,000,000) | (800,000,000) |
| Payments for redemption of debt instruments | - | - |
| Receipts from issue of ordinary shares | (275,243,928) | - |
| Profit against mudaraba perpetual bond | (1,301,162,158) | (1,323,476,332) |
| Dividend paid to ordinary shareholders | (2,376,406,085) | (2,123,476,332) |
| Net cash used in financing activities (C) | 10,245,869,919 | 13,572,221,767 |
| Net increase in cash & cash equivalents (A+B+C) | 225,781,504 | 28,246,761 |
| Add: Effect of exchange rate changes on cash & cash equivalents | 20,642,913,568 | 17,128,561,378 |
| Add: Cash and cash equivalents at the beginning of the period | 49. 31,114,564,991 | 30,729,029,905 |
| Cash and cash equivalents at the end of the period | 42(II) 51,683,260,063 | 57,885,818,044 |
| Consolidated Net Operating Cash Flow per Share (NOCFPS) | 11.92 | 12.82 |
| [previous year's figure restated] | | |

Dhaka,
01 November, 2023

Chairman

Director

Director

Managing Director & CEO

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

05 NOV 2023

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

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

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13. COMPARATIVE FINANCIAL STATEMENTS

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

a. Consolidated Balance Sheet:

| Particulars | 31.09.2023 | 31.12.2022 | 31.12.2021 | 31.12.2020 | 31.12.2019 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| | | Taka | Taka | Taka | Taka |
| Property and Assets | | | | | |
| Cash | | | | | |
| Cash in hand (Including Foreign Currencies) | 2,216,469,790 | 2,399,102,842 | 1,943,331,636 | 1,814,745,636 | 2,209,024,307 |
| Balance with Bangladesh Bank & Sonali Bank Ltd (Including Foreign Currencies) | 20,224,673,501 | 14,924,287,024 | 12,087,735,744 | 13,351,033,150 | 15,539,227,347 |
| | 22,441,143,290 | 17,323,389,865 | 14,031,067,380 | 15,165,778,786 | 17,748,251,654 |
| Balance with other Banks and Financial Institutions | | | | | |
| Inside Bangladesh | 5,316,157,852 | 2,216,396,689 | 2,087,988,849 | 2,983,335,984 | 1,780,506,464 |
| Outside Bangladesh | 3,357,263,848 | 1,103,127,014 | 1,029,495,149 | 4,759,516,675 | 608,258,408 |
| | 8,673,421,701 | 3,319,523,703 | 3,097,483,998 | 7,742,852,659 | 2,388,764,872 |
| Placement with other Banks & Financial Institutions | 24,726,017,716 | 21,276,957,716 | 18,514,593,291 | 23,646,670,016 | 12,361,483,166 |
| Government | 26,139,910,000 | 25,639,910,000 | 28,047,670,000 | 21,695,610,000 | 11,750,000,000 |
| Others | 9,954,452,807 | 9,986,112,719 | 10,290,056,403 | 7,700,804,301 | 5,548,441,179 |
| | 36,094,362,807 | 35,626,022,719 | 38,337,726,403 | 29,396,414,301 | 17,298,441,179 |
| Investments | | | | | |
| General Investment etc. | 222,017,222,156 | 222,960,716,113 | 201,220,993,015 | 184,095,800,600 | 185,685,308,986 |
| Bills Purchased and Discounted | 10,728,309,543 | 16,901,718,515 | 17,979,284,002 | 15,041,318,459 | 14,614,015,788 |
| | 232,745,531,699 | 239,862,434,627 | 219,200,277,017 | 199,137,119,059 | 200,299,324,774 |
| Fixed Assets including Premises | 5,160,987,031 | 5,413,945,799 | 5,226,775,920 | 4,872,812,072 | 4,557,631,359 |
| Other Assets | 25,079,406,563 | 19,816,448,541 | 18,061,545,248 | 15,917,222,101 | 13,843,340,562 |
| Non-Banking Assets | 88,909,355 | 88,909,355 | 88,909,355 | 88,909,355 | 88,909,355 |
| Total Property and Assets | 355,009,780,162 | 342,727,632,326 | 316,558,388,612 | 295,967,778,349 | 268,586,146,921 |
| Liabilities and Capital | | | | | |
| Liabilities | | | | | |
| Placement from other Banks & Financial Institutions | 32,282,983,931 | 42,299,588,342 | 32,701,012,974 | 19,856,439,728 | 11,752,538,519 |
| Deposits and Other Accounts | | | | | |
| Mudaraba Savings Deposits | 39,907,475,765 | 36,934,732,886 | 36,326,434,041 | 30,316,556,422 | 24,786,164,728 |
| Mudaraba Term Deposits | 96,476,398,868 | 88,817,226,090 | 74,469,380,080 | 81,508,507,043 | 82,805,155,336 |
| Other Mudaraba Deposits | 47,218,457,457 | 49,745,216,186 | 62,818,504,170 | 67,907,231,368 | 62,791,526,991 |
| Al-Wadeeah Current & Other Deposit Accounts | 54,803,290,791 | 48,292,958,243 | 39,179,649,922 | 34,433,455,394 | 28,408,125,716 |
| Bills Payable | 5,466,533,977 | 5,872,217,849 | 4,016,969,162 | 3,889,060,291 | 4,335,581,019 |
| | 243,872,156,858 | 227,662,351,255 | 216,810,937,375 | 218,054,810,518 | 203,126,553,791 |
| Mudaraba Subordinated Bond | 9,400,000,000 | 10,200,000,000 | 12,200,000,000 | 9,200,000,000 | 10,000,000,000 |
| Other Liabilities | 45,026,335,714 | 40,144,704,369 | 34,553,169,294 | 30,403,236,018 | 26,771,315,560 |
| Deferred Tax Liabilities | 158,111,776 | 235,884,914 | 235,550,842 | 256,677,740 | 186,322,984 |
| Total Liabilities | 330,739,588,279 | 320,542,528,880 | 296,500,670,285 | 277,771,164,004 | 251,836,730,853 |
| Paid-up Capital | 11,129,683,510 | 10,805,517,980 | 10,290,969,510 | 9,800,923,350 | 9,334,212,720 |
| Statutory Reserve | 10,737,376,063 | 9,372,461,107 | 7,927,205,795 | 6,959,872,664 | 6,231,188,665 |
| Capital Reserve | 28,796,597 | 28,796,597 | 3,449,994 | 2,878,961 | 2,878,961 |
| Foreign Currency Translation Gain/(loss) | 11,417,909 | | | | |
| Retained Earnings | 2,134,161,919 | 1,745,800,328 | 1,608,652,106 | 1,206,062,264 | 954,727,530 |
| Total Capital/Shareholders' Equity | 24,041,435,997 | 21,952,716,012 | 19,830,177,405 | 17,969,737,239 | 16,523,007,876 |

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

Strictly Private & Confidential

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

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

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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

b. Consolidated Profit and Loss Account:

| Particulars | 30.09.2023 | 31.12.2022 | 31.12.2021 | 31.12.2020 | 31.12.2019 |
|--|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|
| | | Taka | Taka | Taka | Taka |
| Operating Income | | | | | |
| Investment Income | 14,014,890,178 | 15,965,123,028 | 13,792,776,608 | 16,986,601,742 | 20,301,832,199 |
| Less: Profit paid on Deposits | 6,681,620,582 | 8,365,858,043 | 7,397,902,913 | 11,440,711,730 | 13,206,651,379 |
| Net Investment Income | 7,333,269,596 | 7,599,264,985 | 6,394,873,695 | 5,545,890,012 | 7,095,180,820 |
| Income from Investments in Shares/Securities | 1,416,444,055 | 1,888,301,443 | 1,218,245,276 | 722,883,847 | 554,392,574 |
| Commission, Exchange and Brokerage | 2,231,895,823 | 3,634,722,397 | 2,518,174,907 | 1,857,875,279 | 2,152,478,637 |
| Other Operating Income | 1,088,179,749 | 1,357,676,035 | 1,056,361,211 | 818,539,311 | 797,137,757 |
| | 4,736,519,627 | 6,880,699,875 | 4,792,781,394 | 3,399,298,436 | 3,504,008,968 |
| Total Operating Income | 12,069,789,223 | 14,479,964,860 | 11,187,655,089 | 8,945,188,449 | 10,599,189,788 |
| Operating Expenses | | | | | |
| Salaries and Allowances | 2,877,421,087 | 3,615,281,013 | 3,033,864,435 | 3,031,500,629 | 2,962,806,871 |
| Rent, Taxes, Insurances, Electricity etc. | 282,791,445 | 401,946,759 | 340,726,959 | 438,197,925 | 485,427,141 |
| Legal Expenses | 1,957,077 | 1,440,072 | 1,039,886 | 2,109,580 | 1,400,755 |
| Postage, Stamps, Telecommunication etc. | 38,975,487 | 56,275,795 | 42,604,155 | 46,959,444 | 42,371,544 |
| Stationery, Printings, Advertisements etc. | 95,190,503 | 136,341,225 | 99,662,329 | 84,665,701 | 120,538,132 |
| Chief Executive's Salary & Fees | 12,894,000 | 22,399,944 | 22,929,970 | 21,572,700 | 19,957,000 |
| Directors' Fees & Expenses | 3,229,244 | 6,596,383 | 6,398,484 | 6,737,530 | 7,396,409 |
| Shariah Supervisory Committee's Fees & Expenses | 720,534 | 619,587 | 743,851 | 295,512 | 1,317,660 |
| Auditors' Fees | 569,250 | 626,500 | 617,242 | 540,250 | 574,750 |
| Depreciation & Repairs of Assets | 448,675,278 | 581,205,428 | 557,103,457 | 408,833,601 | 308,457,118 |
| Zakat Expenses | | 205,584,162 | 179,870,407 | 160,982,542 | 140,732,626 |
| Other Expenses | 692,066,738 | 908,262,056 | 787,867,429 | 620,498,003 | 675,394,431 |
| Total Operating Expenses | 4,454,492,643 | 5,936,578,924 | 5,073,428,603 | 4,822,893,418 | 4,766,374,437 |
| Profit/ (Loss) before Provision | 7,615,296,580 | 8,543,385,936 | 6,114,226,487 | 4,122,295,031 | 5,832,815,351 |
| Specific provision for Classified Investments | 755,000,000 | 876,503,877 | 541,490,000 | 156,994,000 | 1,160,780,000 |
| General Provision for Unclassified Investments | | 210,885,441 | 196,038,000 | 228,500,000 | 525,400,000 |
| General Provision for Off-balance Sheet Items | | - | 421,000,000 | 65,900,000 | 32,200,000 |
| Provision for diminution in value of Investments in Shares | | 12,400,000 | 16,000,000 | - | 252,600,000 |
| Provision for Other Assets | 10,000,000 | 112,000,000 | 10,000,000 | - | - |
| Total Provision | 765,000,000 | 1,211,789,318 | 1,184,528,000 | 451,394,000 | 1,970,980,000 |
| Total Profit/ (Loss) before Taxes | 6,850,296,580 | 7,331,596,618 | 4,929,698,487 | 3,670,901,031 | 3,861,835,351 |
| Provision for Taxation | | | | | |
| Deferred Tax | (77,773,139) | 334,272 | (21,127,098) | 45,611,319 | 4,465,215 |
| Current Tax | 3,241,230,472 | 3,745,966,752 | 2,338,472,612 | 2,130,236,894 | 1,689,821,298 |
| | 3,163,457,334 | 3,746,301,024 | 2,317,345,515 | 2,175,848,213 | 1,694,286,514 |
| Net Profit/ (Loss) after Tax | 3,686,839,246 | 3,585,295,593 | 2,612,352,972 | 1,718,301,732 | 1,471,181,929 |
| Net Profit after Taxes attributable to: | | | | | |
| Equity holders of SJIBL | 3,685,970,795 | 3,580,349,082 | 2,591,539,155 | 1,913,440,000 | 1,663,539,273 |
| Non-controlling Interest | 868,451 | 4,946,511 | 20,813,816 | 468,914 | -4,899,226 |
| | 3,686,839,246 | 3,585,295,593 | 2,612,352,972 | 1,913,908,914 | 1,658,640,047 |
| Retained Earnings from previous year | 1,745,940,326 | 1,608,652,106 | 1,206,062,264 | 954,727,530 | 921,461,996 |

05 NOV 2023

Strictly Private & Confidential

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

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

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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

c. Consolidated Statement of Cash Flows

| Particulars | 30 Sept 2023 | 2022 | 2021 | 2020 | 2019 |
|--|-----------------------|------------------------|------------------------|-------------------------|------------------------|
| | | Taka | Taka | Taka | Taka |
| Investment income receipt in cash | 15,242,461,663 | 17,477,056,520 | 14,774,368,653 | 17,801,979,787 | 20,865,745,069 |
| Profit paid on deposits and borrowings | (6,553,005,142) | (7,992,472,282) | (8,273,077,584) | - | - |
| Dividend receipts | 135,581,325 | 179,480,905 | 68,927,342 | 12,336,325,947 | 12,811,231,677 |
| Fees & commission receipt in cash | 2,006,114,319 | 3,464,997,530 | 2,506,847,975 | 46,331,181 | 47,139,321 |
| Recoveries on investment previously written-off | 20,733,818 | 66,934,374 | 31,809,277 | 1,855,753,778 | 2,145,879,490 |
| Cash payments to employees | (2,890,315,087) | (3,637,680,957) | (3,056,794,405) | 24,654,765 | 25,546,074 |
| Cash payments to suppliers | (95,190,503) | (136,341,225) | (99,662,329) | -3,053,073,329 | -2,982,763,871 |
| Income tax paid | (3,336,687,459) | (2,231,001,404) | (1,855,006,719) | -84,665,701 | -120,538,132 |
| Receipts from other operating activities | 1,087,223,321 | 1,352,780,404 | 1,057,282,006 | -2,185,842,395 | -1,980,449,839 |
| Payments for other operating activities | (1,044,345,618) | (1,616,393,539) | (1,377,027,302) | 825,332,151 | 800,783,164 |
| (i) Operating profit before changes in operating assets and liabilities | 4,572,570,637 | 6,927,340,328 | 3,777,666,914 | 1,610,205,756 | 4,604,949,699 |
| (Increase)/decrease in investment to customers | 7,101,678,460 | (20,662,157,610) | (21,001,399,797) | 1,162,205,716 | - |
| (Increase)/decrease in other assets | (1,748,249,963) | (600,543,150) | 64,438,242 | 143,745,220 | 10,325,846,999 |
| (Increase)/decrease of placement with other banks & financial institutions | (3,449,060,000) | (2,762,364,425) | 5,132,076,725 | - | -848,186,850 |
| Increase/(decrease) in deposits from other banks | (35,113,099) | (7,046,926,871) | 5,154,203,653 | 11,285,186,850 | 1,002,101,414 |
| Increase/(decrease) of placement from other banks & financial institutions | (10,026,257,227) | 9,593,984,094 | 12,832,443,867 | 366,775,113 | - |
| Increase/(decrease) in deposits received from customers | 16,001,175,593 | 17,342,079,211 | (5,697,828,226) | 8,146,268,450 | 12,576,095,036 |
| Increase/(decrease) in other liabilities on account of customers | 954,049,416 | 1,228,145,025 | 697,070,407 | 15,236,731,886 | 24,993,761,761 |
| Increase/(decrease) in other liabilities | (109,499,106) | (104,835,524) | 85,859,272 | 992,271,283 | 1,886,104,691 |
| (ii) Cash flows from operating assets and liabilities | 8,688,724,073 | (3,012,619,250) | (2,733,135,839) | 15,239,773,867 | 4,408,175,853 |
| Net cash flows from operating activities (A)=(i+ii) | 13,261,294,710 | 3,914,721,079 | 1,044,531,076 | 16,849,979,622 | 9,013,125,552 |
| Proceeds from sale of securities | (2,872,246) | 4,679,057,930 | 2,461,433,041 | 690,123,080 | 311,857,274 |
| Payments for purchases of securities | (465,467,842) | (1,967,354,246) | (11,402,745,143) | 12,788,096,201 | (3,731,936,837) |
| Proceeds from sale of fixed assets | 2,845,411 | 11,682,989 | 2,865,702 | 5,342,071 | 208,086,515 |
| Payments for purchases of fixed assets | (173,524,028) | (218,322,332) | (191,167,040) | (721,144,515) | (989,521,089) |
| Net cash flows from/(used in) investing activities (B) | (639,018,706) | 2,505,064,341 | (9,129,613,440) | (12,813,775,566) | (4,201,514,137) |
| Receipts from issuance of debt instruments | | - | 5,000,000,000 | - | - |
| Payments for redemption of debt instruments | (800,000,000) | (2,000,000,000) | (2,000,000,000) | -800,000,000 | - |
| Receipts from issue of ordinary shares | | - | - | - | - |
| Profit against mudaraba perpetual bond | (275,243,928) | (46,061,145) | - | - | - |

| | | | | | |
|---|------------------------|------------------------|------------------------|-----------------------|-----------------------|
| Dividend paid to ordinary shareholders | (1,301,162,158) | (1,029,096,951) | (706,314,635) | -466,710,636 | - |
| Net cash flows from/(used in) financing activities (C) | (2,376,406,085) | (3,075,158,096) | 2,293,685,366 | -1,266,710,636 | - |
| Net (decrease)/increase in cash and cash equivalents (A+B+C) | 10,245,869,919 | 3,344,627,324 | (5,791,396,999) | 2,769,493,420 | 4,811,611,415 |
| Add: Effect of exchange rate changes on cash and cash equivalents | 225,781,504 | 169,724,866 | 11,326,932 | 2,121,500 | 6,589,147 |
| Add: Cash and cash equivalents at the beginning of the year | 20,642,913,568 | 17,128,561,378 | 22,908,631,445 | 20,137,016,525 | 15,318,805,963 |
| Cash and cash equivalents at the end of the year | 31,114,564,991 | 20,842,913,568 | 17,128,561,378 | 22,908,631,445 | 20,137,016,525 |

14. RATIOS & FINANCIAL SUMMARY

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

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

15. CREDIT RATING REPORT OF THE ISSUE AND THE ISSUER

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

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

Credit Rating of Issuer: Shahjalal Islami Bank PLC.

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

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


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16. LATEST DEFAULT MATRIX AND TRANSITION STATISTICS OF CRC

BOND RATING SYMBOL

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

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

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


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Mosleh Uddin Ahmed
Managing Director & CEO
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Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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ECRL Default Studies 2021

Default Summary by Rating Category

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

Cumulative Default Rate by Rating Band

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

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

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Mosleh Uddin Ahmed
Managing Director & CEO
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Managing Director & CEO
DBH Finance PLC.

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Rating Transition Matrix (2011 – 2021)

1-year cumulative rating transition matrix

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

2-year cumulative rating transition matrix

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

3-year cumulative rating transition matrix

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

4-year cumulative rating transition matrix

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

5-year cumulative rating transition matrix

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

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Nasimul Baten
Managing Director & CEO
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05 NOV 2023

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


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Managing Director & CEO
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DESCRIPTION OF THE TRUSTEE: DBH FINANCE PLC.

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

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

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

• Business lines:

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

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

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

Vision:

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

Mission:

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

Core Values:

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

Strategic Objective:

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



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

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

05 NOV 2023

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

05 NOV 2023

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

05 NOV 2023

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

Brief Financial Highlights:

Million Taka

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

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

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

Shareholding Position (as of 31 December 2022):

Based on Shareholders types:

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

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

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

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

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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Business Activities:

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

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

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

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

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

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

Board of Directors (Current):

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

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

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

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

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

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

17. MODUS OPERANDI OF THE ISSUE

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

a. Application Procedure:

The Bonds shall be distributed through private placement.

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

Undertaking to Issue

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

Undertaking to Subscribe

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

Closing

Subscription and Closing:

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

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

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

Bond Certificates:

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

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FAD, Head Office, Dhaka

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

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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

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

b. Allotment:

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

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

c. Refund:

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

d. Transfer:

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

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

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

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

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Md. Anil Bashir
SEVP & Company Secretary
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05 NOV 2023

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

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

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

e. Trading or Listing with Stock Exchange

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

f. Repayment and Coupon Payment:

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

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

Redemption Schedule

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

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

Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC.
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Mosleh Uddin Ahmed
Managing Director & CEO
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LIMITED

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Managing Director & CEO
DBH Finance PLC

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

g. Redemption or conversion or exchange:

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

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

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

i. Termination and final settlement of the proposed bond

Date of Commencement of the Trust:

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

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


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


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

05 NOV 2023


Md. Abul Bashar
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Shahjalal Islami Bank PLC

05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank

05 NOV 2023


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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18. DETAILS OF FEE STRUCTURE AND EXPENSES

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

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

All fees are quoted net of applicable VAT.


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FAD, Head Office, Dhaka


05 NOV 2023


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SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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



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

05 NOV 2023



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

05 NOV 2023



Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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Annexure I

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

[Rule 4(2)(a)]

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

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


Managing Director & CEO

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

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Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

ANNEXURE 2: DUE DILIGENCE CERTIFICATE OF TRUSTEE


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


05 NOV 2023

Strictly Private & Confidential



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

05 NOV 2023


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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Due diligence certificate of the Trustee
DBH Finance PLC.

To

The Bangladesh Securities and Exchange Commission

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

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

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

WE CONFIRM THAT:

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

For Trustee



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



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



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



Moshleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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


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

05 NOV 2023


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

05 NOV 2023



Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


05 NOV 2023

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


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


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


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


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

Hoda Vasi Chowdhury & Co

Chartered Accountants

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

Opinion

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

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

Basis for Opinion

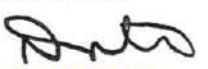
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the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

Emphasis of Matter – Restriction of use

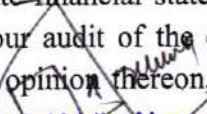
These special purpose financial statements have been prepared to assist the Bank to meet the requirements for issuing Mudaraba Bond. As a result, the financial statements may not be suitable for other purpose. Our opinion is not modified in respect of this matter.

Key Audit Matters

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


Nasimul Baten
Managing Director & CEO
Shahjalal Islami Bank PLC.

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


Md. Abul Bashar

National Office & BTMC Bhawan (4th & 7th Floor) 7-9 Kanyan Bazar Commercial Area, Dhaka- 1215, Bangladesh

Chattogram Office: 1st Floor, 104 Agrabad Commercial Area, Chattogram-4100, Bangladesh


Md. Jafar Sadeq FCA
SEVP & CFO

Shahjalal Islami Bank PLC

FAD, Head Office, Dhaka

05 NOV 2023

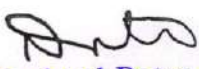
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opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

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

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

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


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 Managing Director & CEO
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 Md. Abul Bashir
 SEVP & Company Secretary
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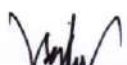

 Mosleh Uddin Ahmed
 Managing Director & CEO
 Shahjalal Islami Bank
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| | |
|---|--|
| | impacts from major global events such as Russia-Ukraine and Middle-East conflict, volatility in fuel and commodity price, inflation, strengthening of USD, etc., there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

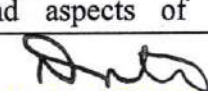
| Valuation of bonds, sukuk and other investments | |
|--|---|
| <p>The Bank has made significant investments in fixed term financial instruments such as Bangladesh Government Islamic Investment Bond and Sukuk, Mudaraba Perpetual Bond and Sukuk Al Istisna as well as Mudaraba Subordinated Bond, classification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

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

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Mosleh Uddin Ahmed
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Managing Director & CEO
DBH Finance PLC.

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

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

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

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

Reporting on other information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on other Legal and Regulatory Requirements

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

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

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LIMITED

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

Sabbir Ahmed

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

Dhaka, 01 November 2023



05 NOV 2023

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Nasimul Baten

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Managing Director & CEO
DBH Finance PLC.

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

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

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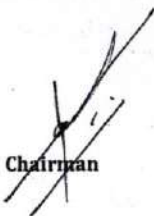
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05 NOV 2023

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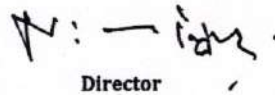
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05 NOV 2023

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

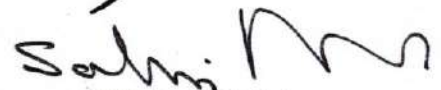
| | Note | 30.09.2023 Taka | 31.12.2022 Taka |
|---|------|------------------------|------------------------|
| Contingent Liabilities | | | |
| Acceptances & endorsements | | 47,469,654,614 | 51,712,319,611 |
| Letters of guarantee | 20 | 33,407,453,132 | 31,316,699,877 |
| Irrevocable letters of credit | 21 | 52,072,446,667 | 44,418,370,950 |
| Bills for collection | | 25,794,141,614 | 26,824,787,053 |
| Other contingent liabilities | | - | - |
| Total | | 158,743,696,027 | 154,272,177,491 |
| Other Commitments | | | |
| Documentary credits, short term and trade related transactions | | - | - |
| Forward assets purchased and forward deposits placed | | - | - |
| Undrawn note issuance, revolving and underwriting facilities | | - | - |
| Undrawn formal standby facilities, credit lines and other commitments | | - | - |
| Total | | - | - |
| Total off-balance sheet items including contingent liabilities | | 158,743,696,027 | 154,272,177,491 |


Chairman


Director


Director


Managing Director & CEO


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

Dhaka,
01 November, 2023




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


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05 NOV 2023


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Shahjalal Islami Bank PLC. and its Subsidiary

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

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

Chairman

Director

Director

Managing Director & CEO

Dhaka,
01 November, 2023

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

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

05 NOV 2023

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

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

Shahjalal Islami Bank PLC. and its Subsidiary

Consolidated Cash Flow Statement For the period ended 30 September 2023

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

Dhaka,
01 November, 2023

Chairman

Director

Director

Managing Director & CEO

05 NOV 2023

05 NOV 2023

05 NOV 2023

05 NOV 2023

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

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

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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

For the period ended 30 September 2023

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

For the period ended 30 September 2022

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

05 NOV 2023

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

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

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Dhaka,
01 November, 2023

Chairman

Director

Director

Managing Director & CEO

Shahjalal Islami Bank PLC.

Balance Sheet

As at 30 September 2023

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

05 NOV 2023

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

05 NOV 2023

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

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank

05 NOV 2023

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Shahjalal Islami Bank PLC.

Off-balance Sheet Items

As at 30 September 2023

| | Note | 30.09.2023 Taka | 31.12.2022 Taka |
|---|------|------------------------|------------------------|
| Contingent Liabilities | | | |
| Acceptances & endorsements | | 47,469,654,614 | 51,712,319,611 |
| Letters of guarantee | 20 | 33,407,453,132 | 31,316,699,877 |
| Irrevocable letters of credit | 21 | 52,072,446,667 | 44,418,370,950 |
| Bills for collection | | 25,794,141,614 | 26,824,787,053 |
| Other contingent liabilities | | - | - |
| Total | | 158,743,696,027 | 154,272,177,491 |
| Other Commitments | | | |
| Documentary credits, short term and trade related transactions | | - | - |
| Forward assets purchased and forward deposits placed | | - | - |
| Undrawn note issuance, revolving and underwriting facilities | | - | - |
| Undrawn formal standby facilities, credit lines and other commitments | | - | - |
| Total | | - | - |
| Total off-balance sheet items including contingent liabilities | | 158,743,696,027 | 154,272,177,491 |

Chairman

Director

Director

Managing Director & CEO

Dhaka,
01 November, 2023

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



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

05 NOV 2023

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

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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

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

Chairman

Director

Director

Managing Director & CEO

Dhaka,
01 November, 2023

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

05 NOV 2023

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

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

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

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

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

Dhaka,
01 November, 2023

Chairman

Director

Director

Managing Director & CEO

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

05 NOV 2023

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

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

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

Shahjalal Islami Bank PLC.
Statement of Changes in Equity

For the period ended 30 September 2023

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

For the period ended 30 September 2022

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

Dhaka,
01 November, 2023

Chairman

Director

Director

Managing Director & CEO

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

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

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

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

05 NOV 2023

05 NOV 2023

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

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

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

Dhaka,
01 November 2023

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

Chairman

Director

Director

Managing Director & CEO

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

1. Status of the Bank

1.1. Legal Form of the Bank

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

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

1.2. Nature of Business

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

1.3. Offshore Banking Unit

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

1.4. Agent Banking

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

1.5. Shahjalal Islami Bank Securities Limited

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

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

05 NOV 2023

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

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

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

2. Significant Accounting Policies

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

2.1. Basis of Preparation of the Financial Statements

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

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

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

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

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

i) Presentation of Financial Statements

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

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

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

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

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank

Nasimul Baten
Managing Director & CEO
DBH Finance PLC

05 NOV 2023

05 NOV 2023

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05 NOV 2023

ii) **Name of the Financial Statements**

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

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

iii) **Investments in Shares and Securities**

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

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

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

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

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

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

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

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

05 NOV 2023
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05 NOV 2023
Mosleh Uddin Ahmed
Managing Director & CEO
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LIMITED

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

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

vi) Recognition of Investment Income in Suspense

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

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

vii) Other Comprehensive Income

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

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

viii) Financial Instruments - Presentation and Disclosure

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

ix) Financial Guarantees

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

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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.

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Bangladesh Bank: As per BRPD circular no. 15 dated 09 November 2009, an appropriation of profit should be disclosed in the face of profit and loss account.

xvii) Investments Net off Provision

IFRS/IAS: Investments/loans and advances should be presented net off provision.

Bangladesh Bank: As per BRPD circular no. 15 dated 09 November 2009, provisions on investments/loans and advances are presented separately as liability and cannot be net off against investments/loans and advances.

xviii) Recovery of Written off Investments/Loans

IFRS/IAS: As per IAS 1, an entity shall not offset assets and liabilities or income and expenses, unless required or permitted by any IFRSs. Again, recovery of written off investments/loans should be charged to profit and loss account as per IFRS 15: *Revenue from Contracts with Customers*.

Bangladesh Bank: As per BRPD circular no. 15 dated 09 November 2009, recoveries of amount previously written off should be adjusted with the specific provision for investments/loans and advances.

xix) Revenue

As per IFRS 15, revenue should be recognised on accrual basis, but due to the unique nature of Islamic Banks, income from investment under Murabaha, Bi-Muazzal, HPSM, Ijarah, Bi-Salam, Quard, IDBP and FDBP modes is accounted for on realization basis as per AAOIFI and Bangladesh Bank guidelines.

Departure from BSEC Directive to comply with the rules and regulations of Bangladesh Bank:

As per BSEC Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021, unclaimed dividend is required to be presented as a separate line item in the statement of financial position but the financial statements of the Bank are prepared as per the "First Schedule" and Section 38 of the Banking Companies Act, 1991 (as amended up to date) and BRPD Circular No. 15 dated 09 November 2009. Therefore, the unclaimed dividend has been presented in the separate note no. 13a.5 under the head of Unclaimed Dividend Account of the financial statements.

2.2. Basis of Consolidation

The consolidated Financial Statements include the Financial Statements of Shahjalal Islami Bank PLC. including Offshore Banking Unit and the Financial Statements of its subsidiary named Shahjalal Islami Bank Securities Limited made up to the end of the financial period.

The consolidated Financial Statements have been prepared in accordance with IFRS 10: *Consolidated Financial Statements*. The consolidated Financial Statements are prepared to a common financial period ending 30 September 2023.

2.3. Subsidiary

Subsidiary is that enterprise which is controlled by the Bank. Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an enterprise to obtain benefits from its activities from the date that control commences until the date that control ceases. The Financial Statements of subsidiary are included in the consolidated Financial Statements from the date that control effectively commences until the date the control effectively ceases.

2.4. Transactions Eliminated on Consolidation

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Profit and Loss resulting from transaction between groups are also eliminated on consolidation.

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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.

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Investment in Unquoted Securities

Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

Derivative Investments

Derivative is a financial security whose value is derived from the value and characteristics of an underlying security. Option contract, future and swaps are types of derivative.

The Bank has no investments in any derivative investments.

Investment in Subsidiary

Investment in subsidiary is accounted for under the cost method of accounting in the Bank's financial statements in accordance with the IAS 27: *Separate Financial Statements*, IFRS 3: *Business Combinations*, IAS 36: *Impairment of Assets* and IFRS 10: *Consolidated Financial Statements*.

2.7.2.1 Held to Maturity

Held to Maturity Securities are the securities that a firm has intention to hold until maturity. These are reported at amortised cost therefore; they are not affected by swings in the financial markets.

2.7.2.2 Held for Trading

Held for trading securities are those which are held with the intention of selling in order to generate profits. Held for trading securities are revalued at market price.

2.7.2.3 Investment - Initial Recognition and Subsequent Measurement

| Investment Class | Initial Recognition | Measurement after Initial Recognition | Recording of Changes |
|-----------------------------------|---------------------|---|---|
| Govt. Treasury Securities - BGIIB | Cost | Cost | None |
| Debenture/Bond | Cost | Cost | None |
| Shares (Quoted) | Cost | Lower of cost or market value (overall portfolio) | Loss (net off gain) to profit and loss account but no unrealised gain booking |
| Shares (Un-quoted) | Cost | Lower of cost or Net Asset Value (NAV) of last audited financial statements | Loss to profit and loss account but no unrealised gain booking |
| Mutual Fund (Open-end) | Cost | If average cost price (CP) > NAVCMP * 0.95, then required provision per unit will be (RP) = CP - NAVCMP * 0.95 | Loss (net) to profit and loss account but no unrealised gain booking |
| Mutual Fund (Closed-end) | Cost | If CP > Market Value (MV) or CP > NAVCMP * 0.85, then required provision (RP) per unit will be: (i) in case of $MV \geq NAVCMP * 0.85$, then $RP = CP - MV$ or (ii) in case of $MV < NAVCMP * 0.85$, then $RP = CP - NAVCMP * 0.85$ | Loss (net) to profit and loss account but no unrealised gain booking |

2.7.3 General Investments

Investments are recognised at gross amount on the date on which they are originated. After initial recognition, investments are stated in the Balance Sheet net off profit receivables and unearned income. However, provisions for investments are not net off with investments.

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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.

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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 |

05 NOV 2023 Gain or loss on sale of fixed assets is recognised in profit and loss statement as per provision of IAS 16.

Construction Work in Progress/Building under Construction

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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

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IFRS 13 refers fair value measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions.

2.7.8 Impairment of Fixed Assets

At each balance sheet date, the Bank assesses whether there is any indication that the carrying amount of an asset exceeds its recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and an impairment loss is recognised as an expense in the profit and loss account unless the asset is carried at revalued amount in accordance with IAS 16 in which case any impairment loss of a revalued asset should be treated as a revaluation decrease under that accounting standard. No impairment loss was recognised up to the reporting period as there were no such indications existed as at balance sheet date.

2.7.9 Investment Properties

a) Investment property is held to earn rentals or for capital appreciation or both and the future economic benefits that are associated with the investment property but not held for sale in the ordinary course of business.

b) Investment property is accounted for under cost model in the financial statements. Accordingly, after recognition as an asset, the property is carried at its cost less accumulated depreciation and accumulated impairment loss.

2.7.10 Other Assets

Other assets include all other financial assets and include fees and other unrealised income receivable, advance for operating and capital expenditure and stocks of stationery and stamps.

2.7.11 Inventories

Inventory is the accounting of items, component parts and raw materials that a company either uses in production or sells. Inventories are measured at the lower of cost and net realisable value.

2.7.12 Trade & Other Receivables

Trade receivables are amounts accrued by an organization when it delivers goods or renders services to its customers in the ordinary course of business.

2.8. Liabilities and Provisions

2.8.1 Placement from other Banks and Financial Institutions

Placement from other Banks and Financial Institutions include profit bearing placements and Bangladesh Bank refinance. These items are brought to the financial statements at the gross value of the outstanding balance.

2.8.2 Deposits and Other Accounts

Deposits and other accounts include non-profit bearing Al-Wadeeah current deposits redeemable at call, bills payable, profit bearing on demand and special notice deposits, Mudaraba savings deposits, Mudaraba term deposits and Mudaraba scheme deposits. These items are brought to the financial statements at the gross value of the outstanding balance.

2.8.3 Mudaraba Perpetual Bond

With due approval from competent authority, Shahjalal Islami Bank PLC. raised Additional Tier-1 Capital through issuance of "SIIBL Mudaraba Perpetual Bond" for BDT 500 crore of which BDT 450 crore raised

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through private placement and BDT 50 crore raised through public offer in order to strengthen the capital base of the Bank. The average of latest available yearly deposit rate (1 year but < 2 year) of scheduled Islamic banks published in Bangladesh Bank website plus a predetermined additional margin @ 2.50%. The range of return/profit is fixed from 6% to 10% and the payment of profit is made annually after the end of calendar year.

2.8.4 Mudaraba Subordinated Bond

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

2.8.5 Trade Payables

Trade payables are any expenses incurred from vendors, suppliers or other third parties for goods or services provided in bringing the products to the customer.

2.8.6 Other Liabilities

Other liabilities comprise items such as provision for general investments, provision for investments in shares and securities, provision for taxation, profit payable, profit suspense, accrued expenses, obligation under finance lease, etc. Other liabilities are recognised in the balance sheet according to the guidelines of Bangladesh Bank, income tax laws and internal policy of the Bank.

As per IAS 37: *Provisions, Contingent Liabilities and Contingent Assets*, the Bank recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

2.8.7 Taxation

Current Tax

Provision for current income tax has been made at 37.50% as prescribed in the Finance Act, 2023 on the accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure and provisions as per Income Tax Act, 2023 in compliance with IAS 12: *Income Taxes*.

Deferred Tax

Principle of Recognition

Deferred tax is recognised as income or an expense amount within the tax charge, and included in the net profit and loss account for the period. Deferred tax relating to items dealt with directly in equity is recognised directly in equity.

Recognition of Taxable Temporary Difference

A deferred tax liability is recognised for all taxable differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill; or the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Recognition of Deductible Temporary Difference

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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Measurement

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2.9. Capital/Shareholders' Equity

Authorised Capital

Authorised capital is the maximum amount of share capital that the Bank is authorised by its Memorandum and Articles of Association.

Paid-up Capital

Paid-up capital represents total amount of share capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of winding-up of the Bank, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to receive any residual proceeds of liquidation.

Statutory Reserve

Statutory reserve has been maintained @ 20% of profit before tax in accordance with provisions of Section 24 of the Bank Companies Act, 1991 (amended thereon) until such reserve equals to its paid-up capital together with the share premium.

Non-controlling (minority) Interest

Non-controlling (minority) interest in business is an accounting concept that refers to the portion of a subsidiary company's stock that is not owned by the parent company. The magnitude of the minority interest in Shahjalal Islami Bank Securities Limited, a majority owned subsidiary (91.79%) of Shahjalal Islami Bank PLC. is very insignificant. Also, minority interest is reported on the consolidated profit and loss account as a share of profit belonging to the minority shareholders.

2.10. Contingencies and commitments

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or any present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

Contingent assets are not recognised in the financial statements as this may result in the recognition of income which may never be realised.

2.11. Operating Segment

As per IFRS 8 "Operating Segments", is a component of an entity:

- (a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity)

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- (b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performances, and
- (c) for which discrete financial information is available.

2.12. Revenue Recognition

In line with IFRS 15: *Revenue from Contract with Customers*, income of the Bank has been recognised in the financial statements as follows:

Investment Income

Income from general investments is accounted for on accrual basis except for investments under Musharaka, Mudaraba, Bai-Salam, Ujarah (Khidmah & Wakalah for Islamic Credit Card) modes where the investment income is accounted for on realisation basis. The Bank does not charge any rent during the gestation period of investment against Hire Purchase under Shirkatul Melk (HPSM) mode of investment but it fixes the sale price of the asset at a higher level in such a way to cover its expected rate of return. Such income is recognised on realisation basis.

Profit/rent/compensation accrued on classified investments are suspended and accounted for as per circulars issued by Bangladesh Bank in this regard from time to time. At the time of recovery or regularisation of those investments the related income which was suspended and shown as a liability is taken as investment income (except compensation) as per circulars issued by Bangladesh Bank. As a result, the entire transferred amount to investment income from suspense during the period has already been included in the investment income of the Bank.

Profit on placement with other Banks & Financial Institutions is accounted for on accrual basis.

Income on Investments in Securities

Income on investments in securities is recognised on accrual basis. This income includes profit on Bangladesh Government Islamic Investment Bond (BGIIB), Bangladesh Government Investment Sukuk (BGIS), Mudaraba Perpetual Bond, Mudaraba Subordinated Bond, capital gain on investments in shares and dividend on investments in shares are also included in investment income.

Dividend Income on Shares

Dividend income from investments in shares is recognised when the Bank's right to receive dividend is established. It is recognised when-

- a. It is probable that the economic benefits associated with the transaction will flow to the entity; and
- b. The amount of the revenue can be measured reliably.

Fees, Commission and Exchange Income

Fees, commission and exchange income on services provided by the Bank are recognised as and when the related services are rendered. Commission charged to customers on letter of credit and letter of guarantee are credited to Income at the time of effecting the transactions.

Other Operating Income

Other operating income includes revenue from all other operating activities which are not related to the principal activities of the company, such as service charges, processing charge, maintenance charge and disposals income, etc.

Finance Income and Costs

Finance income comprises profit earned on outstanding financial assets and finance costs comprises profit expense arises on outstanding financial liabilities.

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Profit Paid on Deposits

As per agreement between the Mudaraba depositors and the Bank in line with Mudaraba Principle, the Mudaraba depositors are entitled to get minimum 65% of the investment income earned through deployment of Mudaraba Fund as per weightage assigned to each type of Mudaraba deposit. In the year 2022, the Bank paid 84.73% of Investment Income earned through deployment of Mudaraba Fund. Mudaraba Depositors do not share any income derived from various banking services where their fund is not involved and any income derived from investing Bank's equity and other cost free fund. Al-Wadeeah depositors do not share any income of the Bank. Profit is paid to Mudaraba Deposit accounts at provisional rate throughout the year. Final rates of profit of any accounting year are declared after finalization of Shari'ah Inspection report and certifying the Investment Income of the Bank by the statutory auditor.

Other Operating Expenses

All other operating expenses are provided for in the books of the accounts on accrual basis according to the IAS 1.

2.13. Profit Suspense/Compensation Account & Shari'ah Non-Compliance Income

Profit/compensation accrued on classified investments is suspended and accounted for as per circulars issued by the Bangladesh Bank.

Moreover, income which is irregular (doubtful) as per Shari'ah is also not included in the distributable income of the Bank. The Bank charges compensation on unclassified overdue investments. Such compensation is not permissible as regular income of the Bank as per Shari'ah.

Interest received from the balances held with Foreign Banks abroad and from Foreign Currency Clearing Account with the Bangladesh Bank and also other interest based Banks are also not credited to regular income since it is not permissible as per Shari'ah. Such doubtful income is being appropriated for charitable purpose through Shahjalal Islami Bank Foundation (a separate organisation).

2.14. Provision for Nostro Accounts

According to Banking Regulatory and Policy Department of Bangladesh Bank vide the circular letter no. 04 dated 12 April 2022, the Bank is not required to make provision regarding the unreconciled debit balance of Nostro accounts as on the reporting date in these financials as there are no unreconciled outstanding entries for 06 (six) months or more.

2.15. Foreign Currency Transactions

Functional and Presentation Currency

Functional currency: The currency of the primary economic environment in which the entity operates.

Presentation currency: The currency in which the financial statements are presented.

The Financial Statements have been presented based on the Bank's functional currency, Bangladesh Taka (BDT/Taka/Tk.). Functional currency of Offshore Banking Unit (OBU) is United States Dollar (USD/US\$).

Foreign Currency Translation

The transactions in foreign currencies are converted into equivalent Taka currency using the ruling exchange rates on the dates of such transactions as per IAS 21: *The Effects of Changes in Foreign Exchange Rates*. At the Balance Sheet date, related assets and liabilities are converted to Taka using exchange rates prevailing on that date and incomes and expenses are translated using monthly average exchange rate.

Commitment

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Contingent liabilities/commitments for letter of credit, letter of guarantee and acceptance denominated in foreign currencies have been expressed in Taka currency at revaluation rate.

2.16. Earnings per Share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the period as per IAS 33: *Earnings per Share*. Diluted Earnings per Share is not required to be calculated for the period, as there exists no dilution possibilities during the period.

2.17. Statement of Liquidity

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per following basis:

- a) Balance and Placement with other Banks and Financial Institutions are on the basis of their maturity term.
- b) Investments in shares and securities are on the basis of their residual maturity term.
- c) Investments are on the basis of their repayment/maturity schedule.
- d) Fixed assets are on the basis of their useful life.
- e) Other assets are on the basis of their adjustment.
- f) Placement from other Banks & Financial Institutions are as per their maturity/repayment term.
- g) Deposit and Other Accounts are on the basis of their maturity term, demand & time liability related guidelines of Bangladesh Bank and behavioral trend of encashment.
- h) Other long-term liabilities are on the basis of their maturity term. Provisions and other liabilities are on the basis of their expected settlement.

2.18. Cash Flow Statement

Cash flow statement is prepared principally in accordance with IAS 7: *Statement of Cash Flows*; and as prescribed by BRPD circular no. 14 dated 25 June 2003 & Guidelines for Conducting Islamic Banking issued by Bangladesh Bank vide BRPD circular no. 15 dated 09 November 2009. The Cash Flow Statement shows the structure of and changes in cash and cash equivalents during the period. Cash flows during the period have been classified as Operating Activities, Investing Activities and Financing Activities.

2.19. Statement of Changes in Equity

Statement of Changes in Equity has been prepared in accordance with IAS 1 and by following the guidelines of BRPD circular no. 14 dated 25 June 2003 and BRPD circular no. 15 dated 09 November 2009.

2.20. Off-balance Sheet Items

Under general banking transactions, liabilities against acceptance, endorsement and other obligations and bills against which acceptances have been given and claims exist there against, have been shown as Off-balance Sheet items.

2.21. Changes in Accounting Policies and Estimates

Accounting Policies, Changes in Accounting Estimates is applied in selecting and applying accounting policies, accounting for changes in estimates. Effect of changes of accounting estimates is included in Profit and Loss account. Shahjalal Islami Bank PLC. did not change the accounting policies and accounting estimates during the period 30 September 2023.

2.22. Offsetting

05 NOV 2023 Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.23. Employee Benefits

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Provident Fund (Defined Contribution Plan)

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

Gratuity Fund (Defined Benefit Plan)

Gratuity benefits are given to the staff of the Bank in accordance with the approved Gratuity Fund Rules. The National Board of Revenue has approved the gratuity fund as a recognised gratuity fund and the fund is operated by a separate Board of Trustees. Employees are entitled to get the benefit after the completion of minimum 05 (five) years of service in the Bank. The gratuity is calculated on the basis of last basic pay of every employee in service as per IAS 19: *Employee Benefits*. Gratuity fund is a "Defined Benefit Plan" and payable as per the modalities of the rules. Gratuity so calculated is transferred to the fund and charged to expenses of the Bank.

Other Employee Benefits

Superannuation Fund

"Shahjalal Islami Bank Limited Employees' Social Security - Superannuation Fund" commenced with effect from 01 January 2008. The purpose of the fund is to provide medical and death cum survival benefit in lieu of group insurance (death cum endowment). The fund shall be subscribed by the employees on monthly basis and with the contribution of the Bank.

Benevolent Fund

The Benevolent Fund for the regular and confirmed employees of Shahjalal Islami Bank PLC. was established in the year 2007. This fund is mainly used for payment of scholarship to the meritorious students among the children of SJIBL's officers and sub-staff, to allow short-term quard/grant for the unexpected and certain needs of the staff of SJIBL and their family like accident, clinical treatment, marriage ceremony, etc.

Incentive Bonus

The Bank usually paid incentive bonus among its employees. This bonus amount is distributed among the employees on annual basis considering specific terms & policies of the Bank.

Hospitalisation Insurance

The Bank operates a health insurance scheme to its confirmed employees and their respective spouses and children at rates provided in health insurance coverage policy.

Workers Profit Participation Fund

In consistent with widely accepted industry practice and in line with Section 11(1) of the Banking Companies Act, 1991 (as amended up to date) and subsequent clarification given by Bank & Financial Institutions Division (BFID), Ministry of Finance, no provision has been made by the Bank in the reporting period against Workers Profit Participation Fund (WPPF).

2.24. Reconciliation:

1) 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

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finalizing the same. Inter-Branch outstanding entries are less than 03 (three) months, details of which are disclosed in note no. 10a.5.

ii) Reconciliation of inter-bank accounts

Accounts with regard to interbank are reconciled regularly and there are no material differences which may affect the financial statements significantly.

2.25. Related Party Disclosures

A party is related to the company, if:

- i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with the company; has an interest in the company that gives it significant influence over the company; or has joint control over the company;
- ii) the party is an associate;
- iii) the party is a joint venture;
- iv) the party is a member of the key management personnel of the Company or its parent;
- v) the party is a close member of the family of any individual referred to in (i) or (iv);
- vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

Related Party Transactions

The Bank in its ordinary course of business undertook financial transactions with some entities or persons that fall within the definition of 'Related Party' as contained in IAS 24: *Related Party Disclosures* and relevant provisions of the Banking Companies Act, 1991 (as amended up to date) and Bangladesh Bank BRPD circular no. 14 dated 25 June 2003. As on the reporting date, the Bank had funded and non-funded exposures with its subsidiary and exposures to some related concerns of its Directors. Please refer to note no. 53 of financial statements for details of related party transactions.

2.26. Corporate Governance

The Bank has given the priority to the compliance of the rules, regulations and guidelines of Bangladesh Bank, National Board of Revenue and Bangladesh Securities & Exchange Commission (BSEC). The Bank has also complied with all related International Financial Reporting Standards (IFRSs).

2.27. The Bank's Compliance with Related Pronouncement of Bangladesh Bank

i. Risk Management

Department of Off-site Supervision (DOS) of Bangladesh Bank issued circular no. 02 dated 15 February 2012 under Section 45 of the Bank Companies Act, 1991 on Risk Management Guidelines for Banks and instructed all scheduled Banks operating in Bangladesh to follow this Guidelines for managing various risks which have been compiled by the Bank. In addition, the Bank is also following relevant Bangladesh Bank guidelines on risk based capital adequacy, supervisory review process, stress testing and managing the Banking risks in other core risk areas.

The risk of a Bank is defined as the possibility of losses, financial or otherwise. The Risk Management of the Bank covers 6 (six) Core Risk Areas of Banking industry i.e., i) Internal Control and Compliance Risk; ii) Foreign Exchange Risk; iii) Investment (Credit) Risk; iv) Asset Liability Management Risk; v) Money Laundering Risk; and vi) Information & Communication Technology Security Risk. The risk management procedures in the core risk areas have been devised in line with the core risk management guidelines of Bangladesh Bank. Core Risk Management Guidelines are periodically reviewed by the Bank, and Bangladesh Bank periodically inspects the

implementation status of these guidelines and as per the reports of Bangladesh Bank, and Shahjalal Islami Bank PLC. is well compliant in Core Risk Management activities.

In line with instruction of Bangladesh Bank, SJIBL formed a Risk Management Division (RMD) to formulate risk assessment and management policies, methodologies, guidelines and procedures for risk identification, risk measurement, risk monitoring, deciding acceptable level of risk and risk controlling by taking mitigating steps, Comprehensive Risk Management Report (CRMR), conducting monthly risk management meeting, stress testing and reporting the competent authority from time to time. It also reports to Bangladesh Bank on quarterly basis along with the CRMR, minutes of the monthly meeting and all other required supporting papers. Moreover, in compliance with the Banking Companies Act, 1991 (as amended up to date), Section 15 (Kha) and BRPD circular no. 11 dated 27 October 2013 of Bangladesh Bank, the Bank has constituted a Risk Management Committee comprising of 7 (seven) directors from the Board to formulate risk management policies, procedures and oversee the risk management activities of the Bank.

The prime objective of the Risk Management Committee is that the Bank takes well calculative Business Risk Policy for safeguarding the Bank's capital, its financial resources and profitability from various risks. In this context, the Bank implemented all the guidelines of Bangladesh Bank as under:

a) Investment (Credit) Risk Management

The management of specific investment risk is developed according to associated risk with individual business units. The investment risk management function ensures that appropriate policies are established and ensures compliance with the related sanction, monitoring procedures and controls at the business unit level. Investment exposures are aggregated from individual business units and are monitored on a regular basis. Investment risks may be summarized as under:

- Difficulty in choosing core business.
- Failure in business of the customer.
- Encompassing a blend of Banking and non-Banking service.
- Investment either too liquid or of questionable quality.
- Competition from other commercial Banks.
- Security Control Risk.
- Market volatility both local and global.

Portfolio monitoring is carried out by asset quality, background of the customer, soundness and viability of his/her business and cash flow, etc., sector of the economy, cost of long-term financing to match with the return on long-term investment.

The Bank pays adequate emphasis on business risk than analysis of security risk because the security reduces the risk but does not always improve the quality of investment. Besides, the Bank addresses the Investment (Credit) risk guideline cited by the Bangladesh Bank.

As regards to other parts of the Banking business, the control staffs follow a pragmatic program of regular monitoring and follow-up.

b) Foreign Exchange Risk Management

The Financial Institutions' performance is directly related to Foreign Exchange Market. To ensure effective Foreign Exchange Risk Management, the Bank has wide scope in establishing organisational structure and formulating Manual as per Guidelines of Bangladesh Bank. However, the Bank has already formulated a comprehensive manual. The Bank maintains various Nostro accounts in order to conduct operations in different currencies including BDT. The senior management of the Bank set limits for handling Nostro accounts' transactions that include time and amount limits. As per guidelines of Bangladesh Bank, the Foreign Exchange business should be

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audited internally to review the key control issues such as various limits, compliance requirements and statutory management.

c) Asset Liability Risk Management

The Asset Liability Management Committee (ALCO) that is formed with the senior executives headed by Managing Director conducted 10 (ten) meetings during the period 30 September 2023. The key agenda of the meetings were liquidity position, pricing, risk related to the Balance Sheet, maintaining CRR & SLR, Economic Outlook & Market Status and Rate of Profit (Interest). For managing Balance Sheet risk properly, the Bank has already prepared a Manual of the Asset Liability Management according to the guidelines of Bangladesh Bank.

d) Money Laundering Risk Management

Shahjalal Islami Bank PLC. is taking preventive measures against money laundering and terrorist financing and proliferation financing in line with the Money Laundering Prevention Act, 2012 (amended 2015), Anti-Terrorism Act, 2009 (amended 2012 & 2013) and guidelines issued by the Bangladesh Financial Intelligence Unit (BFIU) from time to time. Shahjalal Islami Bank PLC. applies risk sensitive customer due diligence measures, monitors business relationship and keeps records in line with regulations. The Bank regularly collects the accurate and complete documentation of Know Your Customer (KYC) which enables the prudential prevention of money laundering. The Bank has formed Central Compliance Committee (CCC) headed by the Additional Managing Director as Chief Anti-Money Laundering Compliance Officer (CAMLCO) and the committee regularly monitors and ensures the compliance of issues relating to money laundering and terrorist financing and proliferation financing through the trained personnel of Head Office and Branches. The Bank has already subscribed 'Seasearcher' service from Lloyd's List Intelligence for vessel tracking and container tracking in order to appetite trade based money laundering risk.

e) Internal Control & Compliance Risk Management

Internal control is a process that ensures operational efficiency, reliability of financial reporting and compliance with applicable laws, regulations, policies for attainment of organizational objectives. The primary objective of Internal Control and Compliance of Shahjalal Islami Bank PLC. (SJIBPLC) is enabling the Bank to perform better, establish governance across the bank and add value by proper use of infrastructure and blending of available resources.

The Internal Control & Compliance Division (IC&CD) of SJIBL has been set up with the objective to provide independent advice & counselling and value added service to the management & authority of the bank for sustainable business growth by constant improvement of operational efficiency in all segment of performance. In order to carry out the mission, IC&CD of SJIBL is consisted of 03 (three) independent units namely Internal Audit & Inspection Unit, Compliance Unit and Monitoring Unit.

As a guideline in performing the responsibilities, SJIBL has drawn up its own 'Internal Control & Compliance Manual' in conformity to the "Guidelines on Internal Control & Compliance in Banks" provided by Bangladesh Bank. SJIBL has also introduced a separate "Compliance Policy" as per directives of Bangladesh Bank. Both the manual and policy are being reviewed & updated from time to time for betterment & best practices in the industry.

f) Information and Communication Technology Security Risk Management

According to BRPD circular no. 14 dated 23 October 2005 regarding "Guideline on ICT Security for Banks and Non-Bank Financial Institutions", BRPD circular no. 21 dated 20 May 2010 and BRPD circular no. 09 dated 17 September 2015, the Bank has followed IT Security Policy which deals operational risk, physical security control, potential for wide area disaster, data center disaster, recovery plan and backup/restore plan. The customers of SJIBL are enjoying 24 hours Banking facilities through using Internet Banking and Mobile Application with different services like inter bank fund transfer, utility bill payment transfer to Mobile Financial Services (MFSs), etc. In

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addition, SWIFT, REUTERS, SJIBL Visa Debit Card, SMS Notification Services, Instabalance Call Service etc. facilities are also available. The Bank joined Q-Cash consortium under which ATM and POS services are being offered to its customers to meet the demand of time. Moreover, the Bank is running on technology-based total Banking solution module, i.e., core banking software. The Bank has introduced Agent Banking Services around all over the country targeting unbanked rural people to bring under formal banking services. The Bank formed a separate department named ICT Security Department to deal dedicatedly with ICT and Cyber Threats. In addition to this, up-to-date security solutions have been implemented to ensure confidentiality, integrity and availability of critical business data.

ii. Internal Audit & Inspection

The Internal Audit & Inspection independently and objectively evaluates and report on the effectiveness of the Bank's risk management, control and governance processes. The Head of Audit & Inspection Unit, although being a part of IC&CD administratively, is reporting directly to the Audit Committee of the Board and is responsible to the Audit Committee of the Board. Internal Audit & Inspection of SJIBL is being conducted based on Annual Audit Plan structured on a risk based approach and approved by the Audit Committee of the Board of Directors to provide vital information about risks and controls to assist the management in the following ways:

- Identification of gap in policy and procedures with the Business and its Operation.
- Identification of breach in policy and procedures against internal and regulatory policies & procedures.
- Assessment of qualitative and quantitative risk of the Business.
- Recommending remedial course of actions, where necessary.

Irregularities detected in the Bank's internal audit & inspection reports as well as external auditor's reports of the previous year have so far been rectified/regularized properly.

iii. Fraud and Forgeries

The Bank is operating its business by dealing with the public money. As a custodian of such money, the Bank have to set up strong internal control structure, introduce corporate governance, practice ethical standards in the Bank for safeguard & interest of the Stakeholders. Public confidence has been shaken when different types of malpractice, fraud and forgeries occurred in the Bank. Shahjalal Islami Bank PLC. is fully aware of its responsibility towards stakeholders specially depositors.

Shahjalal Islami Bank PLC. follows a stringent screening process while recruiting officers and staff. The prospective employees' family background/employment history/association are checked/cross checked in terms of integrity, attitude and behavioral pattern. The Bank has started to collect Police Clearance to know if the candidate had ever been engaged in anti-social or anti-state or detrimental/subversive activities. Check with Bangladesh Bank's Corporate Memory Management Systems for background check of experienced Bankers, Financial Institution's employees and verify National ID on-line. As a result, the Bank since its inception has seen comparatively very few cases of fraud and forgeries. Moreover, the Internal Control and Compliance Division (IC&CD) have been strengthened to remain ever vigilant. These have reduced the chances of fraudulent activities in Shahjalal Islami Bank PLC.

2.28. Audit Committee

According to BRPD circular no. 11 dated 27 October 2013, all banks are instructed to constitute an audit committee comprising of maximum 05 (five) members of the Board. The audit committee will assist the board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plan set by board for the effective functioning of the Bank. The committee will review the financial reporting process, the system of internal control and management of the financial risk, the

audit process and the Bank's process for monitoring compliance with laws and regulations and its own code of business conduct. The Board of Directors of the Bank formed an audit committee consisting of five members including three independent directors.

2.29. Compliance with Financial Reporting Standards as applicable in Bangladesh

The Financial Reporting Act (FRA), 2015 was enacted in 2015. Under the FRA of the Financial Reporting Council (FRC), it is to issue financial reporting standards for public interest entities such as Banks. The Banking Companies Act, 1991 (as amended up to date) has been amended to require Banks to prepare their financial statements under such financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence International Financial Reporting Standards (IFRSs) as issued by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable.

Accordingly, the financial statements of the Bank continue to be prepared in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Banking Companies Act, 1991 (as amended up to date), the rules and regulations issued by Bangladesh Bank, the Companies Act, 1994. In case any requirement of the Banking Companies Act, 1991 (as amended up to date), and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs, the requirements of the Banking Companies Act, 1991 (as amended up to date), and provisions and circulars issued by Bangladesh Bank shall prevail. Material deviations from the requirements of IFRSs are mentioned above under note no. 2.1.

| Sl. No. | IAS No. | IAS Title | Compliance Status |
|---------|---------|--|-------------------|
| 1 | 1 | Presentation of Financial Statements | Complied * |
| 2 | 2 | Inventories | Not Applicable |
| 3 | 7 | Statement of Cash Flows | Complied * |
| 4 | 8 | Accounting Policies, Changes in Accounting Estimates and Errors | Complied |
| 5 | 10 | Events after the Reporting Period | Complied |
| 6 | 12 | Income Taxes | Complied |
| 7 | 16 | Property, Plant & Equipment | Complied |
| 8 | 19 | Employee Benefits | Complied |
| 9 | 20 | Accounting for Government Grants and Disclosure of Government Assistance | Not Applicable |
| 10 | 21 | The Effects of Changes in Foreign Exchange Rates | Complied |
| 11 | 23 | Borrowing Costs | Not Applicable |
| 12 | 24 | Related Party Disclosures | Complied |
| 13 | 26 | Accounting and Reporting by Retirement Benefit Plans | Not Applicable |
| 14 | 27 | Consolidated and Separate Financial Statements | Complied |
| 15 | 28 | Investment in Associates | Not Applicable |
| 16 | 33 | Earnings per Share | Complied |
| 17 | 34 | Interim Financial Reporting | Complied |
| 18 | 36 | Impairment of Assets | Complied |
| 19 | 37 | Provisions, Contingent Liabilities and Contingent Assets | Complied * |
| 20 | 38 | Intangible Assets | Complied |
| 21 | 40 | Investment Property | Not Applicable |
| 22 | 41 | Agriculture | Not Applicable |

| Sl. No. | IFRS No. | IFRS Title | Compliance Status |
|---------|----------|--|-------------------|
| 1 | 1 | First-time Adoption of International Financial Reporting Standards | Not Applicable |
| 2 | 2 | Share-based Payment | Not Applicable |
| 3 | 3 | Business Combinations | Complied |
| 4 | 5 | Non-current Assets Held for Sale and Discontinued Operations | Complied |
| 5 | 6 | Exploration for and Evaluation of Mineral | Not Applicable |
| 6 | 7 | Financial Instruments: Disclosures | Complied * |
| 7 | 8 | Operating Segments | Complied |
| 8 | 9 | Financial Instruments | Complied * |
| 9 | 10 | Consolidated Financial Statements | Complied |
| 10 | 11 | Joint Arrangements | Not Applicable |
| 11 | 12 | Disclosure of Interests in Other Entities | Not Applicable |
| 12 | 13 | Fair Value Measurement | Complied |
| 13 | 14 | Regulatory Deferral Accounts | Not Applicable |
| 14 | 15 | Revenue from Contracts with Customers | Complied |
| 15 | 16 | Leases | Complied |
| 16 | 17 | Insurance Contracts | Not Applicable |

*Subject to departure disclosed in note no. 2.1.

2.30. Director's Responsibilities on Financial Statement

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards (IASs), The Banking Companies Act, 1991, The Companies Act, 1994, Financial reporting Act, 2015 and other related laws and regulations pertaining to the financial statement.

The Board of Directors accept their responsibility for the preparation and fair presentation of these financial statements.

2.31. Reporting Period

The Financial Statements cover one calendar period from 01 January to 30 September 2023.

2.32. Events after the Reporting Period

Events after the Reporting Period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. The adjusting events are those that provide evidence of conditions that existed at the end of the reporting period and non-adjusting events are those that are indicative of conditions that arose after the reporting period. The non-adjusting events require disclosure in the notes to the Financial Statements considering their materiality.

2.33. General Information

- Figures appearing in these financial statements have been rounded off to the nearest Taka.
- Figures of previous year have been rearranged wherever necessary to conform to current year's presentation.

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

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

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

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

| | | 30.09.2023 Taka | 31.12.2022 Taka |
|--|---------------------|-------------------------------------|-----------------------|
| 3. Consolidated Cash in Hand (Including Foreign Currencies) | | | |
| Shahjalal Islami Bank PLC. | (Note-3a) | 2,216,469,790 | 2,399,102,842 |
| Shahjalal Islami Bank Securities Ltd. | | - | - |
| | | <u>2,216,469,790</u> | <u>2,399,102,842</u> |
| 3a Cash in Hand of the Bank (including Foreign Currencies) | | | |
| In Local Currencies | | 2,198,995,208 | 2,382,419,040 |
| In Foreign Currencies | (Note-3a.1) | 17,474,582 | 16,683,802 |
| | | <u>2,216,469,790</u> | <u>2,399,102,842</u> |
| 3a.1 In Foreign Currencies | | | |
| Foreign Currency | Amount in FC | Exchange Rate (Mid Rate) | |
| USD | 155,364.00 | 110.5000 | 17,167,722 |
| GBP | - | 134.2023 | - |
| Euro | 2,628.75 | 116.7322 | 306,860 |
| | | | <u>17,474,582</u> |
| 4. Consolidated Balance with Bangladesh Bank and its agent bank(s) | | | |
| Shahjalal Islami Bank PLC. | (Note-4a) | 20,224,673,501 | 14,924,287,024 |
| Shahjalal Islami Bank Securities Ltd. | | - | - |
| | | <u>20,224,673,501</u> | <u>14,924,287,024</u> |
| 4a Balance with Bangladesh Bank and its agent bank(s) (including Foreign Currencies) | | | |
| Balance with Bangladesh Bank | | | |
| In Local Currencies | | 10,309,861,084 | 12,073,949,882 |
| In Foreign Currencies | | 9,870,880,982 | 2,634,723,609 |
| | | <u>20,180,742,066</u> | <u>14,708,673,491</u> |
| Balance with Sonali Bank PLC. as agent of Bangladesh Bank | | | |
| In Local Currencies | | 43,931,435 | 215,613,533 |
| In Foreign Currencies | | - | - |
| | | <u>43,931,435</u> | <u>215,613,533</u> |
| | | <u>20,224,673,501</u> | <u>14,924,287,024</u> |
| 4a.1 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) Requirements | | | |
| Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with Section 33 of the Banking Companies Act, 1991 (as amended up to date) and subsequent Circular No. 02 dated 10 December 2013 and MPD Circular No. 03 dated 09 April 2020. | | | |
| 4a.2 Cash Reserve Ratio (CRR): 4.00% of Average Demand and Time Liabilities | | | |
| Required Reserve | | 9,977,663,000 | 9,741,332,000 |
| Actual Reserve held with Bangladesh Bank (in Local Currencies)* | | 10,287,036,723 | 12,158,133,622 |
| CRR Surplus | | <u>309,373,723</u> | <u>2,416,801,622</u> |
| Maintained (%) | | 4.12% | 4.99% |
| *Actual Reserve held with Bangladesh Bank (in Local Currencies) reported as per the statement of Bangladesh Bank. Minimum requirement of Daily Cash Reserve Ratio (CRR) has been maintained throughout the year. | | | |
| 4a.3 Statutory Liquidity Ratio (SLR): 5.50% of Average Demand and Time Liabilities | | | |
| Required Reserve | | 13,723,087,000 | 13,452,567,000 |
| Actual Reserve held | (Note-4a.4) | 29,209,684,947 | 31,171,427,996 |
| SLR Surplus | | <u>15,486,597,947</u> | <u>17,718,860,996</u> |
| Maintained (%) | | 11.71% | 12.74% |
| 4a.4 Components of Statutory Liquidity Ratio | | | |
| Cash in Hand | (Note-3a) | 2,216,469,790 | 2,399,102,842 |
| Balance with Sonali Bank PLC. as agent of Bangladesh Bank | (Note-4a) | 43,931,435 | 215,613,533 |
| Excess CRR | (Note-4a.2) | 309,373,723 | 2,416,801,622 |
| Bangladesh Government Islamic Investment Bond | (Note-7a) | 1,500,000,000 | 1,000,000,000 |
| Bangladesh Government Investment Sukuk (BGIS) | (Note-7a) | 24,639,910,000 | 24,639,910,000 |
| Refinance Fund (with Bangladesh Bank) | (Note-6a.1) | 500,000,000 | 500,000,000 |
| | | <u>29,209,684,947</u> | <u>31,171,427,996</u> |
| 5. Consolidated Balance with Other Banks and Financial Institutions | | | |
| Inside Bangladesh | | | |
| Shahjalal Islami Bank PLC. | (Note-5a.1) | 5,280,935,262 | 2,192,462,827 |
| Shahjalal Islami Bank Securities Ltd. | | 380,050,661 | 343,641,221 |
| | | 5,660,985,923 | 2,536,104,048 |
| Less: Inter Company Transaction | | 344,828,071 | 319,707,359 |
| | | <u>5,316,157,852</u> | <u>2,216,396,689</u> |

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FAD, Head Office, Dhaka

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

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Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

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Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

| | | 30.09.2023 Taka | 31.12.2022 Taka |
|---|-------------|----------------------|----------------------|
| Outside Bangladesh | | | |
| Shahjalal Islami Bank PLC. | (Note-5a.2) | 3,357,263,848 | 1,103,127,014 |
| Shahjalal Islami Bank Securities Ltd. | | - | - |
| | | <u>3,357,263,848</u> | <u>1,103,127,014</u> |
| | | <u>8,673,421,701</u> | <u>3,319,523,703</u> |
| 5a Balance with Other Banks and Financial Institutions of the Bank | | | |
| Inside Bangladesh | (Note-5a.1) | 5,280,935,262 | 2,192,462,827 |
| Outside Bangladesh | (Note-5a.2) | 3,357,263,848 | 1,103,127,014 |
| | | <u>8,638,199,111</u> | <u>3,295,589,841</u> |
| 5a.1 Inside Bangladesh | | | |
| Current Account | | | |
| Sonali Bank PLC. (other than as agent of Bangladesh Bank) | | 68,552,263 | 232,891,294 |
| National Bank Limited (Narayanganj Branch) | | 2,489 | 2,834 |
| Standard Chartered Bank (Uttara Branch) | | 28,625,237 | 20,346,415 |
| Agrani Bank PLC. (Islami Banking Wing) | | 143,241 | 11,963,186 |
| Offshore Banking Unit | | 10,965,898 | 60,249,402 |
| | | <u>108,289,128</u> | <u>325,453,131</u> |
| Less: Offshore Banking Unit | | 10,965,898 | 60,249,402 |
| | | <u>97,323,230</u> | <u>265,203,729</u> |
| Mudaraba Special Notice Deposit | | | |
| Export Import Bank of Bangladesh Limited | | 2,042,657 | 23,423,460 |
| Trust Bank Limited (Dilkusha Corporate Branch) | | 19,010,073 | 14,921,577 |
| Prime Bank Limited (Islami Banking Branch) | | 364,546 | 1,001,041,150 |
| Social Islami Bank Limited | | 4,196,767 | 12,838,172 |
| Agrani Bank PLC. (Islami Banking Wing) | | 136,781,990 | 249,774,582 |
| AB Bank Limited (Islami Banking Branch) | | 24,827 | 25,594 |
| Jamuna Bank PLC. (Naya Bazar Islami Banking Branch) | | 3,133,941 | 544,871 |
| Bank Alfalah (Islami Banking Branch) | | 2,760,825 | 2,759,330 |
| Al-Arafah Islami Bank Limited | | 6,472,287 | 14,901,571 |
| Southeast Bank Limited (Islami Banking Branch) | | 1,400,171,337 | 18,126,028 |
| The City Bank Limited (Islamic Banking Branch) | | 5,771,963 | 5,759,614 |
| Islami Bank Bangladesh PLC. | | 18,121,217 | 6,127,902 |
| Mercantile Bank PLC. (Islami Wing Main Branch) | | 94,775 | 96,845 |
| Premier Bank PLC. (Mohakhali Branch-Islami Banking Wing) | | 421,611 | 57,619 |
| Dhaka Bank Limited (Islami Banking Branch) | | 2,581,318,148 | 509,143,194 |
| Midland Bank Limited (Gulshan Branch) | | 1,510,583 | 8,515,175 |
| United Commercial Bank PLC. (Islami Banking Branch) | | 843,860 | 50,251,507 |
| Mutual Trust Bank Limited (Gulshan Branch) | | 521,596 | 8,908,800 |
| National Credit and Commerce Bank Ltd-Islamic Banking Branch Gulshan | | 1,000,000,000 | - |
| | | <u>5,183,563,004</u> | <u>1,927,216,989</u> |
| Mudaraba Savings Deposit | | | |
| Social Islami Bank Limited | | 18,587 | 13,052 |
| Al-Arafah Islami Bank Limited | | 15,061 | 14,903 |
| Islami Bank Bangladesh PLC. | | 15,381 | 14,154 |
| | | <u>49,029</u> | <u>42,109</u> |
| | | <u>5,280,935,262</u> | <u>2,192,462,827</u> |

5a.2 Outside Bangladesh (Nostro Accounts) [as at 30 September 2023]

| Current Account | Currency | F.C.Amount | Rate | Amount in Taka |
|--------------------------------------|----------|--------------|----------|----------------|
| Standard Chartered Bank, NY | USD | 3,167,874.75 | 110.5000 | 350,050,160 |
| Mashreq Bank PSC, NY | USD | 1,459,769.37 | 110.5000 | 161,304,515 |
| Standard Chartered Bank, Mumbai | USD | 222,198.53 | 110.5000 | 24,552,938 |
| Habib American Bank, USA | USD | 1,788,505.68 | 110.5000 | 197,629,878 |
| ICICI Bank, Hong Kong | USD | 250,897.06 | 110.5000 | 27,724,125 |
| WACHOVIA BANK, NY, USA | USD | 757,448.22 | 110.5000 | 83,698,028 |
| Commerzbank AG Frankfurt | USD | 2,744,670.19 | 110.5000 | 303,286,056 |
| Bank Aljazira | USD | 770.80 | 110.5000 | 85,173 |
| JPMorgan Chase Bank N.A., NY, USA | USD | 3,565,669.08 | 110.5000 | 394,006,433 |
| Citibank N.A., NY, USA | USD | 2,437,433.67 | 110.5000 | 269,336,421 |
| AB Bank Ltd. Mumbai | ACUD | 138,298.01 | 110.5000 | 15,281,930 |
| Standard Chartered Bank, Mumbai | ACUD | 72,352.15 | 110.5000 | 7,994,913 |
| Standard Chartered Bank, Colombo | ACUD | 7,952.01 | 110.5000 | 878,697 |
| ICICI Bank, Mumbai | ACUD | 355,068.06 | 110.5000 | 39,235,021 |
| Habib Metropolitan Bank Ltd. | ACUD | 13,323.87 | 110.5000 | 1,472,288 |
| United Bank of India, Kolkata | ACUD | 300,563.18 | 110.5000 | 33,212,231 |
| Sonali Bank Ltd. ACU, Kolkata | ACUD | 75,348.71 | 110.5000 | 8,326,032 |
| Bank of Bhutan Ltd. Main Branch | ACUD | 10,186.19 | 110.5000 | 1,125,574 |
| AXIS Bank Ltd. India | ACUD | 284,350.19 | 110.5000 | 31,420,696 |
| MCB Bank Limited | ACUD | 189,589.39 | 110.5000 | 20,949,628 |
| HDFC Bank Ltd., Mumbai | ACUD | 46,745.98 | 110.5000 | 5,165,431 |
| Nabil Bank Limited, Kathmandu, Nepal | ACUD | 11,575.19 | 110.5000 | 1,279,059 |
| Standard Chartered Bank, Frankfurt | EURO | 2,028,772.06 | 116.7322 | 236,823,026 |

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Shahjalal Islami Bank PLC

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Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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| Current Account | Currency | F.C. Amount | Rate | Amount in Taka |
|------------------------------------|----------|--------------|----------|----------------------|
| Commerzbank AG | EURO | 1,715,831.15 | 116.7322 | 200,292,745 |
| Wells Fargo Bank, N. A. London, UK | EURO | 6,195,040.36 | 116.7322 | 723,160,690 |
| JPMorgan Chase AG, Frankfurt | EURO | 961,863.03 | 116.7322 | 112,280,388 |
| Standard Chartered Bank, Tokyo | YEN | 2,495,874.52 | 0.7417 | 1,851,190 |
| Habib Bank AG Zurich | CHF | 14,813.61 | 120.5634 | 1,785,979 |
| ICICI Bank, Canada | CAD | 6,061.20 | 81.7646 | 495,592 |
| Bank Aljazira, KSA | SAR | 1,191,466.49 | 29.4840 | 35,129,198 |
| Riyad Bank, KSA | SAR | 1,433,341.37 | 29.4840 | 42,260,637 |
| Standard Chartered Bank, London | GBP | 81,321.31 | 134.2023 | 10,913,507 |
| JPMorgan Chase Bank N.A., London | GBP | 2,148.36 | 134.2023 | 288,315 |
| Mashreq Bank PSC, UAE | AED | 384,081.24 | 30.0852 | 11,555,161 |
| Emirates Islamic Bank PJSC, Dubai | AED | 10,728.00 | 30.0852 | 322,754 |
| Standard Chartered Bank, China | CNY | 138,067.27 | 15.1335 | 2,089,441 |
| | | | | 3,357,263,848 |

Currency-wise Distribution:

Foreign Currency

USD
ACUD
EURO
YEN
CHF
CAD
SAR
GBP
AED
CNY

| Amount in Taka | Composition |
|----------------------|-------------|
| 1,811,673,727 | 53.96% |
| 166,341,499 | 4.95% |
| 1,272,556,849 | 37.90% |
| 1,851,190 | 0.06% |
| 1,785,979 | 0.05% |
| 495,592 | 0.01% |
| 77,389,835 | 2.31% |
| 11,201,822 | 0.33% |
| 11,877,915 | 0.35% |
| 2,089,441 | 0.06% |
| 3,357,263,848 | 100% |

Please see Annexure-C for detailed comparative statement of 30 September 2023 & 31 December 2022 of foreign currency amount and rate thereof.

- 5a.3 In accordance with Bangladesh Bank Foreign Exchange Policy Department, Circular Letter No. FEPD (FEMO)/01/2005-677 dated 13 September 2005, the quarterly review of Nostro Accounts for the quarter ended 30 September 2023 reflect the true state of the Nostro Account entries recorded correctly and after review a separate audit certificate has also been given by the Auditor. The status of all outstanding unmatched entries is given below:

As at 30 September 2023

Up to 3 months
More than 03 months but less than 06 months
More than 06 months but less than 09 months
More than 09 months but less than 12 months
More than 12 months

| As per Bank's Book | | | | As per Correspondents' Book | | | |
|--------------------|------------------|----------------|-------------------|-----------------------------|------------------|----------------|-------------------|
| Debit Entries | | Credit Entries | | Debit Entries | | Credit Entries | |
| No. | Amount | No. | Amount | No. | Amount | No. | Amount |
| 11 | 4,893,607 | 391 | 11,609,907 | 85 | 9,951,873 | 628 | 34,502,794 |
| | - | | - | | - | | - |
| | - | | - | | - | | - |
| | - | | - | | - | | - |
| | - | | - | | - | | - |
| 11 | 4,893,607 | 391 | 11,609,907 | 85 | 9,951,873 | 628 | 34,502,794 |

As at 31 December 2022

Up to 3 months
More than 03 months but less than 06 months
More than 06 months but less than 09 months
More than 09 months but less than 12 months
More than 12 months

| As per Bank's Book | | | | As per Correspondents' Book | | | |
|--------------------|------------------|----------------|------------------|-----------------------------|------------------|----------------|-------------------|
| Debit Entries | | Credit Entries | | Debit Entries | | Credit Entries | |
| No. | Amount | No. | Amount | No. | Amount | No. | Amount |
| 9 | 1,359,364 | 279 | 8,787,742 | 18 | 1,203,402 | 391 | 22,184,753 |
| | - | | - | | - | | - |
| | - | | - | | - | | - |
| | - | | - | | - | | - |
| | - | | - | | - | | - |
| 9 | 1,359,364 | 279 | 8,787,742 | 18 | 1,203,402 | 391 | 22,184,753 |

| 30.09.2023 | 31.12.2022 |
|------------|------------|
| Taka | Taka |

5a.4 Maturity-wise groupings of Balance with Other Banks and Financial Institutions

On Demand
Not more than 03 months
More than 03 months but less than 01 year
More than 01 year but less than 05 years
More than 05 years

| | |
|----------------------|----------------------|
| 97,327,642 | 265,207,519 |
| 8,540,871,468 | 3,030,382,322 |
| - | - |
| - | - |
| 8,638,199,111 | 3,295,589,841 |

6. Consolidated Placement with Other Banks & Financial Institutions

Shahjalal Islami Bank PLC.
Shahjalal Islami Bank Securities Ltd.

(Note-6a)

| | |
|-----------------------|-----------------------|
| 24,726,017,716 | 21,276,957,716 |
| - | - |
| 24,726,017,716 | 21,276,957,716 |

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LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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| | | 30.09.2023 Taka | 31.12.2022 Taka |
|--|--------------|-----------------------|-----------------------|
| 6a Placement with Other Banks & Financial Institutions of the Bank | | | |
| Placement with Other Banks | (Note-6a.1) | 19,671,017,716 | 19,221,957,716 |
| Placement with Financial Institutions | (Note-6a.2) | 5,055,000,000 | 2,055,000,000 |
| | | 24,726,017,716 | 21,276,957,716 |
| 6a.1 Placement with other Banks | | | |
| <i>Mudaraba Term Deposits-Other Banks</i> | | | |
| ICB Islamic Bank Limited | | 311,017,716 | 311,017,716 |
| Export Import Bank of Bangladesh Limited | | 4,260,000,000 | 3,750,000,000 |
| Bangladesh Bank (Refinance Fund) | | 500,000,000 | 500,000,000 |
| Al-Arafah Islami Bank Limited | | 1,800,000,000 | 5,965,940,000 |
| Agrani Bank PLC. (Islami Banking Wing) | | 1,300,000,000 | 1,800,000,000 |
| Jamuna Bank PLC. (Islami Banking Branch) | | 3,000,000,000 | 1,500,000,000 |
| Pubali Bank PLC. (Islami Banking Wing) | | 1,500,000,000 | 1,400,000,000 |
| ONE Bank Ltd (Islami Banking Branch) | | 1,000,000,000 | 500,000,000 |
| Standard Bank Limited | | 2,000,000,000 | 500,000,000 |
| The Premier Bank PLC. (Islami Banking Wing) | | 2,000,000,000 | - |
| National Credit and Commerce Bank Limited (Islami Banking Branch) | | 2,000,000,000 | - |
| Social Islami Bank Limited | | - | 2,695,000,000 |
| Midland Bank Ltd. (Islami Banking Window) | | - | 300,000,000 |
| | | 19,671,017,716 | 19,221,957,716 |
| 6a.2 Placement with Financial Institutions | | | |
| <i>Mudaraba Term Deposits-Financial Institutions</i> | | | |
| Lanka Bangla Finance Limited | | - | 500,000,000 |
| Industrial and Infrastructure Development Finance Company Limited | | 135,000,000 | 135,000,000 |
| Union Capital Limited | | 250,000,000 | 250,000,000 |
| Phoenix Finance & Investments Limited | | 370,000,000 | 370,000,000 |
| Premier Leasing International Limited | | 300,000,000 | 300,000,000 |
| IDLC Finance Limited | | 2,000,000,000 | 500,000,000 |
| Delta Brac Housing Finance Corporation Limited | | 2,000,000,000 | - |
| | | 5,055,000,000 | 2,055,000,000 |
| | | 24,726,017,716 | 21,276,957,716 |
| 6a.3 Maturity-wise groupings of Placement with Other Banks and Financial Institutions | | | |
| On Demand | | - | - |
| Not more than 03 months | | 24,415,000,000 | 20,965,940,000 |
| More than 03 months but not more than 01 year | | - | - |
| More than 01 year but not more than 05 years | | 311,017,716 | 311,017,716 |
| More than 05 years | | - | - |
| | | 24,726,017,716 | 21,276,957,716 |
| 7. Consolidated Investments in Shares & Securities | | | |
| Government | | | |
| Shahjalal Islami Bank PLC. | (Note-7a.i) | 26,139,910,000 | 25,639,910,000 |
| Shahjalal Islami Bank Securities Ltd. | | - | - |
| | | 26,139,910,000 | 25,639,910,000 |
| Others | | | |
| Shahjalal Islami Bank PLC. | (Note-7a.ii) | 7,818,512,566 | 7,846,594,135 |
| Shahjalal Islami Bank Securities Ltd. | | 2,135,940,242 | 2,139,518,584 |
| | | 9,954,452,807 | 9,986,112,719 |
| | | 36,094,362,807 | 35,626,022,719 |
| 7a Investments in Shares & Securities of the Bank | | | |
| i) Government | | | |
| Bangladesh Government Islamic Investment Bond (BGIIIB) | (Note-7a.2) | 1,500,000,000 | 1,000,000,000 |
| Bangladesh Government Investment Sukuk (BGIS) | (Note-7a.3) | 24,639,910,000 | 24,639,910,000 |
| | | 26,139,910,000 | 25,639,910,000 |
| ii) Others | | | |
| Mudaraba Perpetual Bond | (Note-7a.4) | 1,527,284,492 | 1,527,284,492 |
| Mudaraba Subordinated Bond | (Note-7a.5) | 2,880,000,000 | 2,980,000,000 |
| Beximco Green Sukuk Al Istisna'a | | 663,476,100 | 903,029,100 |
| Investments in Shares & Securities | (Note-7a.6) | 2,747,751,974 | 2,436,280,544 |
| | | 7,818,512,566 | 7,846,594,135 |
| | | 33,958,422,566 | 33,486,504,135 |

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Shahjalal Islami Bank PLC

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Managing Director & CEO
Shahjalal Islami Bank
L I M I T E D
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Nasimul Baten
Managing Director & CEO
DBH Finance PLC.
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| | 30.09.2023 Taka | 31.12.2022 Taka |
|---|-----------------------|-----------------------|
| 7a.1 Maturity-wise groupings of Investments in Shares & Securities | | |
| On Demand | - | - |
| Not more than 03 months | 1,900,000,000 | 1,000,000,000 |
| More than 03 months but less than 01 year | 4,938,512,566 | 5,366,594,135 |
| More than 01 year but less than 05 years | 27,119,910,000 | 27,119,910,000 |
| More than 05 years | - | - |
| | 33,958,422,566 | 33,486,504,135 |
| 7a.2 Bangladesh Bank introduced Mudaraba Bond named "Bangladesh Government Islamic Investment Bond (Islamic Bond)" in September 2004 on behalf of the Government to facilitate Islamic Banks and Financial Institutions. Investment in this fund is considered as a component of Statutory Liquidity Ratio (SLR). | | |
| The mobilized fund from Islamic Bond is invested by Bangladesh Bank and a portion of realized profit is distributed among the bondholders as per mudaraba principle of Islamic Shariah on the basis of the tenor of the bond. So the rate of return from Islamic Bond is dependent on fund deployment of Bangladesh Bank which is not prefixed. | | |
| 7a.3 Sukuk is an Islamic financial certificate, similar to a conventional bond, and structured to generate returns in compliance with Islamic finance principles. The government raised the fund through issuing the Bangladesh Government Investment Sukuk (BGIS) in December 2020 & June 2021 for Tk. 80 billion for implementation of a water-supply project titled "Safe Water Supply for the Whole Country" @4.69% for 5 years' tenure and in December 2021 for Tk. 50 billion for a project titled "Need Based Infrastructure Development of Government Primary School Project (1st Phase)" @4.65% for 5 years' tenure. SIBL, in view of diversifying its investment portfolio, maintaining Statutory Liquidity Ratio (SLR) requirement as well as pile up Stock of High Quality Liquidity Assets, participated in all 03 (three) auctions and received an allocation for investment of (i) in December 2020 Tk. 369.56 crore (Taka three hundred sixty-nine crore and fifty-six lac only) fixed rental rate @4.69% per annum (ii) in June 2021 Tk. 496.20 crore (Taka four hundred ninety-six crore and twenty lac only) fixed rental rate @4.69% per annum and (iii) in December 2021 Tk. 614.01 crore (Taka six hundred fourteen crore and one lac only) fixed rental rate @4.65% per annum (iv) in April 2022 Tk. 984.22 crore (Taka nine hundred eighty four crore and twenty two lac only) fixed rental rate @4.75% per annum. | | |
| 7a.4 Mudaraba Perpetual Bond | | |
| Islami Bank Bangladesh Ltd. | 1,077,284,492 | 1,077,284,492 |
| Al-Arafah Islami Bank Ltd. | 450,000,000 | 450,000,000 |
| | 1,527,284,492 | 1,527,284,492 |
| 7a.5 Mudaraba Subordinated Bond | | |
| SIBL Mudaraba Subordinated Bond | - | 100,000,000 |
| IBBL Mudaraba Subordinated Bond | 400,000,000 | 400,000,000 |
| IBBL 3rd Mudaraba Subordinated Bond | 1,480,000,000 | 1,480,000,000 |
| AIBL 3rd Mudaraba Subordinated Bond | 1,000,000,000 | 1,000,000,000 |
| | 2,880,000,000 | 2,980,000,000 |
| 7a.6 Investments in Shares & Securities (at cost) | | |
| Quoted | | |
| The ACME Laboratories Limited | 49,116,095 | 29,077,594 |
| Active Fine Chemicals Ltd. | 60,709,192 | 60,709,192 |
| Aftab Automobiles Limited | 72,694,437 | 72,694,437 |
| AIBL 1st Islamic Mutual Fund | 72,762,501 | 72,762,501 |
| Dhaka Electric Supply Company Ltd. | 125,754,826 | 125,754,826 |
| Export Import Bank of Bangladesh Limited | 158,148,898 | 158,148,898 |
| Generation Next Fashions Limited | 25,741,813 | 25,741,813 |
| Meghna Petroleum Limited | 133,872,759 | 133,872,759 |
| RAK Ceramics (Bangladesh) Limited | 49,814,878 | 49,814,878 |
| Square Textile Ltd. | 82,481,825 | 82,481,825 |
| The Dacca Dyeing & Mfg. Co. Limited | 102,948,339 | 102,948,339 |
| Titas Gas Transmission and Distribution Co. Ltd. | 240,881,514 | 240,881,514 |
| Prime Islami Life Insurance Ltd. | 41,170,671 | 55,501,667 |
| Singer Bangladesh Limited | 88,910,881 | 88,910,881 |
| Olympic Industries Ltd. | - | 37,182,109 |
| Square Pharmaceuticals Ltd. | 188,977,997 | 157,304,920 |
| The IBN SINA Pharmaceutical Industry Ltd. | 31,346,168 | 31,346,168 |
| MJL Bangladesh Limited | 82,688,225 | 86,720,740 |
| Silva Pharmaceuticals Limited | 48,788,156 | 48,788,156 |
| Robi Axiata Limited | 142,756,117 | 142,756,117 |
| Linde Bangladesh Ltd. | 75,143,517 | 75,143,517 |
| Power Grid Company of Bangladesh Ltd. | 123,322,659 | 123,322,659 |
| Lub-rref (Bangladesh) Limited | 69,212,179 | 69,212,179 |
| Mir Akhter Hossain Limited | 87,290,575 | 76,305,125 |
| ACI Limited | 44,635,402 | 44,635,402 |
| ACI Formulations Limited | 83,299,090 | 51,172,892 |
| Agni Systems Ltd. | 21,708,633 | 23,470,246 |
| Grameenphone Ltd. | 9,177,813 | 9,177,813 |
| Apex Tannery Limited | 13,619,478 | 13,619,478 |
| BSRM Steels Limited | 6,666,609 | 6,666,609 |
| Crown Cement PLC. | 33,221,721 | 33,424,707 |
| Energypac Power Generation Limited | 29,171,775 | 29,171,775 |
| Global Islami Bank Limited | 13,173,670 | 13,173,670 |
| IPAD Autos Limited | 24,142,177 | 24,142,177 |
| Islami Commercial Insurance Company Limited | - | 87,980 |
| Union Bank Limited | - | 25,711,347 |
| Apex Footwear Limited | 11,601,734 | - |
| IT Consultants Limited | 11,608,277 | - |
| LafargeHolcim Bangladesh Limited | 70,282,018 | - |
| Summit Alliance Pore Limited | 48,240,857 | - |

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

Agricultural Marketing Company Ltd. (Pran)
Aamra Technologies Limited
BDCOM Online Ltd.
ADN Telecom Limited
Bashundhara Paper Mills Limited
JMI Hospital Requisite Manufacturing Limited
MK Footwear PLC
LankaBangla Securities Limited
Union Bank Limited
i) Total

Un-Quoted

Lanka Bangla Securities Ltd.
Investment A/C - SWIFT Membership Share
CWT - Community Bank Shariah Fund
ii) Total

Grand Total

Please see Annexure-A for details regarding unrealised gain/(loss).

| 30.09.2023 Taka | 31.12.2022 Taka |
|----------------------|----------------------|
| 16,586,180 | - |
| 6,642,625 | - |
| 16,096,548 | - |
| 13,232,555 | - |
| 28,595,419 | - |
| 29,492,070 | - |
| 90,300 | - |
| 4,999,989 | - |
| 25,711,346 | - |
| 2,716,530,508 | 2,421,836,907 |
| - | 5,000,000 |
| 11,221,466 | 9,443,636 |
| 20,000,000 | - |
| 31,221,466 | 14,443,636 |
| 2,747,751,974 | 2,436,280,543 |

8. Consolidated Investments

Shahjalal Islami Bank PLC.
Shahjalal Islami Bank Securities Ltd.

(Note-8a)

Less: Inter Company Transaction

| | |
|------------------------|------------------------|
| 219,506,215,114 | 220,328,259,077 |
| 4,262,977,478 | 4,892,987,792 |
| 223,769,192,592 | 225,221,246,870 |
| 1,751,970,436 | 2,260,530,757 |
| 222,017,222,156 | 222,960,716,113 |

Bills Purchased and Discounted

Shahjalal Islami Bank PLC.
Shahjalal Islami Bank Securities Ltd.

(Note-8a)

| | |
|------------------------|------------------------|
| 10,728,309,543 | 16,901,718,515 |
| 10,728,309,543 | 16,901,718,515 |
| 232,745,531,699 | 239,862,434,627 |

8a Investments of the Bank

Country-wise Classification of Investments:

Inside Bangladesh

Gross Murabaha, Bai-Muajjal etc.

Less: Profit receivable on Murabaha, Bai-Muajjal etc. (Mark-up profit or unearned income)

Net Murabaha, Bai-Muajjal etc.

Net Bills Purchased and Discounted

Outside Bangladesh

(Note-8a.2)

| | |
|------------------------|------------------------|
| 227,555,852,831 | 227,474,272,633 |
| 8,049,637,717 | 7,146,013,556 |
| 219,506,215,114 | 220,328,259,077 |
| 10,728,309,543 | 16,901,718,515 |
| 230,234,524,657 | 237,229,977,592 |

As per letter # 178/FRC/APR/2021/27(45) dated 09 December 2021 issued by the Financial Reporting Council (FRC) regarding the compliance of BRPD Circular Letter # 04 dated 04 January 2021 and BRPD Circular Letter # 35 dated 06 July 2021, the current status of the Bank is as follows:

| Particulars | Compliance of BRPD Circular Letter # 04* | | Compliance of BRPD Circular Letter # 35** | |
|----------------|--|-----------------|---|-----------------|
| | No. of Files | % of Compliance | No. of Files | % of Compliance |
| Complied Files | 407 | 84% | 407 | 100% |
| Total Files | 485 | | 407 | |

* BRPD Circular Letter # 04: Regarding the collection of audited financial statements and statutory audit report for sanctioned/renewed investments.

** BRPD Circular Letter # 35: Regarding the verification of audited financial statements through Document Verification System (DVS) developed by ICAB.

8a.1 Maturity-wise Classification of Investments

With a residual maturity of:

Re-payable on Demand

Not more than 03 months

Over 03 months but not more than 01 year

Over 01 year but not more than 05 years

Over 05 years

| | |
|------------------------|------------------------|
| 56,407,458,541 | 54,562,894,846 |
| 36,837,523,945 | 49,818,295,294 |
| 51,802,768,048 | 54,562,894,846 |
| 36,837,523,945 | 26,095,297,535 |
| 48,349,250,178 | 52,190,595,070 |
| 230,234,524,657 | 237,229,977,592 |

8a.2 Bills Purchased and Discounted

Payable inside Bangladesh

Payable outside Bangladesh

Gross Bills Purchased and Discounted

Less: Profit receivable on Bills Purchased and Discounted

Net Bills Purchased and Discounted

| | |
|-----------------------|-----------------------|
| 4,559,920,312 | 4,555,763,536 |
| 6,510,326,026 | 12,657,424,310 |
| 11,070,246,338 | 17,213,187,847 |
| 341,936,795 | 311,469,332 |
| 10,728,309,543 | 16,901,718,515 |

8a.3 Maturity-wise Classification of Bills Purchased and Discounted

Re-payable:

Within 01 month

Over 01 month but less than 03 months

Over 03 months but less than 06 months

06 months or more

| | |
|-----------------------|-----------------------|
| 2,196,084,963 | 3,459,781,780 |
| 3,060,786,713 | 4,822,060,292 |
| 2,227,197,061 | 3,508,796,764 |
| 3,244,240,806 | 5,111,079,679 |
| 10,728,309,543 | 16,901,718,515 |

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8a.4 Investments on the basis of significant concentration

Investments to allied concern of Directors
Investments to Executives/Officers
Investments to Customer Groups
Industrial Investments
Others

(Note-53.5)

| 30.09.2023 Taka | 31.12.2022 Taka |
|------------------------|------------------------|
| 2,082,773,162 | 2,712,444,495 |
| 2,224,308,080 | 2,224,379,061 |
| 76,753,993,297 | 83,125,746,944 |
| 149,167,149,386 | 149,167,149,386 |
| 6,300,732 | 257,706 |
| 230,234,524,657 | 237,229,977,592 |

Investments allowed to single person/counterparty or a group which is equal to or greater than 10% of Bank's total capital:

| | | |
|---|----------------------|--------------------|
| Total outstanding amount to such customers at end of the year | : 105,644.21 million | 107,761.41 million |
| Number of such types of customers | : 19 | 23 |
| Amount of Classified Investments thereon | : Nil | Nil |
| Measures taken for recovery | : Not applicable | Not applicable |

The amount represents the sum of total investments (both Funded and Non-Funded) to single person/counterparty or a group equal to or greater than Tk. 3,355.57 million which is computed @ 10% and above of total capital of the bank, i.e. Tk. 35,355.73 million (Note-17.5.c) as at 30 September 2023.

For details, please refer to Annexure-D.

8a.5 Sector-wise Classification of Investments

| Sector | As at 30 September 2023 | | As at 31 December 2022 | |
|---|-------------------------|----------------|------------------------|----------------|
| | Amount | Composition | Amount | Composition |
| Agriculture & Fishing | 2,064,368,582 | 0.90% | 3,750,070,867 | 1.58% |
| Cotton & Textile | 17,714,321,896 | 7.69% | 19,698,236,300 | 8.30% |
| Garments | 47,183,935,489 | 20.49% | 53,779,166,142 | 22.67% |
| Cement | 5,551,879,710 | 2.41% | 1,973,238,650 | 0.83% |
| Pharmaceuticals & Chemicals | 9,550,386,635 | 4.15% | 7,198,057,346 | 3.03% |
| Real Estate | 10,155,446,280 | 4.41% | 8,303,793,964 | 3.50% |
| Transport | 2,929,002,346 | 1.27% | 3,064,912,499 | 1.29% |
| Information Technology | 828,414,168 | 0.36% | 700,689,623 | 0.30% |
| Non Banking Financial Institutions | 1,597,786,405 | 0.69% | 1,439,455,629 | 0.61% |
| Steel & Engineering | 9,756,658,624 | 4.24% | 8,403,069,265 | 3.54% |
| Food Processing & Beverage | 14,982,603,968 | 6.51% | 17,157,443,728 | 7.23% |
| Power & Energy | 6,511,816,423 | 2.83% | 7,780,171,632 | 3.28% |
| Paper & Paper Products | 1,728,974,529 | 0.75% | 1,743,874,720 | 0.74% |
| Plastic & Plastic Product | 7,793,764,577 | 3.39% | 7,206,031,728 | 3.04% |
| Electronics | 6,931,452,563 | 3.01% | 9,527,940,996 | 4.02% |
| Services Industries | 7,844,897,430 | 3.41% | 7,935,089,101 | 3.34% |
| Trading | 32,159,047,344 | 13.97% | 32,884,014,916 | 13.86% |
| Construction incl. Work Order Financing | 18,974,366,499 | 8.24% | 19,053,683,321 | 8.03% |
| Share business | 1,861,709,483 | 0.81% | 2,369,005,756 | 1.00% |
| Staff Investment | 2,224,308,080 | 0.97% | 2,224,379,061 | 0.94% |
| Others | 21,889,383,626 | 9.51% | 21,037,652,348 | 8.87% |
| Total | 230,234,524,657 | 100.00% | 237,229,977,592 | 100.00% |

Incompliance with Bangladesh Bank SMESPD circular No.-05 dated 14 August 2022; CMSME Cluster Financing position are as follow:

| Cluster's Category | Outstanding as on 30.09.2023 |
|--|---------------------------------|
| Agro/Food processing and Agri Machinery Manufacturing Clusters | 490,402,000 |
| Ready Made Garments (RMG), Knitwear, Design & Personal Wear Clusters | 3,054,291,000 |
| ICT Clusters | - |
| Leather & Leather goods Clusters | - |
| Light Engineering Clusters | 387,548,000 |
| Jute & Jute products Cluster | 26,855,000 |
| Total | 3,959,096,000 |

8a.6 Geographical Location-wise Investments

| Area | As at 30 September 2023 | | As at 31 December 2022 | |
|-------------------------------|-------------------------|-------------|------------------------|-------------|
| | Amount in Taka | Composition | Amount in Taka | Composition |
| i) Inside Bangladesh | | | | |
| a. In Urban Areas | | | | |
| Dhaka | 171,454,009,860 | 76.44% | 180,721,421,428 | 78.00% |
| Chattogram | 34,660,862,953 | 15.45% | 33,181,120,652 | 14.32% |
| Sylhet | 1,760,800,811 | 0.79% | 1,860,252,031 | 0.80% |
| Rajshahi | 5,717,395,970 | 2.55% | 4,972,513,864 | 2.15% |
| Rangpur | 1,459,255,280 | 0.65% | 2,313,755,717 | 1.00% |
| Khulna | 6,759,157,606 | 3.01% | 6,483,350,950 | 2.80% |
| Barishal | 831,740,154 | 0.37% | 858,564,534 | 0.37% |
| Mymensingh | 1,656,598,660 | 0.74% | 1,316,819,936 | 0.57% |
| Sub-total | 224,299,821,295 | 100% | 231,707,799,111 | 100% |
| b. In Rural Areas | | | | |
| Dhaka | 4,052,908,504 | 68.29% | 4,041,266,489 | 73.18% |
| Chattogram | 923,276,341 | 15.56% | 794,078,281 | 14.38% |
| Sylhet | 151,784,671 | 2.56% | 178,493,944 | 3.23% |
| Rajshahi | 107,934,240 | 1.82% | 100,589,164 | 1.82% |
| Khulna | 104,593,880 | 1.76% | 94,992,096 | 1.72% |
| Barishal | 317,607,649 | 5.35% | 96,574,816 | 1.75% |
| Mymensingh | 276,598,077 | 4.66% | 216,183,692 | 3.91% |
| Sub-total | 5,934,703,362 | 100% | 5,522,178,481 | 100% |
| ii) Outside Bangladesh | | | | |
| Total | 230,234,524,657 | 100% | 237,229,977,592 | 100% |

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LIMITED

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Managing Director & CEO
DBH Finance PLC.

8a.7 Mode-wise Investments

| | 30.09.2023 Taka | 31.12.2022 Taka |
|--|------------------------|------------------------|
| Mode of Investment | Amount in Taka | Amount in Taka |
| Bai-Murabaha | 11,888,763,558 | 12,959,610,066 |
| Bai-Muajjal | 111,779,900,671 | 101,324,554,561 |
| Hire Purchase Under Shirkatul Melk | 61,949,711,174 | 61,879,107,507 |
| Ijara | 2,065,582,368 | 1,539,262,884 |
| Bai-Salam | 5,717,162,437 | 6,675,877,286 |
| Mudaraba Import Bills | 6,598,562,624 | 12,596,679,940 |
| EDF/Murabaha Foreign Currency Investment | 23,764,312,488 | 34,623,526,812 |
| Quard | 1,740,230,124 | 843,569,533 |
| IDBP | 3,851,481,321 | 3,966,116,176 |
| FDBP | 374,126,263 | 338,922,398 |
| Islamic Credit Card Investment | 504,691,630 | 482,750,428 |
| Total | 230,234,524,657 | 237,229,977,592 |

8a.8 Grouping of Investments as per Classification Rules of Bangladesh Bank

| Status | As at 30 September 2023 | | As at 31 December 2022 | |
|---------------------------------------|-------------------------|----------------|------------------------|----------------|
| | Amount in Taka | Composition | Amount in Taka | Composition |
| Unclassified: | | | | |
| Standard (including Staff Investment) | 215,720,884,151 | 93.70% | 222,746,444,156 | 93.89% |
| Special Mention Account (SMA) | 3,315,374,031 | 1.44% | 3,150,706,866 | 1.33% |
| Sub-total | 219,036,258,182 | | 225,897,151,022 | |
| Classified | | | | |
| Substandard | 274,221,127 | 0.12% | 1,661,805,535 | 0.70% |
| Doubtful | 91,009,372 | 0.04% | 85,784,354 | 0.04% |
| Bad or Loss | 10,833,035,976 | 4.71% | 9,585,236,681 | 4.04% |
| Sub-total | 11,198,266,475 | | 11,332,826,570 | |
| Grand Total | 230,234,524,657 | 100.00% | 237,229,977,592 | 100.00% |

8a.9 Particulars of Provision for Investments

| Status | Basis for Provision | Rate | 30.09.2023 Taka | 31.12.2022 Taka |
|---|----------------------|--|----------------------|----------------------|
| Standard: | | | | |
| Unclassified (excluding Staff Investments) | 141,576,953,325 | 1% (ex. RSDL BB NOC) | 1,415,769,533 | 1,534,028,009 |
| Staff Investments | 2,224,308,080 | 0% | - | - |
| Consumer Financing (other than HF & LP) | 881,970,793 | 2% | 17,639,416 | 18,870,729 |
| Small & Medium Enterprise | 61,670,300,180 | 0.25% | 154,175,750 | 151,190,378 |
| Housing Finance (HF) | 7,199,602,942 | 1% | 71,996,029 | 30,329,134 |
| Loan for Professionals (LP) | 4,119,363 | 2% | 82,387 | 54,877 |
| Share Business | 1,755,203,372 | 1% | 17,552,034 | 45,210,615 |
| Short Term Agri Credit | 2,739,725 | 1% | 27,397 | 202,443 |
| Islamic Credit Card | 421,872,992 | 2% | 8,437,460 | 7,931,284 |
| SMA | 3,315,374,031 | | 16,116,921 | 13,876,999 |
| Special General Provision for "COVID-19" | | | 361,773,664 | 459,101,622 |
| Special Reschedule & One Time Exit | | | 262,784,842 | 308,837,303 |
| | | | 2,326,355,435 | 2,569,633,394 |
| Sub-standard | 72,805,378 | 20% & 5% (Agri, Cottage & Micro Credit) | 10,308,325 | 170,554,544 |
| Doubtful | 19,497,221 | 50%; 20% (Cottage & Micro Credit) & 5% (Agri) | 7,201,285 | 10,950,452 |
| Bad or Loss | 3,131,626,870 | 100% | 3,131,626,870 | 2,608,594,351 |
| Reschedule (BB NOC) | | | 699,543,652 | 760,037,104 |
| 3rd and above time Reschedule | | | 330,680,813 | 251,774,055 |
| | | | 4,179,360,946 | 3,801,910,507 |
| Required Provision for Investments | | | 6,505,716,381 | 6,371,543,901 |
| Total Provision Maintained (note-15a.1(a) & (b)) | | | 7,375,739,287 | 6,589,273,726 |
| Surplus/(Shortfall) Provision | | | 870,022,906 | 217,729,826 |

The Bank has maintained provision on unclassified investments amounting to Tk. 2,672,471,838 (note-15a.1.b) and for classified investments amounting to Tk. 4,703,267,448 (note-15a.1.a), totaling Tk. 7,375,739,287. These exist surplus of Tk. 870,022,906 against the required provision.

8a.10 Particulars of Provision for Off-balance Sheet Items

| Status | Basis for Provision | Amount of provision @ 1% | Amount of provision @ 1% |
|---|------------------------|--------------------------|--------------------------|
| Acceptances & endorsements | 41,544,036,921 | 415,440,369 | 397,231,220 |
| Letters of Guarantee | 33,407,453,132 | 334,074,531 | 313,166,999 |
| Irrevocable Letters of Credit | 52,072,446,667 | 520,724,467 | 444,183,710 |
| Bills for collection | 34,641,249 | 346,412 | 339,671 |
| Required provision for Off-balance Sheet Items | 127,058,577,969 | 1,270,585,780 | 1,154,921,599 |
| Provision maintained (note-15a.1(c)) | | 1,356,200,000 | 1,356,200,000 |
| Surplus Provision | | 85,614,220 | 201,278,401 |

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05 NOV 2023

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

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

| | 30.09.2023 Taka | 31.12.2022 Taka |
|--|--------------------|--------------------|
| 8a.11 Particulars of Investments | | |
| (i) Investments considered good in respect of which the banking company is fully secured | 179,873,911,584 | 193,773,370,642 |
| (ii) Investments considered good for which the banking company holds no other security than the debtor's personal security | 36,745,430,135 | 37,861,904,424 |
| (iii) Investments considered good and secured by personal security of one or more parties in addition to the personal security of the debtors | 13,615,182,938 | 5,594,702,527 |
| (iv) Investments considered bad or doubtful not provided for | 230,234,524,657 | 237,229,977,592 |
| (v) Investments due by directors or officers of the banking company or any of them either severally or jointly with any other person | 2,224,308,080 | 2,224,379,061 |
| (vi) Investments due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies as members (Note 53.5). | 2,082,773,162 | 2,712,444,495 |
| (vii) Maximum total amount of investments, including temporary investments made at any time during the period to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons. | 2,224,308,080 | 2,224,379,061 |
| (viii) Maximum total amount of advances including temporary advances granted during the period to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private companies as members | 2,082,773,162 | 2,712,444,495 |
| (ix) Investments due from other Banks | - | - |
| (x) Classified Investment on which profit has not been charged | 11,198,266,475 | 11,332,826,570 |
| a. Movement of Classified Investments: | | |
| Opening Balance | 11,332,826,570 | 9,568,844,349 |
| Increase/(decrease) during the year | (134,560,095) | 1,763,982,220 |
| | 11,198,266,475 | 11,332,826,570 |
| i) (Decrease)/Increase of specific provision | 775,733,818 | 852,414,374 |
| ii) Amount of written-off investment during the year against which fully provided | - | - |
| iii) Amount recovered against the investment which was previously written-off | 20,733,818 | 66,934,374 |
| b. Amount of provision kept against classified Investment as Bad or Loss on the reporting day of Balance Sheet | 4,703,267,448 | 3,927,533,630 |
| c. Amount of profit charged in suspense account | 6,677,579,476 | 5,750,464,749 |
| (xi) Cumulative amount of written-off Investments | | |
| Opening Balance | 5,793,611,471 | 5,793,611,471 |
| Amount written-off during the year | 5,793,611,471 | 5,793,611,471 |
| 9. Consolidated Fixed Assets including Premises, Furniture and Fixtures | | |
| Cost | | |
| Shahjalal Islami Bank PLC. (Note-9a) | 7,994,693,356 | 7,869,223,133 |
| Shahjalal Islami Bank Securities Ltd. | 247,049,730 | 246,969,082 |
| | 8,241,743,086 | 8,116,192,215 |
| Accumulated Depreciation | | |
| Shahjalal Islami Bank PLC. (Note-9a) | 2,966,431,477 | 2,596,560,659 |
| Shahjalal Islami Bank Securities Ltd. | 114,324,579 | 105,685,757 |
| | 3,080,756,056 | 2,702,246,416 |
| Written Down Value | 5,160,987,031 | 5,413,945,799 |
| 9a Fixed Assets including Premises, Furniture and Fixtures of the Bank | | |
| Tangible Assets: | | |
| Cost | | |
| Land | 1,876,724,350 | 1,876,724,350 |
| Building | 893,986,278 | 893,986,278 |
| Furniture & Fixtures | 1,267,730,626 | 1,208,748,919 |
| Office Equipment | 817,558,305 | 781,386,436 |
| Computer & Network Equipment | 735,500,860 | 708,831,394 |
| Vehicles | 129,909,231 | 129,909,231 |
| Right of Use Assets as per IFRS-16* | 2,095,664,041 | 2,095,664,041 |
| Books | 1,042,667 | 1,042,667 |
| | 7,818,116,357 | 7,696,293,315 |

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Shahjalal Islami Bank PLC
05 NOV 2023

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

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

| | | 30.09.2023 Taka | 31.12.2022 Taka |
|---|--------------|-----------------------|-----------------------|
| Less: | | | |
| Accumulated depreciation | | 2,811,954,598 | 2,447,229,475 |
| Written Down Value | | <u>5,006,161,760</u> | <u>5,249,063,840</u> |
| Intangible Assets: | | | |
| Cost | | | |
| Software-Core Banking | | 62,615,431 | 62,615,431 |
| Software-Others | | 113,961,568 | 110,314,387 |
| | | <u>176,576,999</u> | <u>172,929,818</u> |
| Less: | | | |
| Amortization | | 154,476,879 | 149,331,184 |
| Written Down Value | | <u>22,100,120</u> | <u>23,598,634</u> |
| Total Written Down Value | | <u>5,028,261,880</u> | <u>5,272,662,474</u> |
| *Right of Use (RoU) Assets are measured at cost less any accumulated depreciation and adjusted for any measurement of lease liabilities (Note-2.7.6). | | | |
| The details of fixed assets are given in Annexure-B . | | | |
| 10. Consolidated Other Assets | | | |
| Shahjalal Islami Bank PLC. | (Note-10a) | 27,070,748,739 | 21,844,875,177 |
| Shahjalal Islami Bank Securities Ltd. | | 523,657,824 | 486,573,364 |
| | | 27,594,406,563 | 22,331,448,541 |
| | | 2,515,000,000 | 2,515,000,000 |
| Less: Inter Company Transaction | | <u>25,079,406,563</u> | <u>19,816,448,541</u> |
| 10.1 Consolidated Advance Tax | | | |
| Shahjalal Islami Bank PLC. | (Note-10a.4) | 20,625,987,411 | 17,325,070,828 |
| Shahjalal Islami Bank Securities Ltd. | | 487,691,990 | 451,921,114 |
| | | <u>21,113,679,401</u> | <u>17,776,991,942</u> |
| 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 | | <u>2,515,000,000</u> | <u>2,515,000,000</u> |
| Non-Income Generating: | | | |
| Stock of Stationery, Stamps and printing materials etc. (valued at cost) | | 54,420,781 | 32,352,408 |
| Advance Rent and Security Deposit | | 66,703,899 | 42,794,922 |
| Suspense Account | (Note-10a.1) | 510,623,798 | 476,794,286 |
| Profit Receivable | (Note-10a.2) | 1,261,272,767 | 1,083,252,168 |
| Other Prepayments | | 377,192,709 | 133,509,156 |
| Advance Insurance Premium | | 19,272 | 58,852 |
| Advance for New Branches | | 2,361,530 | 3,600,000 |
| Advance Tax Paid | (Note-10a.4) | 20,625,987,411 | 17,325,070,828 |
| Other Receivables | | 3,034,667 | 3,034,667 |
| SJIBL General Account-Net | (Note-10a.5) | 1,654,131,905 | 229,407,891 |
| Balance with OBU | | 8,304,075,000 | 10,031,884,419 |
| | | 32,859,823,739 | 29,361,759,597 |
| | | 8,304,075,000 | 10,031,884,419 |
| Less: Offshore Banking Unit | | <u>24,555,748,739</u> | <u>19,329,875,177</u> |
| Sub-total | | <u>27,070,748,739</u> | <u>21,844,875,177</u> |
| Grand Total | | | |
| 10a.1 Suspense Account | | | |
| Sundry Debtors | | 59,138,477 | 28,756,970 |
| Excise Duty on MTDR | | 6,045,471 | 28,521,261 |
| Advance against TA/DA | | 200,900 | 9,600 |
| Advance against Petty Cash | | 628,330 | 530,000 |
| Cash Remittance | | 55,000,000 | 92,010,000 |
| Law Charges | | 69,528,763 | 63,089,279 |
| Stamp | | 191,090 | 282,450 |
| Others | | 319,890,767 | 263,594,727 |
| | | <u>510,623,798</u> | <u>476,794,286</u> |

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Nasimul Baten
Managing Director & CEO
DBF Finance PLC.

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The detailed break-up of unadjusted suspense accounts is given below:

(Amount in '000)

| Sl. # | Break-up | Less than 03 months | 03 months to less than 06 months | 06 months to less than 09 months | 09 months to less than 12 months | 12 months and above |
|-------|----------------------------|---------------------|----------------------------------|----------------------------------|----------------------------------|---------------------|
| 1 | Sundry Debtors | 33,738 | 12,169 | 3,740 | 689 | 8,802 |
| 2 | Advance against TA/DA | 196 | - | 5 | - | - |
| 3 | Advance against Petty Cash | 628 | - | - | - | - |
| 4 | Cash Remittance | 55,000 | - | - | - | - |
| 5 | Legal Expenses | 4,490 | 5,045 | 4,713 | 3,343 | 51,938 |
| 6 | Others | 31,952 | 233,655 | 55,238 | 3,285 | 1,998 |
| | Grand Total | 126,004 | 250,869 | 63,696 | 7,317 | 62,738 |

30.09.2023
Taka

31.12.2022
Taka

10a.2 Profit Receivable

Placement to Other Banks-MTDR
Placement to Financial Institutions-MTDR
Profit on Investment against MSD
On Investments

| | |
|----------------------|----------------------|
| 220,540,674 | 178,935,535 |
| 69,378,611 | 16,638,333 |
| 361,167 | 375,878 |
| 970,992,315 | 887,302,422 |
| 1,261,272,767 | 1,083,252,168 |

10a.3 Shahjalal Islami Bank PLC. invested Tk. 251.50 crore in its subsidiary company named 'Shahjalal Islami Bank Securities Limited' as per approval of competent authority. The subsidiary company commenced its operation on 25 May 2011. The total paid-up capital of the subsidiary company is Tk. 274.00 crore which is divided into 27,40,00,000 ordinary shares at Tk. 10 each and the Bank holds 91.79% of its paid-up capital.

10a.4 Advance Tax Paid

Balance at the beginning of the year
Adjustment for final Settlement
Paid during the year

| | |
|-----------------------|-----------------------|
| 17,325,070,828 | 16,597,308,766 |
| - | (1,460,862,131) |
| 3,300,916,583 | 2,188,624,194 |
| 20,625,987,411 | 17,325,070,828 |

10a.5 SJIBL General Account represents outstanding Inter-Branch and Head Office transactions (Net) originated but yet to be responded at the Balance Sheet date. The break-up of SJIBL General Account is given below:

| | Debit | | Credit | |
|-----------------------------------|--------------|----------------------|--------------|----------------------|
| | No. of Entry | Amount in Taka | No. of Entry | Amount in Taka |
| Up to 3 months | 616 | 1,929,956,811 | 504 | 275,824,905 |
| Over 3 Months but within 6 months | - | - | - | - |
| Over 6 Months but within 1 year | - | - | - | - |
| Over 1 year but within 5 years | - | - | - | - |
| | 616 | 1,929,956,811 | 504 | 275,824,905 |
| | | | | 1,654,131,905 |

Net unreconciled amount

There are no outstanding unreconciled entries for more than 03 months. However, outstanding entries on Balance Sheet date are subsequently reconciled.

11. Non-Banking Assets

Shahjalal Islami Bank PLC.

88,909,355

88,909,355

The Bank was awarded absolute ownership on some mortgaged properties through the verdict of Honorable Court under Section 33(7) of the Artharin Adalat Act, 2003. These were recorded as non-banking assets as per valuation report of professional surveyor. Value of these assets was recorded in equivalent to the client's adjustable outstanding. Following are the details:

| Sl. # | Name of Parties | Assets Details | 30.09.2023 Taka | 31.12.2022 Taka |
|-------|---|--|--------------------|--------------------|
| i. | Haque Steel & Re-Rolling Industries Pvt. Ltd. | i) 26 (twenty six) decimals land situated at Savar, Mouza: Boroboheshi ii) 160.50 decimals land together with building structures standing and/or existing therein and appurtenance thereto situated at Narayanganj, Mouza: Dapa Idrakpur. Carrying value of which was BDT 1741.59 Lac (Market Value). Entitlement Date: 12 October 2014 | 47,064,331 | 47,064,331 |
| ii. | M/S Noor Mohammad Iron Store | 6.25 (six point two five) decimals land situated at Bashundhara River View Project at Block - A, Plot # 532, Keranigonj, Dhaka, Mouza - Nalyatola. Carrying value of which was BDT 47.34 Lac (Market Value). Entitlement Date: 14 May 2015 | 4,014,637 | 4,014,637 |

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Mosleh Uddin Ahmed
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DBH Finance PLC.

| Sl. # | Name of Parties | Assets Details | 30.09.2023 Taka | 31.12.2022 Taka |
|--------------|--------------------|---|--------------------|--------------------|
| iii. | M/s Khizir Trading | 13.83 (thirteen point eight three) decimals land situated at Khulshi, Mouza: Pahartali. Carrying value of which was BDT 356.81 Lac (Market Value). Entitlement Date: 05 November 2017 | 31,468,345 | 31,468,345 |
| iv. | Md. Mehedul Islam | i) 04 (four) decimals land situated at Dinaipur, Kotwali, Mouza: Majipara ii) 13 (thirteen) decimals land situated at Dinaipur, Pulbari, Mouza: Rashidpur. Carrying value of which was BDT 48.50 Lac (Market Value). Entitlement Date: 04 April 2017 | 3,380,238 | 3,380,238 |
| v. | Sohel Enterprise | i) 08 (eight) decimals land situated at Rangpur, Kotwali, Mouza: Taluk Dharmadash ii) 4 (four) decimals land situated at Rangpur, Kotwali, Mouza: Alamnagar iii) 3 (three) decimals land situated at Rangpur, Kotwali, Mouza: Taluk Dharmadash. Carrying value of which was BDT 34.50 Lac (Market Value). Entitlement Date: 29 November 2017 | 2,981,804 | 2,981,804 |
| Total | | | 88,909,355 | 88,909,355 |

| 30.09.2023 Taka | 31.12.2022 Taka |
|--------------------|--------------------|
|--------------------|--------------------|

12. Consolidated Placement from other Banks & Financial Institutions

Shahjalal Islami Bank PLC.
Shahjalal Islami Bank Securities Ltd.

(Note-12a)

Less: Inter Company Transaction

| | |
|-----------------------|-----------------------|
| 32,057,453,931 | 42,036,645,204 |
| 1,977,500,436 | 2,523,473,895 |
| 34,034,954,367 | 44,560,119,099 |
| 1,751,970,436 | 2,260,530,757 |
| 32,282,983,931 | 42,299,588,342 |

12a Placement from other Banks & Financial Institutions of the Bank

Export Development Fund - Bangladesh Bank
Financial Stimulus Fund - Bangladesh Bank
Foreign Currency Deposit (FSSP BB USD) - Bangladesh Bank
Mudaraba Term Deposit from other Banks
Islamic Refinance Fund - Bangladesh Bank
Bangladesh Bank Refinance (Bai Salam)
Bangladesh Bank Refinance (TDF)
Bangladesh Bank Refinance (BMMFLIPSB)
Bangladesh Bank Pre-Finance Scheme-CMSME
IsDB's SPRP For Covid-19
SME Foundation Refinance Scheme
Bangladesh Bank Refinance
Borrowing from Offshore Banking Unit (OBU)

(Note-12a.1)

Less: Offshore Banking Unit

| | |
|-----------------------|-----------------------|
| 23,067,359,020 | 31,463,988,138 |
| 1,813,137,980 | 4,703,822,926 |
| 257,024 | 5,512,056 |
| 125,804,250 | 4,955,673,575 |
| - | 3,726,633 |
| 691,612,000 | 761,665,000 |
| 63,565,500 | 79,456,875 |
| 6,818,098 | 2,400,000 |
| 5,516,800,722 | - |
| 25,500,000 | 25,500,000 |
| 37,543,125 | 11,900,000 |
| 709,056,211 | 23,000,000 |
| - | 165,395 |
| 32,057,453,931 | 42,036,810,599 |
| - | 165,395 |
| 32,057,453,931 | 42,036,645,204 |

12a.1 Mudaraba Term Deposit from other Banks

Inside Bangladesh

Al-Arafah Islami Bank Limited
Sub-total

| | |
|---|----------------------|
| - | 2,065,940,000 |
| - | 2,065,940,000 |

Outside Bangladesh

Bank Muscat SAOG
National Bank of Ras Al-Khaimah (P.S.C.)
United Bank Limited
CaixaBank S.A., Spain
Sub-total

| | |
|--------------------|----------------------|
| - | 309,891,000 |
| - | 2,166,654,575 |
| - | 413,188,000 |
| 125,804,250 | - |
| 125,804,250 | 2,889,733,575 |
| 125,804,250 | 4,955,673,575 |

Grand Total

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13. Consolidated Deposits and Other Accounts

Al-Wadeeah Current Deposits & Other Accounts

Shahjalal Islami Bank PLC.

Shahjalal Islami Bank Securities Ltd.

(Note-13a)

Less: Inter Company Transaction

Bills Payable

Shahjalal Islami Bank PLC.

Shahjalal Islami Bank Securities Ltd.

(Note-13a)

Mudaraba Savings Deposits

Shahjalal Islami Bank PLC.

Shahjalal Islami Bank Securities Ltd.

(Note-13a)

Less: Inter Company Transaction

Mudaraba Term Deposits

Shahjalal Islami Bank PLC.

Shahjalal Islami Bank Securities Ltd.

(Note-13a)

Other Mudaraba Deposits

Shahjalal Islami Bank PLC.

Shahjalal Islami Bank Securities Ltd.

(Note-13a)

Less: Inter Company Transaction

Total

| 30.09.2023 Taka | 31.12.2022 Taka |
|------------------------|------------------------|
| 54,803,406,433 | 48,293,094,847 |
| - | - |
| 54,803,406,433 | 48,293,094,847 |
| 115,642 | 136,604 |
| 54,803,290,791 | 48,292,958,243 |
| 5,466,533,977 | 5,872,217,849 |
| - | - |
| 5,466,533,977 | 5,872,217,849 |
| 39,907,532,776 | 36,934,789,424 |
| - | - |
| 39,907,532,776 | 36,934,789,424 |
| 57,011 | 56,538 |
| 39,907,475,765 | 36,934,732,886 |
| 96,476,398,868 | 86,817,226,090 |
| - | - |
| 96,476,398,868 | 86,817,226,090 |
| 47,563,112,875 | 50,064,730,403 |
| - | - |
| 47,563,112,875 | 50,064,730,403 |
| 344,655,418 | 319,514,217 |
| 47,218,457,457 | 49,745,216,186 |
| 243,872,156,858 | 227,662,351,255 |

13a Deposits and Other Accounts of the Bank

Al-Wadeeah Current Deposits & Other Accounts

Al-Wadeeah Current Deposits

Deposits from Other Banks

Foreign Currency Deposits

Non-Resident Taka Account

Profit Payable

Sundry Deposits

Unclaimed Dividend

(Note-13a.5)

Less: Offshore Banking Unit

Bills Payable

Payable inside Bangladesh

Payment Order Issued

Demand Draft Payable

Electronic Fund Transfer

Payable outside Bangladesh

Mudaraba Savings Deposits

General Deposits

Foreign Currency Deposits

Deposits from Other Banks

(Note-13a.3)

Mudaraba Term Deposits

General Deposits

Foreign Currency Deposits

Other Mudaraba Deposits

Mudaraba Special Notice Deposits

Mudaraba Scheme Deposits

Deposits from Other Banks (SND)

(Note-13a.1)

(Note-13a.3)

| | |
|------------------------|------------------------|
| 14,934,099,210 | 14,523,129,877 |
| - | - |
| 8,181,346,520 | 4,542,969,527 |
| 58,406,051 | 207,042,612 |
| 1,395,546,107 | 1,151,802,996 |
| 30,212,070,500 | 27,905,067,144 |
| 32,903,944 | 23,166,697 |
| 54,814,372,332 | 48,353,178,854 |
| 10,965,898 | 60,084,006 |
| 54,803,406,433 | 48,293,094,847 |
| 5,461,409,807 | 5,856,338,343 |
| 4,004,037 | 4,012,037 |
| 1,118,033 | 11,867,469 |
| 5,466,533,977 | 5,872,217,849 |
| - | - |
| 5,466,533,977 | 5,872,217,849 |
| 39,854,966,997 | 36,884,053,499 |
| 52,565,779 | 50,735,925 |
| - | - |
| 39,907,532,776 | 36,934,789,424 |
| 96,415,623,868 | 86,508,912,673 |
| 60,775,000 | 308,313,418 |
| 96,476,398,868 | 86,817,226,090 |
| 14,122,454,685 | 11,453,808,080 |
| 33,396,818,120 | 38,531,969,154 |
| 43,840,070 | 78,953,170 |
| 47,563,112,875 | 50,064,730,403 |
| 244,216,984,929 | 227,982,058,614 |

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13a.1 Mudaraba Scheme Deposits

Millionaire Scheme
Multiple Benefit Scheme
Monthly Income Scheme
Monthly Deposit Scheme
Haji Deposit Scheme
Cash Waqf
Housing Deposit Scheme
Lakhpoti Deposit Scheme
Mohor Deposit Scheme
Education Deposit Scheme
Marriage Deposit Scheme

| 30.09.2023 Taka | 31.12.2022 Taka |
|-----------------------|-----------------------|
| 7,707,893,680 | 8,487,128,412 |
| 4,819,916,131 | 5,122,748,872 |
| 2,126,079,829 | 5,111,521,547 |
| 18,301,998,859 | 19,354,068,850 |
| 331,183,190 | 366,286,672 |
| 24,442,103 | 13,013,445 |
| 118,546 | 229,588 |
| 98,101 | 98,101 |
| 132 | 132 |
| 60,100,535 | 51,526,378 |
| 24,987,014 | 25,347,158 |
| 33,396,818,120 | 38,531,969,154 |

13a.2 Deposits and Other Accounts

General Deposits
Deposits from Other Banks

(Note- 13a.3)

| | |
|------------------------|------------------------|
| 244,173,144,859 | 227,903,105,444 |
| 43,840,070 | 78,953,170 |
| 244,216,984,929 | 227,982,058,614 |

13a.3 Deposits from Other Banks

Mudaraba Special Notice Deposits
Export Import Bank of Bangladesh Limited
AB Bank Limited
Jamuna Bank PLC.
Al-Arafah Islami Bank Limited
Social Islami Bank Limited
National Credit and Commerce Bank Limited
ICB Islamic Bank Limited
Islami Bank Bangladesh PLC.
Sonali Bank PLC.
Mercantile Bank PLC.
Bangladesh Krishi Bank
United Commercial Bank PLC
Bank Asia Agent Bank

| | |
|-------------------|-------------------|
| 13,483,360 | 18,759,295 |
| 12,000 | 12,585 |
| 650,080 | 645,633 |
| 12,207,108 | 13,443,091 |
| 8,342,151 | 20,684,011 |
| 665,000 | 659,691 |
| 6,000 | 5,723 |
| 2,740,751 | 16,371,282 |
| 2,265,450 | 197,687 |
| 98,780 | 99,087 |
| 3,362,280 | 8,066,023 |
| 320 | 1,062 |
| 6,790 | 8,002 |
| 43,840,070 | 78,953,170 |

13a.4 Maturity-wise classification of Deposits is as under

With a residual maturity of
Repayable on demand
Within 01 month
Over 01 month but not more than 06 months
Over 06 months but not more than 01 year
Over 01 year but not more than 05 years
Over 05 years

| | |
|------------------------|------------------------|
| 12,210,849,246 | 11,399,102,931 |
| 50,146,020,178 | 45,204,548,086 |
| 73,265,095,479 | 68,394,617,584 |
| 18,382,425,202 | 18,146,619,114 |
| 40,253,553,510 | 37,888,951,616 |
| 49,959,041,314 | 46,948,219,283 |
| 244,216,984,929 | 227,982,058,614 |

13a.5 Unclaimed Dividend Account

Dividend remained unclaimed which were declared for the year:
2019
2020
2021
2022

| | |
|-------------------|-------------------|
| 5,575,155 | 5,382,681 |
| 7,959,942 | 8,837,886 |
| 8,828,950 | 8,946,130 |
| 10,539,897 | - |
| 32,903,944 | 23,166,697 |

Unclaimed/Undistributed Stock

The shareholders whose Beneficiary Owner's (BO) ID were found closed and maintaining Paper Share at the time of distributing Stock Dividend i.e. Bonus Shares are kept in SJIBL Dividend Suspense bearing BO ID-1204090016665712. At the closing of September 2023, total 8,368 number of shares are kept in SJIBL Dividend Suspense bearing BO ID-1204090016665712 which remains undistributed/unclaimed including corporate benefit for the year 2019-2022.

14. Mudaraba Bonds

Mudaraba Subordinated Bond
Mudaraba Perpetual Bond

(Note- 14.1)

(Note- 14.2)

| | |
|----------------------|-----------------------|
| 4,400,000,000 | 5,200,000,000 |
| 5,000,000,000 | 5,000,000,000 |
| 9,400,000,000 | 10,200,000,000 |

14.1 Mudaraba Subordinated Bond

Mudaraba Subordinated Bond

| | |
|----------------------|----------------------|
| 4,400,000,000 | 5,200,000,000 |
|----------------------|----------------------|

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

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Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

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Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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

Features of SJIBL Mudaraba Subordinated Bonds

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

List of Investors

| Name of the Investor | 1st Mudaraba Subordinated Bond | | 2nd Mudaraba Subordinated Bond | |
|------------------------|--------------------------------|---------------------------------------|--------------------------------|---------------------------------------|
| | Bond Issued (Taka) | Outstanding (as at 30 September 2023) | Bond Issued (Taka) | Outstanding (as at 30 September 2023) |
| EXIM Bank Limited | 1,750,000,000 | 350,000,000 | 1,000,000,000 | 600,000,000 |
| Pubali Bank PLC. | 700,000,000 | 140,000,000 | - | - |
| Rupali Bank Limited | 700,000,000 | 140,000,000 | 750,000,000 | 450,000,000 |
| Uttara Bank PLC. | 500,000,000 | 100,000,000 | - | - |
| Southeast Bank Limited | 350,000,000 | 70,000,000 | 500,000,000 | 300,000,000 |
| Agrani Bank PLC. | - | - | 2,500,000,000 | 1,500,000,000 |
| Sonali Bank PLC. | - | - | 750,000,000 | 450,000,000 |
| Dhaka Bank Limited | - | - | 500,000,000 | 300,000,000 |
| Total | 4,000,000,000 | 800,000,000 | 6,000,000,000 | 3,600,000,000 |

30.09.2023
Taka

31.12.2022
Taka

14.2 Mudaraba Perpetual Bond

Mudaraba Perpetual Bond

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

Rate of Return/ Profit: The average of latest available yearly deposit rate (1 year but < 2 year) of scheduled Islamic banks (1st, 2nd and 3rd Generation banks only excluding foreign Islamic banks and any z-category Islamic Banks enlisted in capital market) published in Bangladesh Bank website plus a predetermined additional margin @2.50%. The range of return/profit is fixed from 6% to 10% and the payment of profit are made annually after the end of calendar year.

Contingent Convertible feature: The bond was issued with a contingent convertible feature that the bond will be converted to common share if the Banks's consolidated common equity Tier-I (CET-I) falls below Bangladesh Bank requirement (Currently of 4.50%) and stays below for 03 (Three) successive quarters. The conversion amount will be to the extent of shortfall amount for reaching CET-I @4.5%.

List of Investors

| Name of the Investor | Outstanding as at 30 September 2023 |
|--------------------------------|-------------------------------------|
| Mercantile Bank PLC. | 500,000,000 |
| Community Bank Bangladesh Ltd. | 250,000,000 |
| Bank Asia Limited | 500,000,000 |
| Trust Bank Limited | 1,000,000,000 |
| Social Islami Bank Ltd. | 1,500,000,000 |
| Standard Bank Ltd. | 250,000,000 |
| Global Islami Bank PLC. | 250,000,000 |
| The Premier Bank PLC. | 250,000,000 |
| IPO-General/Investors | 500,000,000 |
| Total | 5,000,000,000 |

15. Consolidated Other Liabilities

Shahjalal Islami Bank PLC.
Shahjalal Islami Bank Securities Ltd.

(Note-15a)

| | |
|-----------------------|-----------------------|
| 42,403,084,439 | 37,492,869,557 |
| 2,623,251,275 | 2,651,834,812 |
| 45,026,335,714 | 40,144,704,369 |
| 45,026,335,714 | 40,144,704,369 |

Less: Inter Company Transaction

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

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

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

| | | 30.09.2023 Taka | 31.12.2022 Taka |
|--|--------------|-----------------------|-----------------------|
| 15.1 Consolidated Provision for Current Tax | | | |
| Shahjalal Islami Bank PLC. | (Note-15a.2) | 22,833,503,766 | 19,607,591,030 |
| Shahjalal Islami Bank Securities Ltd. | | 492,642,919 | 477,325,183 |
| | | 23,326,146,685 | 20,084,916,213 |
| 15.2 Consolidated Current Tax Expenses | | | |
| Shahjalal Islami Bank PLC. | (Note-15a.2) | 3,225,912,736 | 3,208,335,035 |
| Shahjalal Islami Bank Securities Ltd. | | 15,317,736 | 44,748,271 |
| | | 3,241,230,472 | 3,253,083,306 |

15.3 Provision against Entries of Nostro Accounts
No provision is required as per BRPD Circular Letter No. 04; dated 12 April 2022 for unreconciled debit entries of Nostro Accounts as there is no outstanding entry for 06 months and over.

| | | | |
|--|------------------------|-----------------------|-----------------------|
| 15a Other Liabilities of the Bank | | | |
| Profit Payable | | 439,746,007 | 485,746,002 |
| Provision for Investment | (Note-15a.1 (a) & (b)) | 7,375,739,287 | 6,589,273,726 |
| Provision for Off-balance Sheet Items | (Note-15a.1 (c)) | 1,356,200,000 | 1,356,200,000 |
| Provision for Other Assets | (Note-15a.1 (d)) | 213,965,000 | 203,965,000 |
| Provisions for Investments in Securities | (Note-15a.1 (e)) | 658,560,000 | 658,560,000 |
| Provision for Taxation | (Note-15a.2) | 22,833,503,766 | 19,607,591,030 |
| Profit Suspense Account | (Note-15a.1 (f)) | 5,344,966,994 | 4,948,313,858 |
| Compensation Realisable & Suspense Account | | 1,332,612,482 | 802,150,891 |
| Compensation Realised Account | | 581,575,924 | 554,641,235 |
| Other Payables | | 472,259,813 | 347,801,192 |
| Outstanding Expenses | | 210,194,232 | 263,492,306 |
| Unearned Income on Quard | | 5,758,944 | 19,226,676 |
| Lease Liabilities as per IFRS 16 Leases* | (Note-2.7.6) | 1,461,054,420 | 1,575,722,705 |
| Provision for Start-up Fund | (Note-15a.3) | 116,947,570 | 80,184,936 |
| | | 42,403,084,439 | 37,492,869,557 |

*As per note-2.7.6, in accordance with IFRS 16, the Bank has recognised the lease liabilities.

15a.1 Provision for Investment

(a) Provision on Classified Investments

Provision held at the beginning of the year
Written-off Recovery
Net charge to Profit and Loss Account
Fully provided investment written-off during the year
Provision held at the end of the year

| | |
|----------------------|----------------------|
| 3,927,533,630 | 3,075,119,256 |
| 20,733,818 | 66,934,374 |
| 755,000,000 | 785,480,000 |
| - | - |
| 4,703,267,448 | 3,927,533,630 |

(b) General Provision on Unclassified Investments

Provision held at the beginning of the year
Effect of exchange rate changes against provision held by offshore banking unit
Addition during the year
Balance at the end of the year
Total Provision for Investments (a+b)

| | |
|----------------------|----------------------|
| 2,661,740,096 | 2,418,838,000 |
| 10,731,742 | 32,016,655 |
| - | 210,885,441 |
| 2,672,471,838 | 2,661,740,096 |
| 7,375,739,287 | 6,589,273,726 |

(c) General Provision on Off-balance Sheet Items

Provision held at the beginning of the year
Addition during the year
Balance at the end of the year
Total Provision for Investments & Off-balance Sheet Items (a+b+c)

| | |
|----------------------|----------------------|
| 1,356,200,000 | 1,356,200,000 |
| - | - |
| 1,356,200,000 | 1,356,200,000 |
| 8,731,939,287 | 7,945,473,726 |

(d) Provision for Other Assets

Provision held at the beginning of the year
Addition during the year
Balance at the end of the year

| | |
|--------------------|--------------------|
| 203,965,000 | 91,965,000 |
| 10,000,000 | 112,000,000 |
| 213,965,000 | 203,965,000 |

(e) Provision for Investments in Shares & Securities

Provision held at the beginning of the year
Addition during the year
Balance at the end of the year

| | |
|--------------------|--------------------|
| 658,560,000 | 658,560,000 |
| - | - |
| 658,560,000 | 658,560,000 |

(f) Profit Suspense Account

Balance at the beginning of the year
Amount transferred to suspense account during the year
Amount recovered from suspense account during the year
Amount waived/ written-off during the year
Balance at the end of the year

| | |
|----------------------|----------------------|
| 4,948,313,858 | 3,732,643,784 |
| 1,041,616,862 | 2,389,717,982 |
| (525,189,838) | (1,094,678,127) |
| (119,773,888) | (79,369,781) |
| 5,344,966,994 | 4,948,313,858 |

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Managing Director & CEO
Shahjalal Islami Bank
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Nasimul Baten
Managing Director & CEO
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15a.2 Provision for Taxation

Provision for Current Tax

Balance at the beginning of the year
Add: Provision for current year
Add: Provision for prior years
Add: Provision made on other during the year
Less: Adjustment for final settlement for previous years
Balance at the end of the year

| 30.09.2023 Taka | 31.12.2022 Taka |
|-----------------------|-----------------------|
| 19,607,591,030 | 17,290,140,619 |
| 3,047,575,287 | 3,208,335,035 |
| 178,337,449 | 492,883,446 |
| - | 77,094,061 |
| - | (1,460,862,131) |
| 22,833,503,766 | 19,607,591,030 |

The Bank has challenged some disputed income tax assessments which are pending at various appeal stages (i.e. Appellate Tribunal, High Court Division). The Bank is confident that once these appeals are finally disposed off, there should not be any additional tax demand against the Bank and hence no further provision is required.

15a.2(a) Provision for Current Tax made during the year

Income tax @ 37.50% on estimated taxable Business Profit
Income tax @ 20% on Dividend Income
Income tax @ 15% on Capital Gain on Sale of Shares
Adjustment for previous year
Estimated Total Provision Required

| | |
|----------------------|----------------------|
| 3,018,328,266 | 3,148,765,095 |
| 27,116,265 | 35,896,181 |
| 2,130,757 | 23,673,759 |
| 178,337,449 | 492,883,446 |
| 3,225,912,736 | 3,701,218,481 |

Computation of Taxable Business Profit
Profit before Taxes
Add: Inadmissible expenditures & Separate consideration
Less: Allowable Expenditure & Separate consideration
Estimated Taxable Business Profit for the year

| | |
|----------------------|----------------------|
| 6,824,574,779 | 7,226,276,558 |
| 1,891,854,041 | 2,225,706,339 |
| 8,716,428,820 | 9,451,982,897 |
| 667,553,445 | 1,055,275,977 |
| 8,048,875,375 | 8,396,706,921 |

15a.2(b) Reconciliation of effective tax rate of the Bank

Particulars

Effective Rate

Profit before income taxes as per profit and loss account
Income taxes as per applicable tax rate
Factors affecting the tax charge for current year:
Inadmissible expenses
Admissible expenses in the current year
Tax savings from reduced tax rates for dividend
Tax loss/(savings) from reduced tax rates for capital gain
Adjustment for previous year
Total Income Tax Expenses

| | | |
|---------------|----------------------|----------------------|
| | 6,824,574,779 | 7,226,276,558 |
| 37.5% | 2,559,215,542 | 2,709,853,709 |
| 10.40% | 709,445,265 | 834,639,877 |
| -2.85% | (194,162,653) | (239,646,556) |
| -0.35% | (23,726,732) | (31,409,158) |
| -0.05% | (3,196,135) | (65,102,837) |
| 2.61% | 178,337,449 | 492,883,446 |
| 47.27% | 3,225,912,736 | 3,701,218,481 |

15a.3 Provision for Start-up Fund

For the year 2020
For the year 2021
For the year 2022
For the year 2023
Balance at the end of the year

| | |
|--------------------|-------------------|
| 19,081,986 | 19,081,986 |
| 25,852,369 | 25,852,369 |
| 35,250,581 | 35,250,581 |
| 36,762,634 | - |
| 116,947,570 | 80,184,936 |

Bangladesh Bank vide its SMESPD Circular No. 04 dated 29 March 2021 as well as SMESPD Circular Letter No. 05 dated 26 April 2021 instructed all scheduled banks to build-up a Start-up Fund under Other Liabilities @1% out of net profit starting from the year 2020 in order to make disbursement to make new entrepreneurs and self-employment.

16. Consolidated Deferred Tax Liabilities

Shahjalal Islami Bank PLC.
Shahjalal Islami Bank Securities Ltd.

(Note-16a)

| | |
|--------------------|--------------------|
| 159,550,463 | 237,151,866 |
| (1,438,687) | (1,266,952) |
| 158,111,776 | 235,884,914 |

16a Deferred Tax Liabilities of the Bank

Balance at the beginning of the year
Add: Provision made during the year

| | |
|--------------------|--------------------|
| 237,151,866 | 237,151,866 |
| (77,601,403) | - |
| 159,550,463 | 237,151,866 |

16a.1 Deferred Tax (Assets)/Liabilities

Fixed Assets (as per Financial Statements)
Less: Carrying amount of vehicles purchase over the allowable limit
Tax base carrying amount

| | |
|----------------------|----------------------|
| 5,028,261,880 | 5,272,662,474 |
| 12,546,428 | 13,341,654 |
| 5,015,715,451 | 5,259,320,820 |
| 4,590,247,551 | 4,753,535,768 |
| 425,467,900 | 505,785,052 |
| 159,550,463 | 189,669,395 |

Deferred Tax (Assets)/Liabilities

According to IAS 12: "Income taxes" deferred tax benefit of Tk 4,74,82,471 has been created for the year 2022 due to temporary timing difference. However, this amount has not been recognized as deferred tax benefit in the profit and loss account and corresponding deferred tax asset/liability as per direction of Bangladesh Bank vide letter no. DBI -7/4(5)/2023-377 dated 2 April 2023. Thus opening deferred tax liability remained unchanged at Tk 237,151,866 at year end as on 31 December 2022.

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17. Capital

17.1 Authorized Capital

1,500,000,000 ordinary shares of Tk. 10 each

30.09.2023
Taka

31.12.2022
Taka

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
12.5% Stock Dividend for the year 2002
2,362,000 ordinary new shares issued
4,690,000 ordinary new shares issued
93,582,500 shares issued under Initial Public Offer (IPO)
20% Stock Dividend for the year 2007
22% Stock Dividend for the year 2008
25% Stock Dividend for the year 2009
30% Stock Dividend for the year 2010
25% Stock Dividend for the year 2011
20% Stock Dividend for the year 2012
10% Stock Dividend for the year 2013
5% Stock Dividend for the year 2016
10% Stock Dividend for the year 2017
10% Stock Dividend for the year 2018
5% Stock Dividend for the year 2019
5% Stock Dividend for the year 2020
5% Stock Dividend for the year 2021
3% Stock Dividend for the year 2022

| | |
|----------------|----------------|
| 205,000,000 | 205,000,000 |
| 25,625,000 | 25,625,000 |
| 236,200,000 | 236,200,000 |
| 469,000,000 | 469,000,000 |
| 935,825,000 | 935,825,000 |
| 374,330,000 | 374,330,000 |
| 494,115,600 | 494,115,600 |
| 685,023,900 | 685,023,900 |
| 1,027,535,850 | 1,027,535,850 |
| 1,113,163,830 | 1,113,163,830 |
| 1,113,163,840 | 1,113,163,840 |
| 667,898,310 | 667,898,310 |
| 367,344,060 | 367,344,060 |
| 771,422,540 | 771,422,540 |
| 848,564,790 | 848,564,790 |
| 466,710,630 | 466,710,630 |
| 490,046,160 | 490,046,160 |
| 514,548,470 | 514,548,470 |
| 324,165,530 | - |
| 11,129,683,510 | 10,805,517,980 |

Category

Holding

Sponsor & Director Group
Institutes Group
General Shareholders Group
Foreign Group

30 Sep 2023: 48.28%; 2022: 48.22%
30 Sep 2023: 14.88%; 2022: 14.76%
30 Sep 2023: 36.81%; 2022: 36.87%
30 Sep 2023: 0.03%; 2022: 0.15%

| | |
|----------------|----------------|
| 5,373,411,199 | 5,210,533,920 |
| 1,656,096,906 | 1,539,176,572 |
| 4,096,836,500 | 4,039,104,182 |
| 3,338,905 | 16,703,305 |
| 11,129,683,510 | 10,805,517,980 |

Classification of Shareholders by number of holding:

As at 30 September 2023

| Range of Share Holding | No. of Shareholders | No. of Shares | Percentage of Holding Shares |
|------------------------|---------------------|----------------------|------------------------------|
| Up to 500 | 10,631 | 1,600,622 | 0.14% |
| 501-5,000 | 10,712 | 22,428,448 | 2.02% |
| 5,001-10,000 | 1,017 | 7,126,962 | 0.64% |
| 10,001-20,000 | 501 | 6,903,142 | 0.62% |
| 20,001-30,000 | 198 | 4,747,323 | 0.43% |
| 30,001-40,000 | 87 | 2,944,275 | 0.26% |
| 40,001-50,000 | 45 | 2,015,186 | 0.18% |
| 50,001-100,000 | 105 | 7,091,944 | 0.64% |
| 100,001-1,000,000 | 135 | 42,806,782 | 3.85% |
| Over 1,000,000 | 100 | 1,015,303,667 | 91.22% |
| Total | 23,531 | 1,112,968,351 | 100.00% |

As at 31 December 2022

| Range of Share Holding | No. of Shareholders | No. of Shares | Percentage of Holding Shares |
|------------------------|---------------------|----------------------|------------------------------|
| Up to 500 | 11,063 | 1,662,979 | 0.15% |
| 501-5,000 | 10,944 | 22,544,654 | 2.09% |
| 5,001-10,000 | 1,032 | 7,170,415 | 0.66% |
| 10,001-20,000 | 508 | 7,063,153 | 0.65% |
| 20,001-30,000 | 177 | 4,309,460 | 0.40% |
| 30,001-40,000 | 81 | 2,766,539 | 0.26% |
| 40,001-50,000 | 50 | 2,267,163 | 0.21% |
| 50,001-100,000 | 109 | 7,459,133 | 0.69% |
| 100,001-1,000,000 | 120 | 36,183,104 | 3.35% |
| Over 1,000,000 | 88 | 989,125,198 | 91.54% |
| Total | 24,172 | 1,080,551,798 | 100.00% |

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05 NOV 2023

Nasimul Baten
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DBH Finance PLC.

05 NOV 2023

| | 30.09.2023 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 | 10,737,376,063 | 9,372,461,107 |
| iii. Retained Earnings | 2,145,579,827 | 1,745,940,328 |
| iv. Capital Reserve | 28,796,597 | 28,796,597 |
| v. Non-controlling Interest | 228,755,885 | 232,387,434 |
| | 24,270,191,882 | 22,185,103,447 |
| Less: Carrying amount of intangible assets | 22,375,414 | 23,942,748 |
| | 24,247,816,469 | 22,161,160,699 |
| Additional Tier-I Capital (AT-I) | 5,000,000,000 | 5,000,000,000 |
| | 29,247,816,469 | 27,161,160,699 |
| b) Gone Concern Capital (Tier-II): | | |
| i. General Provision | 4,078,137,573 | 4,067,405,831 |
| ii. Mudaraba Subordinated Bond | 2,400,000,000 | 3,200,000,000 |
| iii. Mudaraba Perpetual Bond (Excess over limit of AT-I) | - | - |
| | 6,478,137,573 | 7,267,405,831 |
| c) Total Eligible Regulatory Capital (a+b) | 35,725,954,042 | 34,428,566,530 |
| d) Consolidated Total Risk Weighted Assets | 235,028,919,151 | 243,919,410,119 |
| e) Minimum Required Capital (10% of Risk-Weighted Assets) | 23,502,891,915 | 24,391,941,012 |
| f) Minimum Required Capital (12.50% of Risk-Weighted Assets) including conservation buffer | 29,378,614,894 | 30,489,926,265 |
| g) Total Capital Surplus (c-e) | 12,223,062,127 | 10,036,625,518 |
| h) Total Capital Surplus considering conservation buffer (c-f) | 6,347,339,148 | 3,938,640,265 |

Consolidated Capital to Risk-Weighted Assets Ratio

| Particulars | 30-Sep-23 | | 31-Dec-22 | |
|---------------------------------------|-------------|--------------------|-------------|--------------------|
| | Requirement | Capital Maintained | Requirement | Capital Maintained |
| Going Concern Capital: (Tier-I) | 6.00% | 12.44% | 6.00% | 11.14% |
| Common Equity Tier-I Capital: (CET-I) | 4.50% | 10.32% | 4.50% | 11.14% |
| Tier-I Plus Conservation Buffer | 8.50% | 12.44% | 8.50% | 11.14% |
| CET-I Plus Conservation Buffer | 7.00% | 10.32% | 7.00% | 9.09% |
| Gone Concern Capital: (Tier-II) | - | 2.76% | - | 2.98% |
| CRAR | 10.00% | 15.20% | 10.00% | 14.11% |
| CRAR including Conservation Buffer | 12.50% | 15.20% | 12.50% | 14.11% |

17.4 Consolidated Risk-Weighted Assets (RWA) for

| | | |
|--|------------------------|------------------------|
| 1. Investment (Credit) Risk | | |
| On-balance Sheet | 169,861,240,382 | 172,272,135,835 |
| Off-balance Sheet | 30,321,681,582 | 35,014,509,696 |
| 2. Market Risk | 11,009,049,086 | 12,795,816,487 |
| 3. Operational Risk | 23,836,948,102 | 23,836,948,102 |
| Consolidated Total Risk Weighted Assets (1+2+3) | 235,028,919,151 | 243,919,410,119 |

17.5 Capital to Risk-Weighted Assets Ratio (CRAR) Under Basel-III of the Bank

| | | |
|--|------------------------|------------------------|
| a) Going Concern Capital (Tier-I): | | |
| Common Equity Tier-I Capital (CET-I) | | |
| i. Paid-up Capital | 11,129,683,510 | 10,805,517,980 |
| ii. Statutory Reserve | 10,737,376,063 | 9,372,461,107 |
| iii. Retained Earnings | 2,082,093,978 | 1,692,161,829 |
| | 23,949,153,550 | 21,870,140,916 |
| Less: Carrying amount of intangible assets | 22,100,120 | 23,598,634 |
| | 23,927,053,430 | 21,846,542,282 |
| Additional Tier-I Capital (AT-I) | 5,000,000,000 | 5,000,000,000 |
| | 28,927,053,430 | 26,846,542,282 |
| b) Gone Concern Capital (Tier-II): | | |
| i. General Provision | 4,028,671,838 | 4,017,940,096 |
| ii. Mudaraba Subordinated Bond | 2,400,000,000 | 3,200,000,000 |
| iii. Mudaraba Perpetual Bond (Excess over limit of AT-I) | - | - |
| | 6,428,671,838 | 7,217,940,096 |
| c) Total Eligible Regulatory Capital (a+b) | 35,355,725,269 | 34,064,482,378 |
| d) Total Risk-Weighted Assets | 226,292,499,188 | 236,937,492,009 |
| e) Minimum Required Capital (10% of Risk-Weighted Assets) | 22,629,249,919 | 23,693,749,201 |

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Managing Director & CEO
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| | 30.09.2023 Taka | 31.12.2022 Taka |
|--|--------------------|--------------------|
| f) Minimum Required Capital (12.50% of Risk-Weighted Assets) including conservation buffer | 28,286,562,398 | 29,617,186,501 |
| g) Total Capital Surplus (c-e) | 12,726,475,350 | 10,370,733,177 |
| h) Total Capital Surplus considering conservation buffer (c-f) | 7,069,162,870 | 4,447,295,877 |

Capital Adequacy Ratio

| Particulars | 30-Sep-23 | | 31-Dec-22 | |
|---------------------------------------|-------------|--------------------|-------------|--------------------|
| | Requirement | Capital Maintained | Requirement | Capital Maintained |
| Going Concern Capital: (Tier-I) | 6.00% | 12.78% | 6.00% | 11.33% |
| Common Equity Tier-I Capital: (CET-I) | 4.50% | 10.57% | 4.50% | 9.22% |
| Tier-I Plus Conservation Buffer | 8.50% | 12.78% | 8.50% | 11.33% |
| CET-I Plus Conservation Buffer | 7.00% | 10.57% | 7.00% | 9.23% |
| Gone Concern Capital: (Tier-II) | - | 2.84% | - | 3.05% |
| CRAR | 10.00% | 15.62% | 10.00% | 14.38% |
| CRAR including Conservation Buffer | 12.50% | 15.62% | 12.50% | 14.38% |

17.6 Risk-Weighted Assets (RWA) for

1. Investment (Credit) Risk

On-balance Sheet
Off-balance Sheet

2. Market Risk

3. Operational Risk

Total Risk-Weighted Assets (1+2+3)

| | |
|-----------------|-----------------|
| 164,591,369,734 | 168,800,842,194 |
| 30,321,681,582 | 35,014,509,696 |
| 8,516,219,154 | 10,258,911,402 |
| 22,863,228,718 | 22,863,228,718 |
| 226,292,499,188 | 236,937,492,009 |

17.7 Non-Controlling Interest

Opening Balance

Dividend paid to non-controlling shareholders

Share of current year's profit

| | |
|-------------|-------------|
| 232,387,434 | 227,440,923 |
| (4,500,000) | - |
| 868,451 | 4,946,511 |
| 228,755,885 | 232,387,434 |

18. Statutory Reserve

Opening Balance

Add: Addition during the year

| | |
|----------------|---------------|
| 9,372,461,107 | 7,927,205,795 |
| 1,364,914,956 | 1,445,255,312 |
| 10,737,376,063 | 9,372,461,107 |

19. Consolidated Retained Earnings

Shahjalal Islami Bank PLC.

Shahjalal Islami Bank Securities Ltd.

Less: Non-Controlling Interest

(Note-19a)

| | |
|---------------|---------------|
| 2,070,676,069 | 1,692,161,829 |
| 67,241,735 | 61,165,934 |
| 2,137,917,804 | 1,753,327,762 |
| 3,755,885 | 7,387,434 |
| 2,134,161,919 | 1,745,940,328 |

19.1 Consolidated current year's Retained Earnings

Shahjalal Islami Bank PLC.

Shahjalal Islami Bank Securities Ltd.

Less: Non-Controlling Interest

(Note-19a)

| | |
|---------------|---------------|
| 3,676,263,446 | 3,525,058,077 |
| 10,575,801 | 60,237,516 |
| 3,686,839,247 | 3,585,295,593 |
| 868,451 | 4,946,511 |
| 3,685,970,796 | 3,580,349,082 |

19a Retained Earnings of the Bank

Opening Balance

Less: Payment of Dividend

Less: Profit against Mudaraba Perpetual Bond

Add: Transfer from Profit and Loss Account

Less: Transfer to Statutory Reserve

Less: Start-up Fund

| | |
|---------------|---------------|
| 1,692,161,829 | 1,584,818,008 |
| 1,620,827,688 | 1,543,645,421 |
| 275,243,928 | 393,562,943 |
| 3,676,263,446 | 3,525,058,077 |
| 1,364,914,956 | 1,445,255,312 |
| 36,762,634 | 35,250,581 |
| 2,070,676,069 | 1,692,161,829 |

20. Letters of Guarantee

Letters of Guarantee (Local)

Letters of Guarantee (Foreign)

Back to Back Usance

| | |
|----------------|----------------|
| 32,625,335,944 | 31,019,574,861 |
| 782,117,187 | 296,672,870 |
| - | 452,146 |
| 33,407,453,132 | 31,316,699,877 |

a) Claims against the Bank not acknowledged as debts

b) Money for which the Bank is contingently liable in respect of guarantees given favoring:

Directors or Officers

Government

Banks and Other Financial Institutions

Others

| | |
|----------------|----------------|
| 13,394,132 | 3,000,000 |
| 616,877,940 | 410,238,235 |
| - | - |
| 32,777,181,059 | 30,903,461,642 |
| 33,407,453,132 | 31,316,699,877 |

21. Irrevocable Letters of Credit

Letters of credit

| | |
|----------------|----------------|
| 52,072,446,667 | 44,418,370,950 |
|----------------|----------------|

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22. Consolidated Profit and Loss Account

Income:

| | |
|--|-----------|
| Profit on Investments | (Note-23) |
| Income from Investments in securities | (Note-25) |
| Dividend Income | (Note-25) |
| Commission, Exchange and Brokerage | (Note-26) |
| Gains less losses arising from Investments in Securities | |
| Other Operating Income | (Note-27) |

Jan'23 to Sep'23
Taka

Jan'22 to Sep'22
Taka

| | |
|-----------------------|-----------------------|
| 14,014,890,178 | 12,361,843,796 |
| 1,266,657,684 | 1,172,316,385 |
| 135,581,325 | 125,315,817 |
| 2,231,895,823 | 2,906,069,704 |
| 14,205,046 | 190,307,382 |
| 1,088,179,749 | 974,277,255 |
| 18,751,409,805 | 17,730,130,339 |

Expenses:

| | |
|--------------------------------|-----------|
| Profit paid on Deposits | (Note-24) |
| Administrative Expenses | |
| Other operating Expenses | |
| Depreciation on Banking Assets | |

| | |
|-----------------------|-----------------------|
| 6,681,620,582 | 6,137,713,269 |
| 3,343,084,561 | 3,077,378,899 |
| 692,068,738 | 587,717,786 |
| 419,339,344 | 396,066,968 |
| 11,136,113,225 | 10,198,876,923 |

Profit before Provision

| | |
|----------------------|----------------------|
| 7,615,296,580 | 7,531,253,417 |
|----------------------|----------------------|

22a Profit and Loss Account of the Bank

Income:

| | |
|--|------------|
| Profit on Investments | (Note-23a) |
| Income from Investments in Securities | (Note-25a) |
| Dividend Income | (Note-25a) |
| Commission, Exchange and Brokerage | (Note-26a) |
| Gains less losses arising from Investments in Securities | (Note-25a) |
| Other Operating Income | (Note-27a) |

| | |
|-----------------------|-----------------------|
| 13,970,835,166 | 12,284,539,199 |
| 1,242,207,365 | 1,051,787,904 |
| 135,581,325 | 125,315,817 |
| 2,167,298,226 | 2,781,313,056 |
| 14,205,046 | 190,307,382 |
| 1,081,775,206 | 968,240,608 |
| 18,611,902,334 | 17,401,503,966 |

Expenses:

| | |
|--------------------------------|------------|
| Profit paid on Deposits | (Note-24a) |
| Administrative Expenses | |
| Other Operating Expenses | |
| Depreciation on Banking Assets | |

| | |
|-----------------------|-----------------------|
| 6,660,862,797 | 6,113,355,092 |
| 3,284,707,345 | 3,016,551,694 |
| 673,431,057 | 559,103,621 |
| 403,326,356 | 379,189,521 |
| 11,022,327,555 | 10,068,199,929 |

Profit/(Loss) before Provision

| | |
|----------------------|----------------------|
| 7,589,574,779 | 7,333,304,037 |
|----------------------|----------------------|

23. Consolidated Profit on Investments

| | |
|---------------------------------------|------------|
| Shahjalal Islami Bank PLC. | (Note-23a) |
| Shahjalal Islami Bank Securities Ltd. | |
| Less: Inter Company Transaction | |

| | |
|-----------------------|-----------------------|
| 13,970,835,166 | 12,284,539,199 |
| 168,784,366 | 215,584,368 |
| 14,139,619,532 | 12,500,123,567 |
| 124,729,354 | 138,279,771 |
| 14,014,890,178 | 12,361,843,796 |

23a Profit on Investments of the Bank

| | |
|---|--------------|
| Profit on Investments* | (Note-23a.1) |
| Profit on Placement with Other Banks & Financial Institutions | |

| | |
|-----------------------|-----------------------|
| 12,430,660,745 | 11,291,138,785 |
| 1,540,174,421 | 993,400,414 |
| 13,970,835,166 | 12,284,539,199 |

23a.1 Profit on Investments

| | |
|---|--|
| Profit on Murabaha | |
| Profit on Bi-Muazzal | |
| Profit on Hire-Purchase | |
| Profit on Ijara | |
| Profit on Bi-Salam | |
| Profit on Inland Document Bill Purchased | |
| Profit on Foreign Document Bill Purchased | |
| Profit on Investment against Scheme Deposit | |
| Profit on Investment against Mudaraba Savings Deposit | |
| Profit on Investment against EDF | |
| Profit on Mudaraba | |
| Profit Received From Rescheduled Investment - Rent Mode | |
| Profit on Murabaha Import Bill (UPAS) | |
| Profit Received From HPSM | |
| Income from Islamic Credit Card | |
| Profit on Investment against Mudaraba Term Deposit | |
| Profit on Investment against Other Securities | |

| | |
|-----------------------|-----------------------|
| 1,011,274,906 | 518,581,255 |
| 5,886,738,161 | 5,488,614,346 |
| 2,561,299,907 | 2,275,097,271 |
| 122,375,085 | 116,814,992 |
| 397,673,174 | 316,596,677 |
| 297,481,140 | 343,658,958 |
| 19,192,457 | 32,202,149 |
| 11,500 | 9,750 |
| 12,064 | 100 |
| 499,297,899 | 291,877,982 |
| 620,004,075 | 728,833,929 |
| 479,735,905 | 226,792,424 |
| 468,784,689 | 902,549,577 |
| 49,196 | 644,911 |
| 66,729,087 | 47,336,558 |
| 1,500 | 200 |
| - | 1,527,706 |
| 12,430,660,745 | 11,291,138,785 |

23a.2 Investment Income derived from the fund deployed

Inside Bangladesh

| | |
|-------------------------|--|
| i) Mudaraba Deposits | |
| ii) Other Deposits/Fund | |

| | |
|-----------------------|-----------------------|
| 6,539,770,618 | 7,270,364,264 |
| 5,890,890,127 | 4,020,774,521 |
| 12,430,660,745 | 11,291,138,785 |

Outside Bangladesh

| | |
|-----------------------|-----------------------|
| 12,430,660,745 | 11,291,138,785 |
|-----------------------|-----------------------|

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Managing Director & CEO
DBH Finance PLC.

23a.3 Geographical Location-wise Profit on Investments

| Area | Jan'23 to Sep'23 | | Jan'22 to Sep'22 | |
|--|-----------------------|----------------|-----------------------|----------------|
| | Amount in Taka | Composition | Amount in Taka | Composition |
| i. Inside Bangladesh (note-22a.3.1) | | | | |
| a) In Rural Areas | 336,497,379 | 2.71% | 304,305,887 | 2.70% |
| b) In Urban Areas | 12,094,163,366 | 97.29% | 10,986,832,899 | 97.30% |
| Sub-total | 12,430,660,745 | 100.00% | 11,291,138,785 | 100.00% |
| ii. Outside Bangladesh | | | | |
| Total | 12,430,660,745 | 100.00% | 11,291,138,785 | 100.00% |

23a.3.1 Inside Bangladesh

| Area | Jan'23 to Sep'23 | | Jan'22 to Sep'22 | |
|-------------------------------|-----------------------|---------------|-----------------------|---------------|
| | Amount in Taka | Composition | Amount in Taka | Composition |
| i. Inside Bangladesh | | | | |
| a) In Rural Areas | | | | |
| Dhaka | 255,229,834 | 2.05% | 234,032,852 | 2.07% |
| Chattogram | 42,150,105 | 0.34% | 36,956,565 | 0.33% |
| Sylhet | 8,846,506 | 0.07% | 8,754,013 | 0.08% |
| Rajshahi | 6,752,685 | 0.05% | 3,991,345 | 0.04% |
| Khulna | 4,207,709 | 0.03% | 3,858,571 | 0.03% |
| Barishal | 4,720,754 | 0.04% | 3,721,939 | 0.03% |
| Mymensingh | 14,589,786 | 0.12% | 12,990,602 | 0.12% |
| Sub-total | 336,497,379 | 2.71% | 304,305,887 | 2.70% |
| b) In Urban Areas | | | | |
| Dhaka | 9,361,827,004 | 75.31% | 8,398,175,236 | 74.38% |
| Chattogram | 1,810,631,365 | 14.57% | 1,684,624,728 | 14.92% |
| Sylhet | 68,272,813 | 0.55% | 90,076,684 | 0.80% |
| Rajshahi | 280,024,755 | 2.25% | 303,698,933 | 2.69% |
| Rangpur | 73,193,802 | 0.59% | 70,640,931 | 0.63% |
| Khulna | 382,579,226 | 3.08% | 322,403,769 | 2.86% |
| Barishal | 39,782,041 | 0.32% | 35,573,178 | 0.32% |
| Mymensingh | 77,852,360 | 0.63% | 81,639,439 | 0.72% |
| Sub-total | 12,094,163,366 | 97.29% | 10,986,832,899 | 97.30% |
| ii) Outside Bangladesh | | | | |
| Total | 12,430,660,745 | 100% | 11,291,138,785 | 100% |

24. Consolidated Profit paid on Deposits

Shahjalal Islami Bank PLC.
Shahjalal Islami Bank Securities Ltd.

(Note-24a)

| | |
|----------------------|----------------------|
| 6,660,862,797 | 6,113,355,092 |
| 145,538,272 | 162,714,763 |
| 6,806,401,069 | 6,276,069,855 |
| 124,780,487 | 138,356,586 |
| 6,681,620,582 | 6,137,713,269 |

Less: Inter Company Transaction

24a Profit paid on Deposits of the Bank

Profit on Deposits*
Profit paid on Borrowings

| | |
|----------------------|----------------------|
| 6,117,172,892 | 5,509,697,574 |
| 543,689,905 | 603,657,518 |
| 6,660,862,797 | 6,113,355,092 |

24a.1 Profit paid on Borrowings

Profit paid on Borrowings
Profit Expenses of Lease Liabilities (as per IFRS 16 Leases)

| | |
|--------------------|--------------------|
| 489,882,806 | 549,861,132 |
| 53,807,099 | 53,796,386 |
| 543,689,905 | 603,657,518 |

25. Consolidated Income from Investments in Shares & Securities

Shahjalal Islami Bank PLC.
Shahjalal Islami Bank Securities Ltd.

(Note-25a)

| | |
|----------------------|----------------------|
| 1,391,993,736 | 1,367,411,103 |
| 24,450,319 | 120,528,481 |
| 1,416,444,055 | 1,487,939,584 |
| 1,416,444,055 | 1,487,939,584 |

Less: Dividend from Subsidiary

25a Income from Investments in Shares & Securities of the Bank

Income from Investments in Govt. Sukuk/Islamic Bond
Income from Investments in Shares & Securities
Dividend Income
Income from Investments in Corporate Sukuk/Islamic Bond

(Note-25a.1)

| | |
|----------------------|----------------------|
| 981,051,887 | 812,006,574 |
| 14,205,046 | 190,307,382 |
| 135,581,325 | 125,315,817 |
| 261,155,478 | 239,781,330 |
| 1,391,993,736 | 1,367,411,103 |

25a.1 Income from investments in shares & securities arose through sale of listed shares in the Stock Exchanges.

26. Consolidated Commission, Exchange and Brokerage

Shahjalal Islami Bank PLC.
Shahjalal Islami Bank Securities Ltd.

(Note-26a)

| | |
|----------------------|----------------------|
| 2,167,298,226 | 2,781,313,056 |
| 64,597,597 | 124,756,648 |
| 2,231,895,823 | 2,906,069,704 |

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| | | Jan'23 to Sep'23 Taka | Jan'22 to Sep'22 Taka |
|--|--------------|--------------------------|--------------------------|
| 26a Commission, Exchange and Brokerage of the Bank | | | |
| Other commission | | 1,211,364,373 | 1,173,297,032 |
| Exchange earnings | (Note-26a.1) | 955,933,853 | 1,608,016,024 |
| | | 2,167,298,226 | 2,781,313,056 |
| 26a.1 Exchange Earnings | | | |
| Gross exchange gain | | 6,763,737,716 | 10,585,023,317 |
| Less: Exchange loss | | 5,807,803,864 | 8,977,007,293 |
| Net Exchange Gain | | 955,933,853 | 1,608,016,024 |
| 27. Consolidated Other Operating Income | | | |
| Shahjalal Islami Bank PLC. | (Note-27a) | 1,081,775,206 | 968,240,608 |
| Shahjalal Islami Bank Securities Ltd. | | 6,455,676 | 6,113,462 |
| | | 1,088,230,882 | 974,354,070 |
| Less: Inter Company Transaction | | 51,133 | 76,815 |
| | | 1,088,179,749 | 974,277,255 |
| 27a Other Operating Income of the Bank | | | |
| Postage, Telex, SWIFT & REUTERS | | 120,376,575 | 112,476,573 |
| Incidental Charge | | 250 | 300 |
| Supervision & Monitoring Charge | | 16,654,215 | 2,028,126 |
| Other Charges | (Note-27a.1) | 944,744,166 | 853,735,609 |
| | | 1,081,775,206 | 968,240,608 |
| 27a.1 Other Charges | | | |
| Rent receipts | | 6,136,350 | 5,820,525 |
| Charges on A/C closing | | 570,946 | 884,102 |
| Charges on clearing returned | | 569,365 | 787,752 |
| Cheque processing charge | | 2,855,496 | 2,881,518 |
| Service charges on Ijara | | 20,000 | 80,000 |
| Service charges on scheme investment | | 4,294,469 | 2,776,709 |
| Service charges on Quard | | 65,285,834 | 62,110,090 |
| Passport endorsement charge | | 18,424 | 22,200 |
| PO/DD cancellation charge | | 84,879 | 49,681 |
| Branch banking services | | 21,268,630 | 23,083,264 |
| Account maintenance fee | | 44,840,652 | 43,654,234 |
| Recoveries from cheque issue | | 2,562,423 | 2,139,739 |
| Income from sale of forms | | 2,645,000 | 7,499,058 |
| Service charge on SJIBL VISA Card | | 110,266,051 | 74,976,584 |
| Other Income From Islamic Credit Card | | 40,206,013 | 22,885,234 |
| Management Fees | | 495,362 | 542,940 |
| Notice pay earnings | | 5,066,773 | 4,074,532 |
| Rebate on Trade Finance | | 84,447,104 | 83,840,832 |
| Discrepancy Fee | | 270,723,740 | 367,059,963 |
| Profit on sale of Bank's Assets | | 1,007,561 | 4,681,720 |
| Miscellaneous income | | 281,379,098 | 143,884,930 |
| | | 944,744,166 | 853,735,609 |
| 28. Consolidated Salaries & Allowances | | | |
| Shahjalal Islami Bank PLC. | (Note- 28a) | 2,826,541,177 | 2,552,429,643 |
| Shahjalal Islami Bank Securities Ltd. | | 50,879,910 | 52,809,967 |
| | | 2,877,421,087 | 2,605,239,610 |
| 28a Salaries & Allowances of the Bank | | | |
| Basic Salary | | 1,166,011,597 | 1,030,048,392 |
| Allowances | | 1,008,287,452 | 888,434,668 |
| Bonus | | 503,720,167 | 498,445,109 |
| Bank's Contribution to Provident fund | | 110,709,673 | 96,145,675 |
| Leave Encashment | | 37,812,289 | 39,355,799 |
| | | 2,826,541,177 | 2,552,429,643 |
| 29. Consolidated Rent, Taxes, Insurance, Electricity etc. | | | |
| Shahjalal Islami Bank PLC. | (Note- 29a) | 278,258,222 | 282,896,623 |
| Shahjalal Islami Bank Securities Ltd. | | 4,533,223 | 4,487,727 |
| | | 282,791,445 | 287,384,350 |
| 29a Rent, Taxes, Insurance, Electricity etc. of the Bank | | | |
| Rent, Rates & Taxes | | 52,200,326 | 71,058,738 |
| Insurance | | 158,348,643 | 148,736,546 |
| Electricity & Lighting | | 67,709,254 | 63,101,338 |
| | | 278,258,222 | 282,896,623 |

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SEVP & Company Secretary
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Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

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Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

| | | Jan'23 to Sep'23 Taka | Jan'22 to Sep'22 Taka |
|---|-------------|--------------------------|--------------------------|
| 29a.1 Rent, Rates & Taxes | | | |
| Rent, Rates & Taxes | | 250,170,703 | 241,449,400 |
| Transfer to depreciation and profit expenses under IFRS 16* | | 197,970,377 | 170,390,662 |
| | | <u>52,200,326</u> | <u>71,058,738</u> |
| *Due to the adoption of IFRS 16 Leases, rental expense of Tk. 197,970,377 was transferred to depreciation of Right of Use (RoU) Assets and profit expense of lease liabilities. | | | |
| 30. Consolidated Legal Expenses | | | |
| Shahjalal Islami Bank PLC. | (Note- 30a) | 1,866,227 | 762,182 |
| Shahjalal Islami Bank Securities Ltd. | | 90,850 | 63,250 |
| | | <u>1,957,077</u> | <u>825,432</u> |
| 30a Legal Expenses of the Bank | | | |
| Legal Fees & Charge | | 367,498 | 262,019 |
| Other Legal Expenses | | 1,498,729 | 500,163 |
| | | <u>1,866,227</u> | <u>762,182</u> |
| 31. Consolidated Postage, Stamps, Telecommunication etc. | | | |
| Shahjalal Islami Bank PLC. | (Note- 31a) | 36,839,853 | 33,160,540 |
| Shahjalal Islami Bank Securities Ltd. | | 2,135,634 | 2,188,894 |
| | | <u>38,975,487</u> | <u>35,349,434</u> |
| 31a Postage, Stamps, Telecommunication etc. of the Bank | | | |
| Postage | | 696,785 | 1,097,337 |
| Leased line | | 23,857,212 | 19,974,479 |
| Telegram, Fax & Telex | | 3,363,565 | 4,333,061 |
| Telephone charges | | 1,242,323 | 896,763 |
| Mobile phone charges | | 7,679,968 | 6,858,899 |
| | | <u>36,839,853</u> | <u>33,160,540</u> |
| 32. Consolidated Stationery, Printing, Advertisements etc. | | | |
| Shahjalal Islami Bank PLC. | (Note- 32a) | 94,504,654 | 97,402,496 |
| Shahjalal Islami Bank Securities Ltd. | | 685,849 | 1,269,867 |
| | | <u>95,190,503</u> | <u>98,672,363</u> |
| 32a Stationery, Printing, Advertisements etc. of the Bank | | | |
| Table Stationery | | 8,812,125 | 6,492,389 |
| Printing Stationery | | 7,386,913 | 7,416,348 |
| Security Stationery | | 5,209,527 | 2,931,224 |
| Computer Stationery | | 40,782,932 | 51,644,454 |
| Publicity and Advertisement | | 32,313,157 | 28,918,081 |
| | | <u>94,504,654</u> | <u>97,402,496</u> |
| 33. Chief Executive's Salary & Fees of the Bank | | | |
| Basic Salary | | 7,200,000 | 10,781,100 |
| Allowances | | 2,934,000 | 3,600,000 |
| Bonus | | 2,760,000 | 3,635,380 |
| Bank's Contribution to Provident Fund | | - | 1,078,110 |
| | | <u>12,894,000</u> | <u>19,094,590</u> |
| 34. Directors' Fees & Expenses of the Bank | | | |
| Directors' Fees | | 3,052,000 | 3,908,000 |
| Meeting Expenses | | 177,244 | 550,086 |
| | | <u>3,229,244</u> | <u>4,458,086</u> |
| 35. Shariah Supervisory Committee's Fees & Expenses of the Bank | | | |
| Shariah Council Meeting Expenses | | 720,534 | 325,678 |
| 36. Consolidated Auditors' Fees | | | |
| Shahjalal Islami Bank PLC. | (Note-36a) | 517,500 | 412,500 |
| Shahjalal Islami Bank Securities Ltd. | | 51,750 | 7,500 |
| | | <u>569,250</u> | <u>420,000</u> |
| 36a Auditor's Fees of the Bank | | | |
| Auditor's Fees | | 517,500 | 412,500 |
| 37. Consolidated Depreciation & Repairs of Assets | | | |
| Shahjalal Islami Bank PLC. | (Note-37a) | 432,662,290 | 404,798,877 |
| Shahjalal Islami Bank Securities Ltd. | | 16,012,988 | 16,877,447 |
| | | <u>448,675,278</u> | <u>421,676,324</u> |

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37a Depreciation & Repairs of Bank's Assets

a) Depreciation of Bank's Assets (Annexure-B)

Land & Building
Furniture & Fixtures
Office Equipment
Computer & Network Equipment
Vehicles
Right of Use (ROU) Assets
Books

b) Amortization of Bank's Assets (Annexure-B)

Software-Core Banking
Software-Others

c) Repairs on Bank's Assets

Office Premises
Office Equipment
Office Furniture & Fixtures
Vehicles
Procurement of Parts, Spares & Others

38. Zakat Expenses of the Bank

Zakat Expenses

39. Consolidated Other Expenses

Shahjalal Islami Bank PLC.
Shahjalal Islami Bank Securities Ltd.

(Note-39a)

39a Other Expenses of the Bank

Petrol, Oil and Lubricants
Entertainment
Subscription
Travelling and Conveyance
Training Expenses
Car expenses
Gratuity expenses
Papers & Periodicals
Utility
Uniform & Liveries
Bank Charges
Business development & promotion
Upkeep and cleaning of office premises
Security Service- outsourcing
Credit Rating fee
SJIBL Card expenses
Islamic Credit Card Expenses
AGM & meeting expenses
Capital Enhancement Fees
Contribution to Social Security Superannuation Fund
Laundry and Washing
Crockerles, Kettle and others
Photograph and Photocopy
Loss on Disposal of Fixed Assets
CSR Expense
Agent Banking Expense
Miscellaneous Expenses
Branch Opening Expenses

| Jan'23 to Sep'23 Taka | Jan'22 to Sep'22 Taka |
|--------------------------|--------------------------|
| 14,704,745 | 14,704,745 |
| 69,562,979 | 64,724,033 |
| 79,597,249 | 71,926,505 |
| 56,514,209 | 63,108,897 |
| 9,340,138 | 10,838,070 |
| 168,461,342 | 149,973,131 |
| - | 15,384 |
| 5,145,695 | 3,898,756 |
| 403,326,356 | 379,189,521 |
| 1,083,462 | 2,285,860 |
| 13,253,735 | 13,575,446 |
| 956,767 | 1,126,657 |
| 2,687,399 | 2,010,603 |
| 11,354,571 | 6,610,791 |
| 29,335,933 | 25,609,356 |
| 432,662,290 | 404,798,877 |
| - | - |
| - | - |
| 673,431,057 | 559,103,621 |
| 18,637,681 | 28,614,165 |
| 692,068,738 | 587,717,786 |
| 7,072,702 | 5,404,912 |
| 43,766,753 | 52,070,546 |
| 5,195,683 | 5,243,609 |
| 21,554,773 | 18,554,479 |
| 5,394,992 | 3,258,805 |
| 151,701,923 | 145,751,998 |
| 195,000,000 | 105,600,000 |
| 262,851 | 133,730 |
| 4,954,602 | 4,781,575 |
| 2,681,659 | 3,975,389 |
| 1,257,723 | 2,113,357 |
| 23,437,840 | 42,372,686 |
| 37,927,112 | 30,439,869 |
| 64,543,191 | 63,065,830 |
| - | 349,375 |
| 56,176,496 | 31,734,416 |
| 13,060,116 | 11,819,259 |
| 8,106,859 | 7,490,645 |
| 4,431,037 | 4,098,654 |
| - | 600 |
| 338,032 | 288,206 |
| 366,134 | 307,134 |
| 551,987 | 529,503 |
| 5,698,941 | 3,364,748 |
| 300,000 | 500,000 |
| 6,625,474 | - |
| 11,300,360 | 15,837,727 |
| 1,723,815 | 16,569 |
| 673,431,057 | 559,103,621 |

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| | | Jan'23 to Sep'23 Taka | Jan'22 to Sep'22 Taka |
|---|-------------|--------------------------|--------------------------|
| 40. Consolidated Provision against Investments, Off-balance Sheet Items & Others | | | |
| Shahjalal Islami Bank PLC. (Note-40a) | | 765,000,000 | 605,043,422 |
| Shahjalal Islami Bank Securities Ltd. | | - | - |
| | | 765,000,000 | 605,043,422 |
| 40a Provision against Investments, Off-balance Sheet Items & Others of the Bank | | | |
| Provision on Unclassified Investments | | - | 43,043,422 |
| Provision on Classified Investments | | 755,000,000 | 450,000,000 |
| Provision on Off-balance Sheet Items | | - | - |
| Provisions on Investments in Securities | | - | - |
| Provision on Other Assets | | 10,000,000 | 112,000,000 |
| | | 765,000,000 | 605,043,422 |
| 41. Consolidated Deferred Tax (Income)/Expenses | | | |
| Shahjalal Islami Bank PLC. (Note-41a) | | (77,601,403) | (21,445,297) |
| Shahjalal Islami Bank Securities Ltd. | | (171,736) | 310,335 |
| | | (77,773,139) | (21,134,963) |
| 41a Deferred Tax (Income)/Expenses of the Bank | | | |
| Closing deferred tax liability | | 159,550,463 | 215,706,568 |
| Opening deferred tax liability | | 237,151,866 | 237,151,866 |
| Deferred tax expenses/(Income) | | (77,601,403) | (21,445,297) |
| According to IAS 12: "Income taxes" deferred tax benefit of Tk 7,76,01,403 has been created for the Quarter end 30 September 2023 due to temporary timing difference. | | | |
| 41b Consolidated Tax Expenses | | | |
| Current tax | | 3,241,230,472 | 3,335,463,052 |
| Deferred tax | | (77,773,139) | (21,134,963) |
| | | 3,163,457,334 | 3,314,328,089 |
| 41c Tax Expenses of the Bank | | | |
| Current tax (Note-15a.2) | | 3,225,912,736 | 3,299,321,944 |
| Deferred tax (Note-41a) | | (77,601,403) | (21,445,297) |
| | | 3,148,311,333 | 3,277,876,646 |
| 42. Consolidated Earnings per Share (EPS) | (Note-2.19) | | |
| Net Profit after Taxes | | 3,685,970,795 | 3,598,620,214 |
| No. of Ordinary Shares outstanding | | 1,112,968,351 | 1,112,968,351 |
| | | 3.31 | 3.23 |
| 42a Earnings per Share (EPS) of the Bank | (Note-2.19) | | |
| Net Profit after Tax | | 3,676,263,446 | 3,450,383,969 |
| Number of Ordinary Shares outstanding | | 1,112,968,351 | 1,112,968,351 |
| | | 3.30 | 3.10 |
| Earnings per share has been calculated in accordance with IAS 33 Earnings per Share. | | | |
| 42(i) Net Asset Value (NAV) per Share: | | | |
| Net Asset Value (Consolidated) | | 24,041,435,997 | 22,070,917,448 |
| Net Asset Value (Bank's) | | 23,949,153,550 | 21,895,397,111 |
| No. of Outstanding Shares | | 1,112,968,351 | 1,112,968,351 |
| Net Asset Value (NAV) per Share (Consolidated) [previous year's figure restated] | | 21.60 | 19.83 |
| Net Asset Value (NAV) per Share (Bank's) [previous year's figure restated] | | 21.52 | 19.67 |
| Net Asset Value per Share has increased compared to that of last year due to the increase of net profit after taxes during the period. | | | |
| 42(ii) Net Operating Cash Flows per Share (NOCFPS): | | | |
| Net cash flow from operating activities (Consolidated) | | 13,261,294,710 | 14,270,325,654 |
| Net cash flow from operating activities (Bank's) | | 13,242,026,361 | 14,280,366,161 |
| No. of Outstanding Shares | | 1,112,968,351 | 1,112,968,351 |
| Net Operating Cash Flow per Share (NOCFPS) (Consolidated) [previous year's figure restated] | | 11.92 | 12.82 |
| Net Operating Cash Flow per Share (NOCFPS) (Bank's) [previous year's figure restated] | | 11.90 | 12.83 |
| Net Operating Cash Flow per Share (NOCFPS) has increased significantly compared to that of last year mainly due to the increase in deposits from customers on the other hand increase of investment income as well as other operating income during the year. | | | |
| 43. Consolidated Investment Income Receipt in Cash | | | |
| Shahjalal Islami Bank PLC. (Note-43a) | | 15,049,226,978 | 12,970,581,677 |
| Shahjalal Islami Bank Securities Ltd. | | 193,234,685 | 336,112,849 |
| | | 15,242,461,663 | 13,306,694,526 |
| 43a Investment Income Receipt of the Bank | | | |
| Investment income receipt (excluding Dividend Income) (Note 23a & 25a) | | 15,227,247,577 | 13,526,634,485 |
| Add: Opening profit receivable (Note-10a.2) | | 1,083,252,168 | 699,031,297 |
| Less: Closing profit receivable (Note-10a.2) | | (1,261,272,767) | (1,255,084,104) |
| | | 15,049,226,978 | 12,970,581,677 |

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DBH Finance PLC.

| | | Jan'23 to Sep'23 Taka | Jan'22 to Sep'22 Taka |
|--|--------------|--------------------------|--------------------------|
| 44. Consolidated Profit Paid on Deposits | | | |
| Shahjalal Islami Bank PLC. | (Note-44a) | 6,417,119,686 | 5,518,274,514 |
| Shahjalal Islami Bank Securities Ltd. | | 135,885,456 | 137,781,668 |
| | | <u>6,553,005,142</u> | <u>5,656,056,182</u> |
| 44a Profit Paid on Deposits of the Bank | | | |
| Profit Paid on Deposits | (Note-24a) | 6,660,862,797 | 6,113,355,092 |
| Add: Opening profit payable on deposit | (Note-13a) | 1,151,802,996 | 595,541,458 |
| Less: Closing profit payable on deposit | (Note-13a) | 1,395,546,107 | 1,190,622,036 |
| | | <u>6,417,119,686</u> | <u>5,518,274,514</u> |
| 45. Consolidated Cash Receipts from Other Operating activities | | | |
| Shahjalal Islami Bank PLC. | (Note-45a) | 1,080,767,645 | 963,558,888 |
| Shahjalal Islami Bank Securities Ltd. | | 6,455,676 | 6,113,462 |
| | | <u>1,087,223,321</u> | <u>969,672,350</u> |
| 45a Cash Receipts from other Operating activities of the Bank | | | |
| Postage & Telex Charge Recovery | | 120,376,575 | 112,476,573 |
| Incidental Charge | | 250 | 300 |
| Supervision & Monitoring Charge | | 16,654,215 | 2,028,126 |
| Other charges (except income from sale of fixed assets) | | 943,736,605 | 849,053,888 |
| | | <u>1,080,767,645</u> | <u>963,558,888</u> |
| 46. Consolidated Cash Payments for Other Operating activities | | | |
| Shahjalal Islami Bank PLC. | (Note-46a) | 1,018,499,630 | 903,363,838 |
| Shahjalal Islami Bank Securities Ltd. | | 25,845,988 | 35,788,524 |
| | | <u>1,044,345,618</u> | <u>939,152,361</u> |
| 46a Cash Payments for Other Operating activities of the Bank | | | |
| Rent, Taxes, Insurance, Lighting etc. | (Note-29a) | 278,258,222 | 282,896,623 |
| Legal Expenses | (Note-30a) | 1,866,227 | 762,182 |
| Postage, Stamp, Telegram & Telephone | (Note-31a) | 36,839,853 | 33,160,540 |
| Directors' Fee & Expenses | (Note-34) | 3,229,244 | 4,458,086 |
| Shariah Supervisory Committee's Fees & Expenses | (Note-35) | 720,534 | 325,678 |
| Auditor's Fee | (Note-36a) | 517,500 | 412,500 |
| Repairs & Maintenance of Bank's Assets | (Note-37a.c) | 29,335,933 | 25,609,356 |
| Zakat Expenses | (Note-38) | - | - |
| Other Expenses | | 667,732,116 | 555,738,873 |
| | | <u>1,018,499,630</u> | <u>903,363,838</u> |
| 47. Cash Increase/Decrease in Consolidated Other Assets | | | |
| Shahjalal Islami Bank PLC. | (Note-47a) | 5,183,488,561 | 3,100,995,944 |
| Shahjalal Islami Bank Securities Ltd. | | 35,965,834 | 45,851,455 |
| | | 5,219,454,395 | 3,146,847,399 |
| Less: Cash Increase/(Decrease) through Inter Company Transaction | | 2,515,000,000 | 2,515,000,000 |
| | | <u>2,704,454,395</u> | <u>631,847,399</u> |
| Cash (Increase)/Decrease in Other Assets | | <u>(1,748,249,963)</u> | <u>(276,186,118)</u> |
| 47a Cash Increase/Decrease in Other Assets of the Bank | | | |
| Stock of Stationery and Stamps | | 54,420,781 | 31,953,475 |
| Advance deposits and rent | | 66,703,899 | 35,944,626 |
| Suspense Account | | 510,623,798 | 214,104,562 |
| Other Prepayments | | 377,192,709 | 298,450,028 |
| Shahjalal Islami Bank Securities Ltd. | (Note 10a.3) | 2,515,000,000 | 2,515,000,000 |
| Advance Insurance premium | | 19,272 | 57,720 |
| Other Receivables | | 3,034,667 | 3,042,334 |
| SJIBL General Account-Net | | 1,654,131,905 | - |
| Advance for New Branches | | 2,361,530 | 2,443,200 |
| | | <u>5,183,488,561</u> | <u>3,100,995,944</u> |
| Cash (Increase)/Decrease in Other Assets | | <u>(1,746,936,379)</u> | <u>(255,524,871)</u> |
| 48. Cash Increase/Decrease in Consolidated Other Liabilities | | | |
| Shahjalal Islami Bank PLC. | (Note- 48a) | 1,471,852,707 | 3,197,004,927 |
| Shahjalal Islami Bank Securities Ltd. | | 1,542,352,051 | 1,662,337,953 |
| | | 3,014,204,758 | 4,859,342,880 |
| Less: Cash Increase/(Decrease) through Inter Company transaction | | - | - |
| | | <u>3,014,204,758</u> | <u>4,859,342,880</u> |
| Cash Increase/(Decrease) in Other Liabilities | | <u>(109,499,106)</u> | <u>1,630,803,492</u> |

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48a Cash Increase/Decrease in Other Liabilities of the Bank

Other Payables
Taxation on other income & prior years
Outstanding Expenses
Unearned Income on Quard
Leased Liabilities as per IFRS 16
SJIBL General Account

| Jan'23 to Sep'23 Taka | Jan'22 to Sep'22 Taka |
|--------------------------|--------------------------|
| 912,005,820 | 818,700,384 |
| 326,223,283 | 326,223,283 |
| 210,194,232 | 179,136,023 |
| 5,758,944 | 25,176,921 |
| 17,670,428 | 453,006,831 |
| - | 1,394,761,485 |
| 1,471,852,707 | 3,197,004,927 |
| (80,822,301) | 1,823,486,297 |

Cash Increase/(Decrease) in Other Liabilities

49. Consolidated Cash and Cash Equivalents

Shahjalal Islami Bank PLC.
Shahjalal Islami Bank Securities Ltd.

(Note-49a)

Less: Cash Increase/(Decrease) through Inter Company Transaction

| | |
|-----------------------|-----------------------|
| 31,079,342,401 | 30,715,362,527 |
| 380,050,661 | 402,457,062 |
| 31,459,393,062 | 31,117,819,589 |
| 344,828,071 | 388,789,683 |
| 31,114,564,991 | 30,729,029,906 |

49a Cash and Cash Equivalents of the Bank

Cash in Hand
Balance with Bangladesh Bank & Sonali Bank PLC. (as agent of Bangladesh Bank)
Balance with Other Banks & Financial Institutions

| | |
|-----------------------|-----------------------|
| 2,216,469,790 | 2,234,799,503 |
| 20,224,673,501 | 18,869,443,377 |
| 8,638,199,111 | 9,611,119,647 |
| 31,079,342,401 | 30,715,362,527 |

50. Reconciliation of Net Profit after Taxes and Operating Profit before changes in operating assets and liabilities of the Bank

Cash flows from operating activities

Net profit after taxes
Provision for taxation
Provision for investments, shares & contingent liabilities
(Increase)/decrease profit receivable
Increase/(decrease) profit payable on deposits
Depreciation & amortization of fixed assets
Recoveries on investment previously written-off
Income tax paid
Loss/profit on the sale of Bank's assets
Effect of exchange rate changes on cash and cash equivalents
Operating profit before changes in operating assets and liabilities

| | |
|----------------------|----------------------|
| 3,676,263,446 | 3,450,383,969 |
| 3,148,311,333 | 3,277,876,646 |
| 765,000,000 | 605,043,422 |
| (178,020,600) | (556,052,808) |
| 243,743,111 | 595,080,578 |
| 403,326,356 | 379,189,521 |
| 20,733,818 | 60,196,389 |
| (3,300,916,583) | (1,666,819,674) |
| 4,691,380 | (1,316,972) |
| (225,781,504) | (28,246,761) |
| 4,557,350,758 | 6,115,334,311 |

51. Number of Employees of the Bank

The number of employees engaged for the whole period or part thereof who received a total remuneration of Tk. 36,000 or above was 2,810.

52. Audit Committee of the Bank

a) Particulars of Audit Committee

Pursuant to the BRPD Circular No. 11 dated 27 October 2013, the Board of Directors of the Bank formed a 05 (five) members' [including 03 (three) Independent Directors] Audit Committee called "Board Audit Committee". The Board of Directors in its Meeting No. 343 held on 27 July 2022 reconstituted the Committee by the following members:

| Name | Status with the Bank | Status with the Committee | Educational Qualification |
|---|----------------------|---------------------------|---------------------------|
| Ekramul Hoque | Independent Director | Chairman | Masters |
| Abdul Halim | Director | Member | HSC |
| Md. Moshir Rahman Chamak (Rep. of Fresh Export Import Ltd.) | Director | Member | MBA |
| K.A.M Majedur Rahman | Independent Director | Member | Masters |
| Nasir Uddin Ahmed, FCA, FCS | Independent Director | Member | Masters |

All the members of the Board Audit Committee have good exposure in the Banking business. They are all playing active role in the Board Audit Committee.

b) Meeting of Audit Committee

During 01 January to 30 September 2023, the Audit Committee of the Board conducted 7 (seven) meetings in which among others, the following issues were discussed:-

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.

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FAD, Head Office, Dhaka

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

Mosleh Uddin Ahmed
Managing Director & CEO
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Nasimul Baten
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DBH Finance PLC.

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53. Related Party Disclosures of the Bank

53.1 Name of the Directors and their Interest in different Entities

| Name of Director | Status with the Bank | Name of the Firms/Companies in which they have Interest |
|---|----------------------|--|
| Mohammed Younus | Chairman | i) Sonali Papers and Board Mills Ltd. ii) Sonali Dredger Ltd. iii) Younus Newsprint Mills Ltd. iv) Younus Offset Paper Mills Ltd. v) Younus Fine Paper Mills Ltd. vi) Younus Paper Mills Ltd. vii) Younus Filament Ind. Ltd. viii) Younus Plastic Ind. Ltd. ix) Younus Spinning Mills Ltd. x) Younus Specialized Cold Storage Ltd. xi) Younus Cold Storage Ltd. xii) United Multi Agro Ltd. xiii) Ananta Paper Mills Ltd. xiv) Sobhan Ice & Cold Storage Ltd. xv) Sharif Cold Storage Ltd. xvi) Nowpara Cold Storage Pvt. Ltd. xvii) Garib-E-Newaj Cold Storage Pvt. Ltd. xviii) Siddheswari Cold Storage Ltd. xix) Europa Cold Storage Ltd. xx) Combined Food & Cold Storage Ltd. xxi) A. Kader & Sons Himagar Ltd. xxii) Wadud & Ayesha Cold Store Ltd. xxiii) Galaxy Flying Academy Ltd. xxiv) Quality Accessories Ltd. xxv) Laxmi Cold Storage Ltd. xxvi) Sreenagor Cold Storage Ltd. xxvii) Five Star Ice and Cold Storage Ltd. xxviii) Sonali News.Com xxix) Sonali IT xxx) Sonali Bazar Dot Com xxxi) United Traders xxxii) United Fisheries xxxiii) Sonali Abason Ltd. xxxiv) Sonali Rubber Garden xxxv) Fly Galaxy Travel and Tours xxxvi) NRB Recruiting Agency xxxvii) Wordbridge School xxxviii) Fareast International University xxxix) Shahjalal Islami Bank Securities Ltd. |
| Mohiuddin Ahmed | Vice Chairman | i) Rupsha Trading Corporation ii) Mohiuddin Auto House iii) Pacific Automobile iv) Shahjalal Islami Bank Securities Ltd. |
| Abdul Karim (Nazim) (Rep. of Shamsuddin Khan & Harun Miah Ltd.) | Vice Chairman | i) Shamsuddin Khan & Harun Miah Ltd. (UK) ii) Maharani Camden (UK) iii) Karim Enterprise Ltd. (UK) iv) Shahjalal Islami Bank Securities Ltd. |
| Dr. Anwer Hossain Khan | Director | i) Anwer Khan Modern Hospital Ltd. ii) Modern Diagnostic Center Ltd. iii) Anwer Khan Modern Nursing College iv) Hazi Shakhawat Anwara Eye Hospital Ltd. v) Anwer Khan Modern Medical College vi) Modern Holdings Ltd. vii) Anwer Khan Modern Dredging Corporation viii) Anwer Khan Modern Printers & Publications ix) Modern Fisheries x) Modern Bio-Technology xi) Bangladesh Journal xii) Shahjalal Islami Bank Securities Ltd. xiii) Anwer Khan Modern University xiv) Prime University |
| Md. Sanaullah Shahid (Rep. of Electra International Ltd.) | Director | i) Electra International Ltd. ii) Electra Consumer Electronics Industries Ltd. iii) Electra Furniture iv) Electra International v) Electra Mobile Ltd. vi) Electra Holding Ltd. vii) Electra Mobile viii) Federal Securities & Invst. Ltd. ix) Jalstri Dairy Firm and Fishery x) Kashmir Chemical Co. xi) Sazawa Brothers xii) Shahjalal Islami Bank Securities Ltd. |

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

| Name of Director | Status with the Bank | Name of the Firms/Companies in which they have Interest |
|--|----------------------|---|
| Md. Abdul Barek | Director | i) Arju Electronics ii) Jony Electronics iii) Rony Electronics iv) Shahjalal Islami Bank Securities Ltd. |
| Abdul Halim | Director | i) Abdul Halim & Brothers ii) Excellent Ceramic Industries Ltd. iii) Excellent Tiles Industries Ltd. iv) Excellent Motors Ltd. v) Islamic Insurance Bangladesh Ltd. vi) Shahjalal Islami Bank Securities Ltd. |
| Akkas Uddin Mollah (Rep. of Akkas Uddin Mollah Ltd.) | Director | i) Russel Garments ii) Russel Apperals iii) Ekram Sweaters Ltd. iv) PNR Industries Ltd. v) Tania Cotton Mills Ltd. vi) Russel Washing Plant vii) Russel Spinning Mills Ltd. viii) Nurul Islam Spinning Mills Ltd. ix) Alalpur Agro & Fisheries Ltd. x) Goodman Pharmaceuticals Ltd. xi) Tofaz Dresses Ltd. xii) Akkas Uddin Mollah Ltd. xiii) Shahjalal Islami Bank Securities Ltd. |
| Khandaker Sakib Ahmed | Director | i) Own The World Company Ltd. ii) AQUA Consultant & Associates Ltd. iii) Intech Limited (Listed Public Limited Company) iv) Millennium Information Solution Ltd v) Al-Azhar International Grammar School vi) AIBL Capital Market Services Ltd. vii) Shahjalal Islami Bank Securities Ltd. |
| Engr. Md. Towhidur Rahman | Director | i) Fresh Foods Ltd. ii) Fresh Export Import Ltd. iii) Sea Fresh Ltd. iv) Libas Textiles Ltd. v) Fresh Knitwear Ltd. vi) Moshir Infrastructure Ltd. vii) Natural Faves Ltd. viii) Shahjalal Islami Bank Securities Ltd. ix) South Asian Scholars School and College x) Prime University |
| A. K. Azad | Director | i) Ha-Meem Denim Mills Ltd. ii) Ha-Meem Apparels Ltd. iii) Ha-Meem Spinning Mills Ltd. iv) Ha-Meem Design Ltd. v) That's It Fashions Ltd. vi) That's It Sweater Ltd. vii) That's It Sportswear Ltd. viii) That's It Garments Ltd. ix) That's It Knit Ltd. x) Sajid Washing & Dyeing Ltd. xi) Nishat Jute Mills Ltd. xii) Refat Garments Ltd. xiii) Modern Washing & Dyeing Industries Ltd. xiv) Refat Packaging & Printing Industries Ltd. xv) Sakib Poly Industries Ltd. xvi) Apparels Galary Ltd. xvii) Artistic Design Ltd. xviii) Creative Collections Ltd. xix) Creative Wash Ltd. xx) Express Washing & Dyeing Ltd. xxi) Times Media Ltd. [Channel 24 & The Daily Samakal] xxii) That's It Packaging Ltd. xxiii) Nishat Packaging & Printing Industries Ltd. xxiv) Crecent Spinning Mills Ltd. xxv) Ha-Meem Pharmaceuticals Ltd. xxvi) Shahjalal Islami Bank Securities Ltd. |
| Fakir Akhtaruzzaman | Director | i) Fakir Knitwears Ltd. ii) Central Hospital Ltd. iii) Zaman Agro Fisheries Ltd. iv) Fakir Echo Knitwears Ltd. v) FKL Spinning Ltd. |
| Mohammed Nasir Uddin Khan (Rep. of Anwer Khan Modern Hospital Ltd.) | Director | MNK Enterprise |
| Md. Moshir Rahman Chamak (Rep. of Fresh Export Import Ltd.) | Director | i) Fresh Export Import Ltd. ii) Libas Textiles Ltd. iii) Fresh Knitwear Ltd. iv) Natural Faves Ltd. v) Moshir Infrastructure Ltd. |

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Shahjalal Islami Bank PLC

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Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
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Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

| Name of Director | Status with the Bank | Name of the Firms/Companies in which they have Interest |
|--|----------------------|---|
| Mrs. Tahera Faruque | Director | i) F & T Property Management Company (UK) ii) Star of India Restaurant (UK) |
| Mrs. Jabun Nahar (Rep. of Daffodils Trading International) | Director | i) Daffodils Trading International ii) Anwer Khan Modern University |
| Fakir Mashrikuzzaman (Rep. of Fakir Knitwears Ltd.) | Director | i) Fakir Knitwears Ltd. ii) Zaman Agro Fisheries Ltd. iii) Fakir Echo Knitwears Ltd. iv) FKL Spinning Ltd. |
| Ekramul Hogue | Independent Director | |
| K.A.M Majedur Rahman | Independent Director | i) Financial Excellence Ltd. ii) Faujians Enterprises Limited iii) Impetus Management Limited |
| Nasir Uddin Ahmed | Independent Director | i) MABS & J Partners, Chartered Accountants ii) ZN Consultants (Strategic Management & HR Consulting Firm) |

53.2 Significant Contracts where Bank is a party and wherein Directors have interest:

Nil

53.3 Shares issued to Directors & Executives without consideration or exercise at discount:

Nil

53.4 Lending Policies to Related Parties

Lending to related parties is effected as per requirements of Section 27(1) of the Banking Companies Act, 1991 (as amended up to date).

53.5 Investments (Loans and Advances) to Directors and their related Concern (Note-8a.4):

| Sl. # | Name of the Party | Related By | Nature of Investment | Amount in Tk. (Non-Funded) | Amount in Tk. (Funded) | Status |
|-------|---------------------------------------|--|-------------------------|----------------------------|------------------------|---------|
| i) | M/s. Arzoo Electronics | Mrs. Taslima Begum (Spouse of Md. Abdul Barek) | L/C /MPI-TR/BMCTR | 8,394,132 | - | Regular |
| ii) | Electra International Ltd. | Sanaullah Shahid | BMCTR-Rev | - | 13,333,554 | Regular |
| iii) | Own the World Company Limited | Khandaker Sakib Ahmed | BMCTR/BG | 5,000,000 | 5,868,422 | Regular |
| iv) | M/s. Rupsha Trading Corporation | Md. Mohiuddin Ahmed | L/C /MPI-TR/Bai-Muajjal | - | 31,499,367 | Regular |
| v) | Abdul Hakim | Abdul Halim | HPSM-Real Estate | - | 11,498,908 | Regular |
| vi) | Shoyeb Ahmed | Abdul Halim | HPSM-Real Estate | - | 11,546,041 | Regular |
| vii) | Modern Diagnostic Center Limited | Anwer Hossain Khan | HPSM-Real Estate | - | 154,740,336 | Regular |
| viii) | Daffodils Trading International | Mrs. Jabun Nahar | Bai-Muajjal/HPSM | - | 99,083,163 | Regular |
| ix) | Shahjalal Islami Bank Securities Ltd. | Subsidiary | Bai-Muajjal/BG | 300,000,000 | 1,755,203,372 | Regular |
| | | | | 313,394,132 | 2,082,773,162 | |

53.6 Business other than Banking business with any related concern of the Directors as per Section 18 (2) of the Banking Companies Act, 1991 (as amended up to date):

Nil

53.7 Investments in Securities of Directors and their related concern:

Nil

54. Events after Reporting Period

There is no such events after Reporting Period.

Dhaka,
01 November 2023

Chairman

Director

Director

Managing Director & CEO

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

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

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Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
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Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Shahjalal Islami Bank PLC.
Investments in Shares & Securities (Listed with Stock Exchanges)
As at 30 September 2023

(Amount in Taka)

| Sl. No. | Name of Company | No. of Shares/ Securities | Market Price per Share | Market Value as at 30 September 2023 | Cost Price as at 30 September 2023 | Unrealised Gain/(loss) |
|------------------|---|------------------------------|------------------------------|--|---------------------------------------|---------------------------|
| Quoted | | | | | | |
| 1 | The ACME Laboratories Limited | 535,000 | 85.00 | 45,475,000 | 49,116,095 | (3,641,095) |
| 2 | Active Fine Chemicals Ltd. | 2,200,000 | 19.30 | 42,460,000 | 60,709,192 | (18,249,192) |
| 3 | Aftab Automobiles Limited | 1,223,775 | 24.80 | 30,349,620 | 72,694,437 | (42,344,817) |
| 4 | AIBL 1st Islamic Mutual Fund | 8,099,050 | 7.30 | 59,123,065 | 72,762,501 | (13,639,436) |
| 5 | Dhaka Electric Supply Company Ltd. | 2,500,000 | 36.60 | 91,500,000 | 125,754,826 | (34,254,826) |
| 6 | Export Import Bank of Bangladesh Limited | 11,500,000 | 10.40 | 119,600,000 | 158,148,898 | (38,548,898) |
| 7 | Generation Next Fashions Limited | 1,989,845 | 6.00 | 11,939,070 | 25,741,813 | (13,802,743) |
| 8 | Meghna Petroleum Limited | 655,242 | 203.00 | 133,014,126 | 133,872,759 | (858,633) |
| 9 | RAK Ceramics (Bangladesh) Limited | 1,000,000 | 42.90 | 42,900,000 | 49,814,878 | (6,914,878) |
| 10 | Square Textile Ltd. | 1,186,491 | 67.50 | 80,088,143 | 82,481,825 | (2,393,683) |
| 11 | The Dacca Dyeing & Mfg. Co. Limited | 2,800,000 | 13.20 | 36,960,000 | 102,948,339 | (65,988,339) |
| 12 | Titas Gas Transmission and Distribution Co. Ltd | 4,600,000 | 40.90 | 188,140,000 | 240,881,514 | (52,741,514) |
| 13 | Prime Islami Life Insurance Ltd. | 584,641 | 54.90 | 32,096,791 | 41,170,671 | (9,073,881) |
| 14 | Singer Bangladesh Limited | 500,000 | 151.90 | 75,950,000 | 88,910,881 | (12,960,881) |
| 15 | Olympic Industries Ltd. | - | - | - | - | - |
| 16 | Square Pharmaceuticals Ltd. | 850,000 | 209.80 | 178,330,000 | 188,977,997 | (10,647,997) |
| 17 | The IBN SINA Pharmaceutical Industry Ltd. | 100,000 | 286.60 | 28,660,000 | 31,346,168 | (2,686,168) |
| 18 | MJL Bangladesh Limited | 953,500 | 87.00 | 82,954,500 | 82,688,225 | 266,275 |
| 19 | Silva Pharmaceuticals Limited | 2,300,000 | 21.60 | 49,680,000 | 48,788,156 | 891,844 |
| 20 | Robi Axiata Limited | 3,000,000 | 30.00 | 90,000,000 | 142,756,117 | (52,756,117) |
| 21 | Linde Bangladesh Ltd. | 50,000 | 1,397.70 | 69,885,000 | 75,143,517 | (5,258,517) |
| 22 | Power Grid Company of Bangladesh Ltd. | 2,000,000 | 52.40 | 104,800,000 | 123,322,659 | (18,522,659) |
| 23 | Lub-rref (Bangladesh) Limited | 1,500,000 | 35.10 | 52,650,000 | 69,212,179 | (16,562,179) |
| 24 | Mir Akhter Hossain Limited | 1,200,000 | 50.80 | 60,960,000 | 87,290,575 | (26,330,575) |
| 25 | ACI Limited | 157,500 | 260.20 | 40,981,500 | 44,635,402 | (3,653,902) |
| 26 | ACI Formulations Limited | 500,000 | 155.00 | 77,500,000 | 83,299,090 | (5,799,090) |
| 27 | Agni Systems Ltd. | 800,000 | 25.90 | 20,720,000 | 21,708,633 | (988,633) |
| 28 | Grameenphone Ltd. | 30,000 | 286.60 | 8,598,000 | 9,177,813 | (579,813) |
| 29 | Apex Tannery Limited | 100,000 | 108.00 | 10,800,000 | 13,619,478 | (2,819,478) |
| 30 | Apex Footwear Limited. | 40,000 | 307.90 | 12,316,000 | 11,601,734 | 714,266 |
| 31 | BDCOM Online Ltd. | 450,000 | 38.30 | 17,235,000 | 16,096,548 | 1,138,452 |
| 32 | BSRM Steels Limited | 100,000 | 63.90 | 6,390,000 | 6,666,609 | (276,609) |
| 33 | Crown Cement PLC. | 422,419 | 74.40 | 31,427,974 | 33,221,721 | (1,793,747) |
| 34 | Energypac Power Generation Limited | 750,000 | 34.50 | 25,875,000 | 29,171,775 | (3,296,775) |
| 35 | Global Islami Bank Limited | 1,383,235 | 8.60 | 11,895,821 | 13,173,670 | (1,277,849) |
| 36 | Islami Commercial Insurance Company Limited | - | 28.10 | - | - | - |
| 37 | IFAD Autos Limited | 525,000 | 44.10 | 23,152,500 | 24,142,177 | (989,677) |
| 38 | IT Consultants Limited | 300,000 | 38.10 | 11,430,000 | 11,608,277 | (178,277) |
| 39 | LafargeHolcim Bangladesh Limited | 1,000,000 | 69.40 | 69,400,000 | 70,282,018 | (882,018) |
| 40 | Summit Alliance Port Limited | 1,500,000 | 27.20 | 40,800,000 | 48,240,857 | (7,440,857) |
| 41 | Agricultural Marketing Company Ltd. (Pran) | 60,000 | 274.10 | 16,446,000 | 16,586,180 | (140,180) |
| 42 | Aamra Technologies Limited | 200,000 | 32.60 | 6,520,000 | 6,642,625 | (122,625) |
| 43 | ADN Telecom Limited | 100,000 | 123.90 | 12,390,000 | 13,232,555 | (842,555) |
| 44 | Bashundhara Paper Mills Limited | 350,000 | 69.00 | 24,150,000 | 28,595,419 | (4,445,419) |
| 45 | JMI Hospital Requisite Manufacturing Limited | 377,399 | 77.20 | 29,135,203 | 29,492,070 | (356,867) |
| 46 | MK Footwear PLC | 9,030 | 35.90 | 324,177 | 90,300 | 233,877 |
| 47 | Lanka Bangla Securities Limited | 97,828 | 20.30 | 1,985,908 | 4,999,989 | (3,014,081) |
| 48 | Union Bank Limited | 2,100,000 | 8.90 | 18,690,000 | 25,711,346 | (7,021,346) |
| Un-Quoted | | | | | | |
| 1 | CWT - Community Bank Shariah Fund | 2,000,000 | 10.00 | 20,000,000 | 20,000,000 | - |
| 2 | Investment A/C - SWIFT Membership Share | - | - | 11,221,466 | 11,221,466 | - |
| Total | | | | 2,256,899,864 | 2,747,751,974 | (490,852,110) |

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Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
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Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Shahjalal Islami Bank PLC.

Schedule of Fixed Assets including Premises, Furniture and Fixtures

| Particulars | Cost | | | Depreciation & Amortization | | | | Written Down Value as at 30.09.2023 |
|-------------------------------|--------------------------|--------------------------|----------------------------|-----------------------------|-----------|--------------------------|-------------------------|-------------------------------------|
| | Balance as at 01.01.2023 | Addition during the year | Adjustment during the year | Balance as at 30.09.2023 | Rate | Balance as at 01.01.2023 | Charged during the year | Balance as at 30.09.2023 |
| Tangible Assets | | | | | | | | |
| Land | 1,876,724,350 | - | - | 1,876,724,350 | - | 165,951,506 | - | 1,876,724,350 |
| Buildings | 893,986,278 | - | - | 893,986,278 | 2.50% | 574,180,566 | 14,704,745 | 180,656,251 |
| Furniture & Fixtures | 1,208,748,919 | 83,700,076 | 24,718,369 | 1,267,730,626 | 10% & 20% | 626,018,299 | 69,565,101 | 713,330,027 |
| Office Equipment | 781,386,436 | 45,062,776 | 8,890,907 | 817,558,305 | 20% | 550,373,603 | 79,598,638 | 641,712,327 |
| Computer & Network Equipment | 708,831,394 | 34,056,032 | 7,386,566 | 735,500,860 | 20% | 513,038,393 | 56,514,209 | 195,937,716 |
| Vehicles | 129,909,231 | - | - | 129,909,231 | 20% | 99,273,633 | 9,340,138 | 173,328,287 |
| Right of Use Assets (ROU) | 2,095,664,041 | - | - | 2,095,664,041 | - | 543,391,236 | 168,461,342 | 21,295,461 |
| Books | 1,042,667 | - | - | 1,042,667 | 20% | 1,020,539 | - | 1,383,811,464 |
| Sub-total | 7,696,293,315 | 162,818,884 | 40,995,841 | 7,818,116,357 | | 2,447,229,475 | 398,184,173 | 5,006,161,760 |
| Intangible Assets | | | | | | | | |
| Software-Core Banking | 62,615,431 | - | - | 62,615,431 | 20% | 62,601,317 | - | 62,601,317 |
| Software-Others | 110,314,387 | 3,647,181 | - | 113,961,568 | 20% | 86,729,867 | 5,145,695 | 22,086,006 |
| Sub-total | 172,929,818 | 3,647,181 | - | 176,576,999 | | 149,331,184 | 5,145,695 | 22,100,120 |
| Grand Total | 7,869,223,133 | 166,466,065 | 40,995,841 | 7,994,693,356 | | 2,596,560,659 | 403,329,868 | 5,028,261,880 |
| As at 31 December 2022 | | | | | | | | |
| Tangible Assets | | | | | | | | |
| Land | 1,876,724,350 | - | - | 1,876,724,350 | - | 146,291,316 | - | 1,876,724,350 |
| Buildings | 893,986,278 | - | - | 893,986,278 | 2.50% | 498,391,068 | 19,660,190 | 165,951,506 |
| Furniture & Fixtures | 1,132,828,486 | 91,551,445 | 15,631,013 | 1,208,748,919 | 10% & 20% | 462,797,145 | 86,516,080 | 574,180,566 |
| Office Equipment | 756,215,635 | 35,014,240 | 9,843,439 | 781,386,436 | 20% | 436,756,401 | 96,856,740 | 550,373,603 |
| Computer & Network Equipment | 658,021,418 | 59,156,112 | 8,346,136 | 708,831,394 | 20% | 436,756,401 | 84,608,955 | 231,012,833 |
| Vehicles | 136,169,606 | 7,349,625 | 13,610,000 | 129,909,231 | 20% | 97,646,709 | 15,131,791 | 195,937,716 |
| Right of Use Assets (ROU) | 1,589,518,428 | 521,644,882 | 15,499,269 | 2,095,664,041 | 20% | 342,355,031 | 10,329,266 | 30,635,599 |
| Books | 1,042,667 | - | - | 1,042,667 | - | 1,003,146 | 211,365,471 | 1,552,272,806 |
| Sub-total | 7,044,506,868 | 714,716,304 | 62,929,857 | 7,696,293,315 | | 1,985,240,815 | 514,156,621 | 5,249,063,840 |
| Intangible Assets | | | | | | | | |
| Software-Core Banking | 62,615,431 | - | - | 62,615,431 | 20% | 62,601,317 | - | 62,601,317 |
| Software-Others | 99,146,312 | 11,168,076 | - | 110,314,387 | 20% | 81,100,419 | 5,629,448 | 86,729,867 |
| Sub-total | 161,761,743 | 11,168,076 | - | 172,929,818 | | 143,701,736 | 5,629,448 | 149,331,184 |
| Grand Total | 7,206,268,611 | 725,884,380 | 62,929,857 | 7,869,223,133 | | 2,128,942,552 | 519,786,068 | 5,272,662,474 |

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

[Refer to Note-5a.2 to the financial statements]

Md. Abul Bashir
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Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Annexure-C

Shahjalal Islami Bank PLC.
Statement of Foreign Currency
As at 30 September 2023

| Sl. No. | Name of the Bank | Currency Name | 30-Sep-23 | | | 31-Dec-22 | | |
|--------------|--------------------------------------|---------------|----------------------------|-------------------------------|----------------------|----------------------------|-------------------------------|----------------------|
| | | | Amount in Foreign Currency | Conversion Rate per Unit F.C. | Amount in Taka | Amount in Foreign Currency | Conversion Rate per Unit F.C. | Amount in Taka |
| 1 | Standard Chartered Bank, NY | USD | 3,167,874.75 | 110.5000 | 350,050,160 | 417,823.14 | 103.2970 | 43,159,877 |
| 2 | Mashreq Bank PSC, NY | USD | 1,459,769.37 | 110.5000 | 161,304,515 | 258,990.42 | 103.2970 | 26,752,933 |
| 3 | Standard Chartered Bank, Mumbai | USD | 222,198.53 | 110.5000 | 24,552,938 | 222,198.53 | 103.2970 | 22,952,442 |
| 4 | Habib American Bank, USA | USD | 1,788,505.68 | 110.5000 | 197,629,878 | 595,701.28 | 103.2970 | 61,534,155 |
| 5 | ICICI Bank, Hong Kong | USD | 250,897.06 | 110.5000 | 27,724,125 | 30,864.31 | 103.2970 | 3,188,191 |
| 6 | WACHOVIA BANK, NY, USA | USD | 757,448.22 | 110.5000 | 83,698,028 | 2,915,672.46 | 103.2970 | 301,180,218 |
| 7 | Commerzbank AG Frankfurt | USD | 2,744,670.19 | 110.5000 | 303,286,056 | 214,960.23 | 103.2970 | 22,204,747 |
| 8 | Bank Aljazira | USD | 770.80 | 110.5000 | 85,173 | 770.80 | 103.2970 | 79,621 |
| 9 | JPMorgan Chase Bank N.A., NY, USA | USD | 3,565,669.08 | 110.5000 | 394,006,433 | 49,629.90 | 103.2970 | 5,126,620 |
| 10 | Citibank N.A., NY, USA | USD | 2,437,433.67 | 110.5000 | 269,336,421 | 48,038.63 | 103.2970 | 4,962,246 |
| 11 | AB Bank Ltd. Mumbai | ACUD | 138,298.01 | 110.5000 | 15,281,930 | 45,804.14 | 103.2970 | 4,731,430 |
| 12 | Standard Chartered Bank, Mumbai | ACUD | 72,352.15 | 110.5000 | 7,994,913 | 1,800,343.02 | 103.2970 | 185,970,033 |
| 13 | Standard Chartered Bank, Colombo | ACUD | 7,952.01 | 110.5000 | 878,697 | 319,155.01 | 103.2970 | 32,967,755 |
| 14 | ICICI Bank, Mumbai | ACUD | 355,068.06 | 110.5000 | 39,235,021 | 55,410.28 | 103.2970 | 5,723,716 |
| 15 | Habib Metropolitan Bank Ltd. | ACUD | 13,323.87 | 110.5000 | 1,472,288 | 6,309.20 | 103.2970 | 651,721 |
| 16 | United Bank of India, Kolkata | ACUD | 300,563.18 | 110.5000 | 33,212,231 | 104,684.31 | 103.2970 | 10,813,575 |
| 17 | Sonal Bank Ltd. ACU, Kolkata | ACUD | 75,348.71 | 110.5000 | 8,326,032 | 22,144.86 | 103.2970 | 2,287,498 |
| 18 | Bank of Bhutan Ltd. Main Branch | ACUD | 10,186.19 | 110.5000 | 1,125,574 | 39,090.21 | 103.2970 | 4,037,901 |
| 19 | AXIS Bank Ltd. India | ACUD | 284,350.19 | 110.5000 | 31,420,696 | 48,895.46 | 103.2970 | 5,050,754 |
| 20 | MCB Bank Limited | ACUD | 189,589.39 | 110.5000 | 20,949,628 | 41,620.00 | 103.2970 | 4,299,221 |
| 21 | HDFC Bank Ltd., Mumbai | ACUD | 46,745.98 | 110.5000 | 5,165,431 | 4,578.19 | 103.2970 | 472,913 |
| 22 | Nabil Bank Limited, Kathmandu, Nepal | ACUD | 11,575.19 | 110.5000 | 1,279,059 | 33,640.75 | 103.2970 | 3,474,989 |
| 23 | Standard Chartered Bank, Frankfurt | EURO | 2,028,772.06 | 116.7322 | 236,823,026 | 1,015,780.50 | 109.6394 | 111,369,565 |
| 24 | Commerzbank AG | EURO | 1,715,831.15 | 116.7322 | 200,292,745 | 418,178.23 | 109.6394 | 45,848,810 |
| 25 | Wells Fargo Bank, N.A. London, UK | EURO | 6,195,040.36 | 116.7322 | 723,160,690 | 1,153,631.55 | 109.6394 | 126,483,471 |
| 26 | JPMorgan Chase AG, Frankfurt | EURO | 961,863.03 | 116.7322 | 112,280,388 | 497,812.98 | 109.6394 | 54,579,916 |
| 27 | Standard Chartered Bank, Tokyo | YEN | 2,495,874.52 | 0.7417 | 1,851,190 | 351,766.00 | 0.7683 | 270,262 |
| 28 | Habib Bank AG Zurich | CHF | 14,813.61 | 120.5634 | 1,785,979 | 2,688.88 | 111.2509 | 299,140 |
| 29 | ICI Bank, Canada | CAD | 6,061.20 | 81.7646 | 495,592 | 24,019.23 | 75.9369 | 1,823,946 |
| 30 | Bank Aljazira, KSA | SAR | 1,191,466.49 | 29.4840 | 35,129,198 | 39,468.23 | 27.5019 | 1,085,451 |
| 31 | Riyad Bank, KSA | SAR | 1,433,341.37 | 29.4840 | 42,260,637 | 41,966.28 | 27.5019 | 1,154,152 |
| 32 | Standard Chartered Bank, London | GBP | 81,321.31 | 134.2023 | 10,913,507 | 17,770.12 | 124.1630 | 2,206,391 |
| 33 | JPMorgan Chase Bank N.A., London | GBP | 2,148.36 | 134.2023 | 288,315 | 2,793.79 | 124.1630 | 346,885 |
| 34 | Mashreq Bank PSC, UAE | AED | 384,081.24 | 30.0852 | 11,555,161 | 135,082.24 | 28.1279 | 3,799,580 |
| 35 | Emirates Islamic Bank PJSC, Dubai | AED | 10,728.00 | 30.0852 | 322,754 | 37,000.00 | 28.1279 | 1,040,732 |
| 36 | Standard Chartered Bank, China | CNY | 138,067.27 | 15.1335 | 2,089,441 | 80,797.74 | 14.8043 | 1,196,154 |
| Total | | | | | 3,357,263,848 | | | 1,103,127,014 |

**Details of Information on Investments Exceeding 10% of
Bank's Total Regulatory Capital (Funded & Non-Funded)
As at 30 September 2023**

(Taka in Lac)

| Sl. No. | Name of Client | Outstanding | | | % of Investments to Total Capital | | |
|---------|--|---------------|---------------|---------------|-----------------------------------|---------------|---------------|
| | | Funded | Non-funded | Total | Funded | Non-Funded | Total |
| 1 | LOGOS APPARELS LTD. | 9,335 | 10,008 | 19,342 | | | |
| | RAHMAT SWEATER (BD) LTD. | 3,244 | 1,632 | 4,876 | | | |
| | BELKUCHI SPINNING MILLS LTD. | 8,750 | - | 8,750 | | | |
| | M/S. SHAHI PRODUCTS | 5,019 | - | 5,019 | | | |
| | MOHAMMAD ALI SPINNING MILLS LTD. | - | 16,548 | 16,548 | | | |
| | M/S. SHAHI DYEING AND FINISHING MILLS LTD. | - | 4 | 4 | | | |
| | Group-total | 26,347 | 28,191 | 54,539 | 7.45% | 7.97% | 15.43% |
| 2 | MOONLIGHT GARMENTS LTD. | 770 | 2,364 | 3,134 | | | |
| | M/S.EHSAN GARMENTS LTD. | 246 | 2,975 | 3,221 | | | |
| | NOURISH POULTRY AND HATCHERY LTD. | 3,714 | 16,784 | 20,497 | | | |
| | NOURISH AGRO LTD. | 13,488 | 1,713 | 15,201 | | | |
| | NOURISH FEEDS LTD. | 4,846 | 2,429 | 7,275 | | | |
| | NOURISH FOODS LTD. | - | 164 | 164 | | | |
| | TELNET COMMUNICATION LTD. | - | 10 | 10 | | | |
| | EHSAN PACKAGING & PRINTING LTD. | - | - | - | | | |
| | AGROW FRUITS & VEGETABLES LTD. | 1,252 | 67 | 1,320 | | | |
| | Agrow Auto Rice Mill Limited | - | 89 | 89 | | | |
| | Group-total | 24,315 | 26,595 | 50,910 | 6.88% | 7.52% | 14.40% |
| 3 | ANWAR SILK MILLS LTD. | 2,864 | 342 | 3,206 | | | |
| | A-ONE POLYMER LTD. | 158 | 558 | 717 | | | |
| | ANWAR CEMENT LTD. | - | 4,864 | 4,864 | | | |
| | ANWAR ISPAT LTD. | 4,572 | 2,185 | 6,757 | | | |
| | ANWAR JUTE SPINNING MILLS LTD. | - | 34 | 34 | | | |
| | A.G. AUTOMOBILES LTD. | 729 | 71 | 800 | | | |
| | A.G. MOTORS LTD. | 336 | 3 | 339 | | | |
| | HOSSAIN DYEING & PRINTING MILLS LTD. | 6,712 | 2,443 | 9,155 | | | |
| | MEHMUD INDUSTRIES (PVT.) LTD. | 10,576 | 1,802 | 12,378 | | | |
| | ANWAR CEMENT SHEET LTD. | 22,318 | 18,167 | 40,485 | | | |
| | TOLEDO MOTORS LIMITED | 231 | 76 | 307 | | | |
| | EUTOCARS LIMITED | - | 11 | 11 | | | |
| | Group-total | 48,495 | 30,556 | 79,051 | 13.72% | 8.64% | 22.36% |
| 4 | NASSA BASICS LTD. | 12,048 | 19,900 | 31,949 | | | |
| | NASSA SPINNING LTD. | 5,021 | - | 5,021 | | | |
| | NASSA BASIC WASH LTD. | - | - | - | | | |
| | NASSA HI TECH WASH LTD. | 4,223 | 1,221 | 5,444 | | | |
| | NASSA TAIPEI TEXTILE MILLS LTD. | 7,057 | 2,948 | 10,005 | | | |
| | Group-total | 28,349 | 24,069 | 52,418 | 8.02% | 6.81% | 14.83% |
| 5 | CHITTAGONG DENIM MILLS LTD. | 6,469 | 7,714 | 14,182 | | | |
| | SMART JEANS LTD. | 2,899 | 1,323 | 4,223 | | | |
| | SMART JACKET LTD. | 1,425 | 2,376 | 3,801 | | | |
| | SHEHAN TEXTILE LTD. | - | - | - | | | |
| | SMART BIO-INCEPTION LTD. | - | 177 | 177 | | | |
| | APPAREL PROMOTERS LIMITED | 3,176 | 6,559 | 9,735 | | | |
| | AL-RAZI CHEMICAL COMPLEX LTD. | 10,129 | 5,331 | 15,460 | | | |
| | BM CONTAINER (BD) LTD. | 3,334 | 1,449 | 4,783 | | | |
| | BM ENERGY (BD) LTD. | 2,225 | 13,265 | 15,490 | | | |
| | SHOISHOB FASHION LTD. | 223 | - | 223 | | | |
| | Group-total | 29,880 | 38,194 | 68,074 | 8.45% | 10.80% | 19.25% |
| 6 | ALIM KNIT (BD) LTD. | 9,102 | 12,261 | 21,363 | | | |
| | MONDOL INTIMATES LTD. | 3,696 | 4,914 | 8,611 | | | |
| | MONDOL KNIT TEX LTD. | - | 227 | 227 | | | |
| | MONDOL SPINNING MILLS LTD. | 6,357 | 3,134 | 9,491 | | | |
| | APPOLLO KNITWEAR BD LTD. | 1,369 | 2,449 | 3,817 | | | |
| | APPOLLO FASHIONS LTD. | - | 3,002 | 3,002 | | | |
| | APPOLLO PACKAGING (BD) LTD. | - | - | - | | | |
| | TROPICAL KNITEX LTD. | - | 2,961 | 2,961 | | | |
| | COTTON CLUB (BD) LTD. | 1,011 | 121 | 1,132 | | | |
| | COTTON CLOTHING (BD) LTD. | 2,806 | 5,202 | 8,009 | | | |
| | COTTON CLOUT (BD) LTD. | - | - | - | | | |
| | Cotton Field (BD) Ltd. | 929 | - | 929 | | | |
| | Group-total | 25,271 | 34,270 | 59,541 | 7.15% | 9.69% | 16.84% |
| 7 | INCEPTA PHARMACEUTICALS LTD. | 8,211 | 15,346 | 23,557 | | | |
| | INCEPTA VACCINE LTD. | - | 2,593 | 2,593 | | | |
| | INCEPTA HYGIENE AND HOSPICARE LTD. | - | 102 | 102 | | | |
| | INCEPTA CHEMICALS LTD. | - | 706 | 706 | | | |
| | INCEPTA HERBAL AND NUTRICARE LTD. | - | 393 | 393 | | | |
| | MAHEEN DIZAYN ETIKET (BD) UNIT-2 LIMITED | 3,501 | 1,162 | 4,663 | | | |
| | IMPRESS FASHION LIMITED | 2,726 | 4,597 | 7,324 | | | |
| | IMPRESS ACCESSORIES LIMITED | 5,049 | 350 | 5,400 | | | |
| | IPORT LOGISTICS LTD. | - | 360 | 360 | | | |
| | IMPRESS AVIATION LIMITED | 1,062 | 147 | 1,209 | | | |
| | IMPRESS AVIATION LIMITED | - | - | - | | | |
| | NEXT SPACES LTD. | - | 1,283 | 1,283 | | | |
| | INFRATRADE LIMITED | - | 48 | 48 | | | |
| | Group-total | 20,549 | 27,087 | 47,636 | 5.81% | 7.66% | 13.47% |

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

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

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Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

| Sl. No. | Name of Client | Outstanding | | | % of Investments to Total Capital | | |
|--------------|--|----------------|----------------|----------------|-----------------------------------|--------------|---------------|
| | | Funded | Non-funded | Total | Funded | Non-Funded | Total |
| 8 | BENGAL PLASTICS LTD. | 4,959 | 4,668 | 9,626 | | | |
| | BENGAL POLYMER WARES LTD. | 6,278 | 3,815 | 10,093 | | | |
| | BENGAL POLYMER WARES LTD. (UNIT-2) | 7,391 | 132 | 7,522 | | | |
| | BENGAL CONCEPT AND HOLDINGS LTD | 523 | - | 523 | | | |
| | EUPHORIA APPARELS LTD | 11,494 | 4,942 | 16,435 | | | |
| | Group-total | 30,644 | 13,556 | 44,200 | 8.67% | 3.83% | 12.50% |
| 9 | ABDUL MONEM LTD. | 10,482 | 20,504 | 30,986 | | | |
| | TEKKEN-AML-ABENIKKO-IV | - | 4,386 | 4,386 | | | |
| | Group-total | 10,482 | 24,890 | 35,373 | 2.96% | 7.04% | 10.00% |
| 10 | MIR CEMENT LTD | 18,646 | 18,575 | 37,221 | | | |
| | MIR CONCRETE PRODUCTS LTD | 2,791 | 3,638 | 6,428 | | | |
| | Group-total | 21,437 | 22,212 | 43,649 | 6.06% | 6.28% | 12.35% |
| 11 | DHALY CONSTRUCTION LTD. | 42,662 | 5,160 | 47,822 | | | |
| | RBS CONSTRUCTION LTD. | 2,225 | - | 2,225 | | | |
| | Group-total | 44,887 | 5,160 | 50,047 | 12.70% | 1.46% | 14.16% |
| 12 | ENERGYPAC ENGINEERING LTD. | 1,341 | 15,537 | 16,878 | | | |
| | ENERGYPAC FASHIONS LIMITED | 17,081 | 12,755 | 29,835 | | | |
| | Group-total | 18,422 | 28,292 | 46,714 | 5.21% | 8.00% | 13.21% |
| 13 | HAMS GARMENTS LTD. | 9,473 | 33,072 | 42,545 | | | |
| | HAMS FASHION LTD. | 391 | 176 | 567 | | | |
| | DHAKA GARMENTS & WASHING LIMITED | - | 183 | 183 | | | |
| | MONOWARA INDUSTRIES LTD. | - | 597 | 597 | | | |
| | VICTORIA INTIMATE LTD. | - | 143 | 143 | | | |
| | Group-total | 9,864 | 34,171 | 44,035 | 2.79% | 9.66% | 12.45% |
| 14 | TRADE INTERNATIONAL INDUSTRIES LIMITED | 24,789 | 19,381 | 44,170 | | | |
| | TRADE INTERNATIONAL MARKETING LTD | 5,242 | 313 | 5,555 | | | |
| | MD NURUL AMIN, MD NURUN NEWAZ, MD NURUSSAFA, MD. | - | - | - | | | |
| | BLUEBERRY CORPORATION | - | 66 | 66 | | | |
| | ORCHID CORPORATION | 671 | - | 671 | | | |
| | Group-total | 30,703 | 19,760 | 50,463 | 8.68% | 5.59% | 14.27% |
| 15 | BANGLADESH STEEL RE-ROLLING MILLS LTD. | 27,096 | 8,461 | 35,557 | | | |
| | BSRM STEELS LIMITED | - | 4,123 | 4,123 | | | |
| | H. AKBERALI & CO. | - | - | - | | | |
| | Group-total | 27,096 | 12,584 | 39,680 | 7.66% | 3.56% | 11.22% |
| 16 | MAF SHOES LTD. | 22,679 | 15,952 | 38,631 | | | |
| | MAF FOOT WARE | - | - | - | | | |
| | Group-total | 22,679 | 15,952 | 38,631 | 6.41% | 4.51% | 10.93% |
| 17 | ROSE SWEATERS LTD. | 4,334 | 1,790 | 6,124 | | | |
| | MADINAPLE FASHIONS CRAFT LTD | 3,465 | 295 | 3,760 | | | |
| | TEXEUROP (BD) LTD | - | 15,018 | 15,018 | | | |
| | SCARLET KNITWEARS LTD. | 4,729 | 2,130 | 6,859 | | | |
| | PANTEX DRESS LTD | 521 | 4,443 | 4,964 | | | |
| | T SHIRT PRINTERS LTD | - | - | - | | | |
| | Group-total | 13,049 | 23,675 | 36,724 | 3.69% | 6.70% | 10.39% |
| 18 | M. HOSSAIN SPINNING MILLS (PVT.) LTD. | 8,290 | 4,749 | 13,039 | | | |
| | M. HOSSAIN COTTON SPINNING MILLS (PVT.) LTD. | 20,162 | 6,605 | 26,767 | | | |
| | HOSSAIN TRADING CO. | - | - | - | | | |
| | EASTERN TRADING CO. | - | - | - | | | |
| | DHAKA TRADING CO. | - | 144 | 144 | | | |
| | S.A. TRADING CO. | - | - | - | | | |
| | PAYSAL TRADING CO. | - | - | - | | | |
| | UNITED PLASTIC WOOD IND. (PVT.) LTD. | 1,439 | 73 | 1,512 | | | |
| | UNITED LEATHER PVT. IND. LTD. | 2,313 | 801 | 3,114 | | | |
| | SELINA TRADING CO. | - | - | - | | | |
| 19 | Group-total | 32,204 | 12,372 | 44,576 | 9.11% | 3.50% | 12.61% |
| | LIZ FASHION INDUSTRY LIMITED | 8,874 | 1,905 | 10,780 | | | |
| | LIDA TEXTILE & DYEING LIMITED | 9,913 | 3,163 | 13,075 | | | |
| | PANDA SHOES INDUSTRY LIMITED | 4,593 | 24 | 4,617 | | | |
| | GOOD & FAST PACKAGING CO. LTD. | 8,826 | 605 | 9,431 | | | |
| | LIZDA HOLDING LTD. | 3,850 | - | 3,850 | | | |
| 19 | Group-total | 36,056 | 5,697 | 41,753 | 10.20% | 1.61% | 11.81% |
| Total | | 533,905 | 463,850 | 997,756 | | | |

Total Capital of the Bank as at 30 September 2023 is Taka 353,557.25 lac.

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

05 NOV 2023

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

05 NOV 2023

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

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Shahjalal Islami Bank PLC. (Offshore Banking Unit)
Balance Sheet
As at 30 September 2023

| Note | 30.09.2023 | | 31.12.2022 | |
|--|----------------------|----------------------|-----------------------|-----------------------|
| | USD | Taka | USD | Taka |
| Property and Assets | | | | |
| Cash | | | | |
| Cash in Hand (Including Foreign Currencies) | - | - | - | - |
| Balance with Bangladesh Bank & Sonali Bank Ltd. (Including Foreign Currencies) | - | - | - | - |
| Placement with Other Banks & Financial Institutions | | | | |
| Balance with Other Banks and Financial Institutions | | | | |
| Inside Bangladesh | 99,238.90 | 10,965,898 | 583,263.81 | 60,249,402 |
| Outside Bangladesh | - | - | - | - |
| 3 | 99,238.90 | 10,965,898 | 583,263.81 | 60,249,402 |
| Investments | | | | |
| General Investment etc. | 23,143,344.83 | 2,557,339,604 | 25,548,445.58 | 2,639,077,783 |
| Bills Purchased and Discounted | 58,847,981.53 | 6,502,701,959 | 121,946,232.13 | 12,596,679,940 |
| 4 | 81,991,326.36 | 9,060,041,563 | 147,494,677.71 | 15,235,757,723 |
| Fixed Assets including Premises, Furniture and Fixtures | | | | |
| 5 | 3,429.96 | 379,011 | 4,423.84 | 456,969 |
| Other Assets | | | | |
| Non-Banking Assets | | | | |
| Total Property and Assets | 82,093,995.22 | 9,071,386,472 | 148,082,365.36 | 15,296,464,095 |
| Liabilities and Capital | | | | |
| Liabilities | | | | |
| Placement from Other Banks & Financial Institutions | | | | |
| 6 | 76,288,500.00 | 8,429,879,250 | 145,091,900.00 | 14,987,557,994 |
| Deposits and Other Accounts | | | | |
| Mudaraba Savings Deposits | 34,882.24 | 3,854,488 | 34,882.24 | 3,603,231 |
| Mudaraba Term Deposits | - | - | - | - |
| Other Mudaraba Deposits | - | - | - | - |
| Al-Wadeeah Current & Other Deposit Accounts | 59,219.14 | 6,543,715 | 296,086.51 | 30,584,848 |
| Bills Payable | - | - | - | - |
| 7 | 94,101.38 | 10,398,202 | 330,968.75 | 34,188,079 |
| Other Liabilities | | | | |
| 8 | 2,479,869.57 | 274,025,587 | 2,659,496.61 | 274,718,021 |
| Total Liabilities | 78,862,470.95 | 8,714,303,040 | 148,082,365.36 | 15,296,464,095 |
| Capital/Shareholders' Equity | | | | |
| Paid-up Capital | - | - | - | - |
| Statutory Reserve | - | - | - | - |
| Foreign currency translation gain/(loss) | - | 11,417,909 | - | - |
| Retained Earnings | 3,231,524.27 | 345,665,523.04 | - | - |
| 9 | 3,231,524.27 | 357,083,432 | - | - |
| Total Shareholders' Equity | 3,231,524.27 | 357,083,432 | - | - |
| Total Liabilities & Shareholders' Equity | 82,093,995.22 | 9,071,386,472 | 148,082,365.36 | 15,296,464,095 |

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FAD, Head Office, Dhaka

05 NOV 2023

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

05 NOV 2023

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Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

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Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Shahjalal Islami Bank PLC. (Offshore Banking Unit)
Off-balance Sheet Items
As at 30 September 2023

| Note | 30.09.2023 | | 31.12.2022 | |
|---|-------------------|-------------------|---------------------|--------------------|
| | USD | Taka | USD | Taka |
| Contingent Liabilities | | | | |
| Acceptances & endorsements | - | - | - | - |
| Letters of guarantee | - | - | - | - |
| Irrevocable letters of credit (including back to back bills) | - | - | - | - |
| Bills for collection | 550,144.05 | 60,790,918 | 1,558,995.05 | 161,039,512 |
| Other contingent liabilities | - | - | - | - |
| Total | 550,144.05 | 60,790,918 | 1,558,995.05 | 161,039,512 |
| Other commitments | | | | |
| Documentary credits, short term and trade related transactions | - | - | - | - |
| Forward assets purchased and forward deposits placed | - | - | - | - |
| Undrawn note issuance, revolving and underwriting facilities | - | - | - | - |
| Undrawn formal standby facilities, credit lines and other commitments | - | - | - | - |
| Total | - | - | - | - |
| Total off-balance sheet items including contingent liabilities | 550,144.05 | 60,790,918 | 1,558,995.05 | 161,039,512 |


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


05 NOV 2023


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

05 NOV 2023


Mosleh Uddin Ahmed
 Managing Director & CEO
 Shahjalal Islami Bank
 LIMITED

05 NOV 2023


Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.

05 NOV 2023

Shahjalal Islami Bank PLC. (Offshore Banking Unit)
Profit and Loss Account
For the year ended 30 September 2023

| | Note | Jan'23 to Sep'23 | | Jan'22 to Sep'22 | |
|--|------|---------------------|--------------------|---------------------|--------------------|
| | | USD | Taka | USD | Taka |
| Investment Income | 10 | 5,268,526.97 | 563,557,002 | 6,667,734.42 | 678,966,061 |
| Less: Profit paid on Deposits & Borrowing | 11 | 2,025,205.23 | 216,629,543 | 2,584,493.52 | 263,175,357 |
| Net Investment Income | | 3,243,321.74 | 346,927,460 | 4,083,240.90 | 415,790,704 |
| Commission, Exchange and Brokerage | 12 | 12,753.98 | 1,364,251 | 20,293.38 | 2,066,446 |
| Other Operating Income | 13 | 62,581.60 | 6,694,148 | 120,901.25 | 12,311,205 |
| | | 75,335.58 | 8,058,399 | 141,194.63 | 14,377,652 |
| Total Operating Income | | 3,318,657.32 | 354,985,859 | 4,224,435.53 | 430,168,356 |
| Salaries and Allowances | 14 | 80,252.77 | 8,584,375 | 100,266.51 | 10,209,998 |
| Rent, Taxes, Insurances, Electricity etc. | 15 | 904.57 | 96,759 | 372.82 | 37,964 |
| Legal Expenses | | - | - | - | - |
| Postage, Stamps, Telecommunication etc. | 16 | 68.99 | 7,380 | 110.88 | 11,291 |
| Stationery, Printings, Advertisements etc. | 17 | 210.82 | 22,551 | 449.83 | 45,806 |
| Auditor's Fees | | - | - | - | - |
| Depreciation & Repairs of Bank's Assets | 18 | 993.88 | 106,312 | 1,108.68 | 112,895 |
| Other Expenses | 19 | 4,702.02 | 502,960 | 5,852.06 | 595,907 |
| Total Operating Expenses | | 87,133.05 | 9,320,336 | 108,160.78 | 11,013,861 |
| Profit before Provision | | 3,231,524.27 | 345,665,523 | 4,116,274.75 | 419,154,495 |
| Specific provision for Classified Investments | | - | - | 422,704.64 | 43,043,422 |
| General provision for Unclassified Investments | | - | - | - | - |
| Provision for Other Assets | | - | - | - | - |
| Total Provision | | - | - | 422,704.64 | 43,043,422 |
| Total Profit before Provisions for Taxation | | 3,231,524.27 | 345,665,523 | 3,693,570.11 | 376,111,073 |
| Deferred Tax Expenses | | - | - | - | - |
| Current Tax Expenses | | - | - | - | - |
| Net Profit after Taxation | | 3,231,524.27 | 345,665,523 | 3,693,570.11 | 376,111,073 |
| Retained Earnings from previous year | | - | - | - | - |
| Add: Retained Earnings of current year | | 3,231,524.27 | 345,665,523 | 3,693,570.11 | 376,111,073 |
| Retained Earnings carried forward | | 3,231,524.27 | 345,665,523 | 3,693,570.11 | 376,111,073 |
| Less: Retained earnings transferred to central operation | | - | - | - | - |
| | | 3,231,524.27 | 345,665,523 | 3,693,570 | 376,111,073 |

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SEVP & Company Secretary
Shahjalal Islami Bank PLC

05 NOV 2023

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

05 NOV 2023

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

05 NOV 2023

Shahjalal Islami Bank PLC. (Offshore Banking Unit)
Cash Flow Statement
For the year ended 30 September 2023

| | Jan'23 to Sep'23 | | Jan'22 to Sep'22 | |
|--|------------------------|------------------------|------------------------|------------------------|
| | USD | Taka | USD | Taka |
| Cash flows from operating activities | | | | |
| Investment income receipt in cash | 5,268,526.97 | 563,557,002 | 6,667,734.42 | 678,966,061 |
| Profit paid on deposits & borrowings | (2,025,205.23) | (216,629,543) | (2,584,493.52) | (263,175,357) |
| Fees & commission receipt in cash | 12,753.98 | 1,364,251 | 20,293.38 | 2,066,446 |
| Cash payments to employees | (80,252.77) | (8,584,375) | (100,266.51) | (10,209,998) |
| Cash payments to suppliers | (210.82) | (22,551) | (449.83) | (45,806) |
| Receipts from other operating activities | 62,581.60 | 6,694,148 | 120,901.25 | 12,311,205 |
| Payments for other operating activities | (5,675.58) | (697,430) | (6,335.76) | (651,596) |
| (i) Operating profit before changes in operating assets and liabilities | 3,232,518.15 | 345,681,504 | 4,117,383.43 | 419,260,956 |
| Changes in operating assets and liabilities | | | | |
| (Increase)/decrease of investments to customers | 65,503,351.35 | 6,175,716,161 | (17,612,793.49) | (4,712,989,920) |
| Increase/(decrease) of deposits received from customers | (236,867.37) | (23,789,876) | 400,005.90 | 41,506,210 |
| Increase/(decrease) of other liabilities | (179,627.04) | (692,434) | 235,896.96 | 35,737,023 |
| (ii) Cash flows from operating assets and liabilities | 65,086,856.94 | 6,151,233,850 | (16,976,890.63) | (4,635,746,687) |
| Net cash used in operating activities (A)=(i+ii) | 68,319,375.09 | 6,496,915,354 | (12,859,507.20) | (4,216,485,731) |
| Cash flows from investing activities | | | | |
| Proceeds from sale of fixed assets | - | - | - | - |
| Purchases of fixed assets | (724.96) | (80,108) | (292.45) | (29,780) |
| Net cash used in investing activities (B) | (724.96) | (80,108) | (292.45) | (29,780) |
| Cash flows from financing activities | | | | |
| Borrowings from Banks & Financial Institutions | (68,803,400.00) | (6,557,678,744) | 12,343,500.00 | 4,143,215,369 |
| Profit transferred to Shahjalal Islami Bank Ltd. | - | - | - | - |
| Net cash flow from financing activities (C) | (68,803,400.00) | (6,557,678,744) | 12,343,500.00 | 4,143,215,369 |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | (484,749.87) | (60,843,499) | (516,299.65) | (73,300,142) |
| Add: Cash and cash equivalents at the beginning of the year | (417,881.08) | 129,259,110 | 98,418.57 | 202,559,252 |
| Cash and cash equivalents at the end of the year | (902,630.95) | 68,415,612 | (417,881.08) | 129,259,110 |


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 Shahjalal Islami Bank PLC

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Mosleh Uddin Ahmed
 Managing Director & CEO
 Shahjalal Islami Bank
 LIMITED

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Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.

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Shahjalal Islami Bank PLC. (Offshore Banking Unit)

Notes to the Financial Statements

As at and for the year ended 30 September 2023

1. Status of the Unit

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

1.1 Nature of Business/Principal Activities

The principal activities of Offshore Banking Unit are to provide all kinds of shariah based commercial banking services to its customers complying the applicable rules & regulations.

2. Significant Accounting Policies

2.1 Basis of Accounting

The accounting records of the unit are maintained in USD form and the financial statements are prepared on a going concern basis under the historical cost convention and in accordance with First Schedule of the Banking Companies Act, 1991 (as amended up to date) by Bangladesh Bank BRPD Circular No. 15 dated 09 November 2009, other Bangladesh Bank circulars, International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs), the Companies Act, 1994, the listing regulations of the Stock Exchanges, the Securities and Exchange Rule, 1987 and other laws and rules applicable in Bangladesh.

2.2 Common Expense

- Expenditure for audit fees has not been separately accounted for in the Financial Statements of OBU.
- Provision for taxation and off-balance sheet items has not been accounted for in the separate Financial Statements of OBU. However, these provisions have been accounted for in the Financial Statement of Shahjalal Islami Bank PLC. instead of OBU.

2.3 General

- These Financial Statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.
- Assets and liabilities have been converted to BDT currency @ US\$1 = Taka 110.5000 (weighted average rate declared by Bangladesh Foreign Exchange Dealers' Association (BAFEDA)) as at 30 September 2023) and income & expenses have been converted to BDT currency @ US\$1 = Taka 106.9667 (monthly weighted average rate).

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DBH Finance PLC.

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**3. Balance with Other Banks and Financial Institutions
(other than Mudaraba Term Fund)**

Inside Bangladesh (Note-3.1)
Outside Bangladesh

| 30.09.2023 | | 31.12.2022 | |
|------------|------|------------|------|
| USD | Taka | USD | Taka |

| | | | |
|------------------|-------------------|-------------------|-------------------|
| 99,238.90 | 10,965,898 | 583,263.81 | 60,249,402 |
| 99,238.90 | 10,965,898 | 583,263.81 | 60,249,402 |

3.1 Inside Bangladesh
Shahjalal Islami Bank Ltd

| | | | |
|------------------|-------------------|-------------------|-------------------|
| 99,238.90 | 10,965,898 | 583,263.81 | 60,249,402 |
| 99,238.90 | 10,965,898 | 583,263.81 | 60,249,402 |

4. Investments (Loans and Advances)

Country-wise Classification of Investments

Inside Bangladesh
Gross Murabaha, Bai-Muajjal etc.
Less: Profit receivable on Murabaha, Bai-Muajjal etc.
Net Murabaha, Bai-Muajjal etc.
Net Bills Purchased and Discounted (Note-4.1)
Outside Bangladesh

| | | | |
|----------------------|----------------------|-----------------------|-----------------------|
| 23,143,344.83 | 2,557,339,604 | 25,548,445.58 | 2,639,077,783 |
| 23,143,344.83 | 2,557,339,604 | 25,548,445.58 | 2,639,077,783 |
| 58,847,981.53 | 6,502,701,959 | 121,946,232.13 | 12,596,679,940 |
| 81,991,326.36 | 9,060,041,563 | 147,494,677.71 | 15,235,757,723 |

4.1 Bills Purchased and Discounted

Payable inside Bangladesh
Payable outside Bangladesh
Gross Bills Purchased and Discounted
Less: Profit receivable on Bills Purchased and Discounted
Net Bills Purchased and Discounted

| | | | |
|----------------------|----------------------|-----------------------|-----------------------|
| 3,770,678.00 | 416,659,919 | 2,992,982.29 | 309,166,092 |
| 55,283,528.59 | 6,108,829,909 | 119,107,431.16 | 12,303,440,317 |
| 59,054,206.59 | 6,525,489,828 | 122,100,413.45 | 12,612,606,408 |
| 206,225.06 | 22,787,869 | 154,181.32 | 15,926,468 |
| 58,847,981.53 | 6,502,701,959 | 121,946,232.13 | 12,596,679,940 |

5. Fixed Assets including Premises, Furniture & Fixtures

Furniture & Fixture
Office Equipment
Carrying Value

| | | | |
|-----------------|----------------|-----------------|----------------|
| 1,109.88 | 122,642 | 1,710.45 | 176,684 |
| 2,320.08 | 256,369 | 2,713.39 | 280,285 |
| 3,429.96 | 379,011 | 4,423.84 | 456,969 |

5 Other Assets

Adjusting Account Debit

| | | | |
|---|---|---|---|
| - | - | - | - |
|---|---|---|---|

6. Placement from other Banks & Financial Institutions

Mudaraba Term Deposit from other Banks
Borrowing from Shahjalal Islami Bank Ltd

| | | | |
|----------------------|----------------------|-----------------------|-----------------------|
| 1,138,500.00 | 125,804,250 | 47,975,000.00 | 4,955,673,575 |
| 75,150,000.00 | 8,304,075,000 | 97,116,900.00 | 10,031,884,419 |
| 76,288,500.00 | 8,429,879,250 | 145,091,900.00 | 14,987,557,994 |

7. Deposits and Other Accounts

Al-Wadeeah Current Deposit
Sundry Deposits

| | | | |
|------------------|------------------|-------------------|-------------------|
| 9,265.82 | 1,023,873 | 193,520.60 | 19,990,097 |
| 49,953.32 | 5,519,842 | 102,565.91 | 10,594,751 |
| 59,219.14 | 6,543,715 | 296,086.51 | 30,584,848 |

Mudaraba Savings Deposit
Foreign Currency Deposits

| | | | |
|------------------|------------------|------------------|------------------|
| 1,237.34 | 136,726 | 1,237.34 | 127,814 |
| 33,644.90 | 3,717,761 | 33,644.90 | 3,475,417 |
| 34,882.24 | 3,854,488 | 34,882.24 | 3,603,231 |

Mudaraba Term Deposit

| | | | |
|------------------|-------------------|-------------------|-------------------|
| - | - | - | - |
| 94,101.38 | 10,398,202 | 330,968.75 | 34,188,079 |

8. Other Liabilities

Profit Payable
Provision for Investments
Other Payables
Outstanding Expenses

| | | | |
|---------------------|--------------------|---------------------|--------------------|
| 980,296.25 | 108,322,736 | 1,168,582.62 | 120,711,079 |
| 1,489,898.99 | 164,633,838 | 1,489,898.99 | 153,902,096 |
| 9,674.33 | 1,069,013 | - | - |
| - | - | 1,015.00 | 104,846 |
| 2,479,869.57 | 274,025,587 | 2,659,496.61 | 274,718,021 |

9. Surplus in Profit and Loss Account/Retained Earnings

Opening Balance
Add: Profit/(Loss) during the Period
Less: Transfer to Central Operation during the Year

| | | | |
|---------------------|--------------------|---|---|
| 3,231,524.27 | 345,665,523 | - | - |
| 3,231,524.27 | 345,665,523 | - | - |
| 3,231,524.27 | 345,665,523 | - | - |

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Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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10. Profit on Investments
Profit received from Mudaraba Import Bills (UPAS)
Profit received from Murabaha
Profit received from Hire Purchase
Profit received from Ijara
Profit on Inland Document Bill Purchased

| Jan'23 to Sep'23 | | Jan'22 to Sep'22 | |
|---------------------|--------------------|---------------------|--------------------|
| USD | Taka | USD | Taka |
| 4,298,150.66 | 459,759,040 | 5,596,461.47 | 569,879,836 |
| 71.39 | 7,636 | - | - |
| 536,713.91 | 57,410,522 | 740,166.48 | 75,370,116 |
| 240,376.40 | 25,712,273 | - | - |
| 193,214.61 | 20,667,531 | 331,106.47 | 33,716,108 |
| 5,268,526.97 | 563,557,002 | 6,667,734.42 | 678,966,061 |

11. Profit paid on Deposits & Borrowings

- Profit on Deposits
Profit paid on Borrowings

| | | | |
|---------------------|--------------------|---------------------|--------------------|
| - | - | - | - |
| 2,025,205.23 | 216,629,543 | 2,584,493.52 | 263,175,357 |
| 2,025,205.23 | 216,629,543 | 2,584,493.52 | 263,175,357 |

12. Commission, Exchange & Brokerage

- Commission from LC

| | | | |
|------------------|------------------|------------------|------------------|
| 12,753.98 | 1,364,251 | 20,293.38 | 2,066,446 |
|------------------|------------------|------------------|------------------|

13. Other Operating Income

- SWIFT & REUTERS
Miscellaneous Earnings
Service & Charges Receipts

| | | | |
|------------------|------------------|-------------------|-------------------|
| 12,703.33 | 1,358,833 | 25,814.15 | 2,628,619 |
| 49,878.27 | 5,335,314 | 95,087.10 | 9,682,586 |
| - | - | - | - |
| 62,581.60 | 6,694,148 | 120,901.25 | 12,311,205 |

14. Salary & Allowances

- Basic Salary
Allowances
Bonus
Bank's Contribution to Provident fund

| | | | |
|------------------|------------------|-------------------|-------------------|
| 30,050.43 | 3,214,396 | 36,739.46 | 3,741,128 |
| 26,517.97 | 2,836,540 | 33,475.16 | 3,408,729 |
| 20,809.18 | 2,225,890 | 26,416.71 | 2,689,977 |
| 2,875.19 | 307,550 | 3,635.18 | 370,165 |
| 80,252.77 | 8,584,375 | 100,266.51 | 10,209,998 |

15. Rent, Taxes, Insurance, Electricity etc.

- Insurance

| | | | |
|---------------|---------------|---------------|---------------|
| 904.57 | 96,759 | 372.82 | 37,964 |
| 904.57 | 96,759 | 372.82 | 37,964 |

16. Postage, Stamps, Telecommunication etc

- Telephone charges

| | | | |
|--------------|--------------|---------------|---------------|
| 68.99 | 7,380 | 110.88 | 11,291 |
| 68.99 | 7,380 | 110.88 | 11,291 |

17. Stationery, Printing, Advertisement etc

- Computer Stationery
Publicity and Advertisement

| | | | |
|---------------|---------------|---------------|---------------|
| 188.77 | 20,192 | 447.34 | 45,552 |
| 22.05 | 2,359 | 2.49 | 254 |
| 210.82 | 22,551 | 449.83 | 45,806 |

18. Depreciation and Repairs of Fixed Assets

Depreciation of Fixed Assets

- Furniture & Fixtures
Office Appliance & Equipment

| | | | |
|---------------|----------------|-----------------|----------------|
| 600.57 | 64,241 | 600.57 | 61,155 |
| 393.31 | 42,071 | 508.11 | 51,740 |
| 993.88 | 106,312 | 1,108.68 | 112,895 |

Repairs & Maintenance

| | | | |
|---------------|----------------|-----------------|----------------|
| 993.88 | 106,312 | 1,108.68 | 112,895 |
|---------------|----------------|-----------------|----------------|

19. Other Expenses

- Entertainment Expense
Travelling Expense
Business Development & Promotion
Car Expense
Miscellaneous Expenses

| | | | |
|-----------------|----------------|-----------------|----------------|
| 26.49 | 2,833.55 | 70.92 | 7,221.68 |
| 5.15 | 551 | 15.52 | 1,580.38 |
| - | - | 255.12 | 25,978.51 |
| 4,651.77 | 497,585 | 5,510.50 | 561,126.50 |
| 18.61 | 1,990.65 | - | - |
| 4,702.02 | 502,960 | 5,852.06 | 595,907 |

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ANNEXURE 4: CREDIT RATING REPORT OF THE ISSUE


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**Credit Rating Report
Of
SJIBL 3rd Mudaraba Floating Rate, Non-
Convertible, Unsecured Subordinated Bond**



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EMERGING

Credit Rating Ltd

SJIBL 3rd Mudaraba Floating Rate, Non-Convertible, Unsecured Subordinated Bond

Corporate Bond Rating (Agreement No. 2022-06-23-63716)

| Valid From | Valid Till | Rating Action | Long Term Rating | Outlook |
|---------------|---------------|-----------------|------------------|---------|
| June 22, 2023 | June 21, 2024 | Surveillance -1 | AA _{B+} | Stable |
| June 22, 2022 | June 21, 2023 | Initial | AA _{B+} | Stable |

* B denotes Bond

Date of Incorporation : April 01, 2001

Managing Director & CEO : Mr. Mosleh Uddin Ahmed

Issue : SJIBL 3rd Mudaraba Floating Rate, Non-Convertible, Unsecured Subordinated Bond

Issue Face Value : BDT 5,000.00 million

Program Tenure : Seven years from the Issue Date

Issuer : Shahjalal Islami Bank Limited

Lead Arranger : Standard Chartered Bank

Trustee : DBH Finance PLC.

Contact Analysts : Md. Harun Chowdhury harun@emergingrating.com
Fahad Bhuiyan fahad@emergingrating.com

Arifur Rahman FCCA, FCA, CSAA
Chief Executive Officer
Emerging Credit Rating Limited

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Credit
Analysis

Corporate Bond

Emerging Credit Rating Ltd

Corporate Bond

CREDIT ANALYSIS

2023 Surveillance Review

SJIBL 3rd Mudaraba Floating Rate, Non-Convertible, Unsecured Subordinated Bond

Major Rating Factors

- Strengths**
- Consecutive growth of net investment income in 2022 and 2021 period
 - Improving cost to income ratio in the last two years
 - Upward trend of post-tax profit in the 2019-2022 period
 - Strengthened total asset base with improved gross investment base
 - Compliant capital to risk weighted assets ratio
- Challenge/ Risks**
- Sharp growth of NPI in 2022, however NPI ratio is at 4.78% marginally growing from 4.42% of the previous year
 - Increased large investment exposure

Rationale Emerging Credit Rating Limited (ECRL) has upgraded long term credit rating to **AA_B** (Pronounced as Double A Bond) to SJIBL 3rd Mudaraba Floating Rate, Non-Convertible, Unsecured Subordinated Bond (hereinafter referred to as "The Bond" or "The Issue") issuance of BDT 5,000.00 million in face value. The outlook on the rating is **Stable**. The rating is consistent with ECRL's methodology for this type of Bond rating.

The bank's strengths, which are supported by its consecutive growth of net investment income in 2022 and 2021 period, improving cost to income ratio, upward trend of post-tax profit in the 2019-2022 periods, strengthened total asset base with improved gross investment base as well as compliant capital to risk weighted assets ratio. ECRL is concerned about sharp growth of NPI in 2022 and increased large investment exposure. **The rating was assigned on the basis of draft information memorandum, draft agreements between the issuer, trustee and mandated lead arranger provided by the entity in discussion and the rating may significantly change if the covenants in those agreements are altered.**

The objective behind issuance of the SJIBL 3rd Mudaraba Floating Rate, Non-Convertible, Unsecured Subordinated Bond is to further strengthen the capital base as supplementary (Tier-II) capital of the bank and to comply with the capital adequacy requirements as per Basel-III. The fund raised through issuing the bond is providing the bank additional capital cushion under risk based capital adequacy framework and also helping the bank to utilize this issue in its regular business activities. Notably, the bank has got the permission from Bangladesh Bank to issue the bond on October 10, 2022.

The proposed bond will be repayable in seven years with five equal installments starting from the end of year three. The total profit on the Bonds will be calculated by Benchmark Mudaraba Term Deposit profit rate of all Islami Banks plus a predetermined additional profit rate of 2.00% per annum. The fund will be used in regular lending and business activities of the bank which will help to grow the bank's investment portfolio and other business undertakings.

The bank's asset base exhibited an ascending trend throughout the course of the periods under review in this report. Total asset book stood at BDT 339,818.87 million.

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank

Chief Executive Officer

Arifur Rahman FCCA, FCA, CSA
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Shahjalal Islami Bank PLC

SJIBL 3rd Mudaraba Floating Rate, Non-Convertible, Unsecured Subordinated Bond



in FY2022 representing an 8.32% growth compared to the rise of 6.89% in the prior financial year. The growth of total asset being contributed mostly by the gross investments of the bank which has increased by 9.53% in FY2022, following a 10.22% growth in FY2021 and sustained being the largest component of overall assets in FY2022.

In contrast, the Non-Performing Investment (NPI) experienced an incline of BDT 1,763.99 million or 18.43%, standing at BDT 11,332.83 million by the end of FY2022. As a consequence, it has led to a moderate increase in the NPI ratio to 4.78% in FY2022 (FY2021: 4.42%) demonstrating the NPI growth is still within marginal growth.

The bank's rescheduled investments of 2022 had an outstanding of BDT 8,017.73 million against 159 accounts, whereas it was BDT 2,691.27 million in the previous year against 39 accounts. According to the bank's response, the increased reschedule was a result of the BRPD circular 5 that allowed the borrowers to make 2% down payment to keep their loans unclassified by rescheduling. The bank did not write off any accounts in FY2022. However, the NPIs and rescheduled investments together represented 8.16% of the gross investment of the bank compared to 5.66% in the preceding financial year.


The bank has kept its CRAR at 14.38% in FY2022, much beyond the legal minimum of 12.50% requirement established by Bangladesh Bank. Total risk weighted asset of the Bank has witnessed a moderate surge of 5.47% standing at BDT 236,937.49 million in FY2022 from BDT 224,653.54 million in the prior year illustrating that the bank's risk profile has further affected negatively to some extent which lowered the CRAR in 2022.

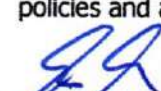
The deposit base, the largest sources of funding of the bank has enhanced by 4.92% in FY2022 compared to a drop of 0.53% in FY2021. Investment to deposit ratio for SJIBL stood at 83.64%, well within the maximum allowable limit set by the central bank.

On the ground of affluent profitability, the net investment income of the bank has experienced an uplift of 17.54% standing at BDT 7,550.31 million in FY2022 as opposed to BDT 6,423.55 million in the prior year. The growth of deposit expense of the bank was surpassed by investment income leading to a sizeable improvement of net investment income during the latest period under review. The bank's earnings are anticipated to rise due to the recent relaxation of the interest rate cap by the central bank. This will enable the bank to generate higher profits from investments, despite an increase in interest paid on deposits as well which is evident from the 2022 yearly net investment income.


Furthermore, a substantial growth of 46.76% in the non-investment income has been observed aided by improved earnings from government bonds and gain from exchange which reached to BDT 6,570.51 million in FY2022 from BDT 4,477.17 million in FY2021. As a consequence, the total operating income showed 29.54% growth in 2022 from 2021 standing at BDT 14,120.83 million. In contrast, total operating costs of the bank soared by much lower 18.16%, resulting in a decline in the cost to income ratio, standing at 40.98% during this year, exhibiting improved cost efficiency. Enhanced growth in operating income eventually boosted the pre-tax profit by 49.41% and the post-tax profit by 36.35% reaching to BDT 7,226.28 million.

The **Stable** rating outlook reflects ECRL's expectations that SJIBL is likely to maintain its business growth and consistency in compliance with CRAR, CRR & SLR requirements, the capital base will remain strong and the bank will adopt appropriate policies and actions to improve its profitability.


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Emerging Credit Rating Limited


Nasimul Baten
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DBH Finance PLC.

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SJIBL and Mudaraba Floating Rate, Non-Convertible, Unsecured Subordinated Bond

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Exhibit 1: Financial Highlights: Shahjalal Islami Bank Limited

| FY 31 December | 2022 | 2021 | 2020 | 2019 |
|--|-------------|-------------|-------------|-------------|
| Total Assets (BDT million) | 339,818.87 | 313,731.10 | 293,517.85 | 265,992.54 |
| Asset Growth (%) | 8.32 | 6.89 | 10.35 | 9.17 |
| Gross Investment (BDT Million) | 237,229.98 | 216,586.58 | 196,512.65 | 197,285.68 |
| Gross Investment Growth (%) | 9.53 | 10.22 | (0.39) | 6.02 |
| Deposits (BDT Million) | 227,982.06 | 217,288.99 | 218,442.95 | 203,272.98 |
| Deposit Growth (%) | 4.92 | (0.53) | 7.46 | 14.93 |
| Gross NPI Ratio (%) | 4.78 | 4.42 | 4.57 | 4.91 |
| Investment/Deposit Ratio (%) | 83.64 | 84.48 | 79.62 | 87.47 |
| Net Investment Income (BDT million) | 7,550.31 | 6,423.55 | 5,615.32 | 7,178.36 |
| Net Investment Income Growth (%) | 17.54 | 14.39 | (21.77) | 23.19 |
| Non-Investment Income (BDT million) | 6,570.51 | 4,477.17 | 3,190.17 | 3,327.62 |
| Non-Investment Income Growth (%) | 46.76 | 40.34 | (4.13) | 17.76 |
| Pre-Tax Profit (BDT million) | 7,226.28 | 4,836.67 | 3,643.42 | 3,894.15 |
| Post-Tax ROAE (%) | 16.92 | 13.70 | 11.08 | 10.98 |
| CRAR (%) | 14.38 | 15.04 | 14.43 | 15.58 |

FY2019-2022 Data Extracted from Audited Financials

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Chief Executive Officer
Emerging Credit Rating Limited

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SEVP & Company Secretary
Shahjalal Islami Bank PLC

Mosteh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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A. BUSINESS DESCRIPTION

A.1. Company Background

Shahjalal Islami Bank Limited (SJIBL), a public limited company, was incorporated as a banking company on April 01, 2001; as interest/profit free Islamic Shariah based commercial Bank and commenced its operation on May 10, 2001 with the permission of Bangladesh Bank. The Bank is listed with both the Stock Exchanges of the country, such as Dhaka Stock Exchange Limited and Chattogram Stock Exchange Limited since 2007. The Bank offers all kinds of Islamic Shariah based commercial banking services to its customers through its 140 branches following the provisions of the Bank Companies Act 1991 (as amended up to 2018), Bangladesh Bank's Directives and directives of other regulatory authorities and the principles of the Islamic Shariah. The registered office of the Bank is located at Shahjalal Islami Bank Tower, Plot-4, Block-CWN(C), Gulshan Avenue, Gulshan, Dhaka-1212.

SJIBL has a subsidiary - Shahjalal Islami Bank Securities Limited (SJIBSL) incorporated as a public limited company on September 06, 2010 and commenced its operation on May 25, 2011. The primary business activity of the company is to carry on business of stock brokers/dealers in relation to shares and securities dealings. Shahjalal Islami Bank Limited holds 91.79% shares of Shahjalal Islami Bank Securities Limited. The company has corporate membership of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

A.2. Operational Network

The bank has been operating its business through country wide network of 140 branches. It has been observed most of the branches of the bank are situated at Dhaka (74) and Chattogram division (32) around. In addition, to facilitate withdrawal of money with ease by the customers, the bank has improved its ATM booths services by installing 129 ATM booths in total. Moreover, the bank obtained permission from Bangladesh Bank on October 16, 2019 to commence Agent Banking services and subsequently started commercial operations on January 02, 2020. Currently, there were 111 Agent Banking Outlets in 07 divisions across the country.

A.3. Market Share

In comparison to FY2021, Shahjalal Islami Bank Limited's market share reduced in FY2022 in terms of both deposits and advances (investments). By the end of December 2022, SJIBL's investment and deposit positions were BDT 237,229.98 million and BDT 227,982.06 million, respectively, while the industry's total investment and deposit positions were BDT 14,411,965.00 million and BDT 14,891,691.00 million, respectively. By the end of December 2022, SJIBL held 1.65% of the investment market share and 1.53% of the deposit market share, respectively, from 1.75% and 1.54% at the same time the previous year.

Exhibit 2: Market Share: Shahjalal Islami Bank Limited

(BDT in million)

| Bank/Sector | Particular | 2022 | 2021 | 2020 |
|----------------|------------|---------------|---------------|---------------|
| Banking sector | Investment | 14,411,965.00 | 12,360,817.00 | 11,228,433.00 |
| | Deposit | 14,891,691.00 | 14,093,426.00 | 12,904,724.00 |
| SJIBL | Investment | 237,229.98 | 216,586.58 | 196,512.65 |
| | Deposit | 227,982.06 | 217,288.99 | 218,442.95 |
| Market share | Investment | 1.65% | 1.75% | 1.75% |
| | Deposit | 1.53% | 1.54% | 1.69% |

Industry data obtained from BB website: <https://www.bb.org.bd/en/index.php/econdata/bankdeposit>

A.4. Products and Services

Very much like the other private commercial banks, SJIBL provides all kinds of commercial banking services as well as various deposit and investment schemes under Islamic Shariah law. The bank offers a wide range of deposit, investment, card products and variety of services to cater to virtually every customer segment. From SJIBL Student File to priority banking, from investment banking to International VISA cards. The product basket is rich in content featuring different types of deposit account like Al-Wadiah Current Deposit, Mudaraba Savings Deposit, Mudaraba SJIBL School Banking etc. The bank has several retail and corporate investment products such as Murabaha, Bai-Muazzal, Hire Purchase under Shirkatul Meelk, Bai-Salam, Ijara, Car Investment Scheme, Housing Investment

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5 NOV 2023

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SJIBL 3rd Mudaraba Floating Rate Non-Convertible, Unsecured Subordinated Bond

SEVP & Company Secretary

Mosleh Uddin Ahmed

Managing Director & CEO

Shahjalal Islami Bank



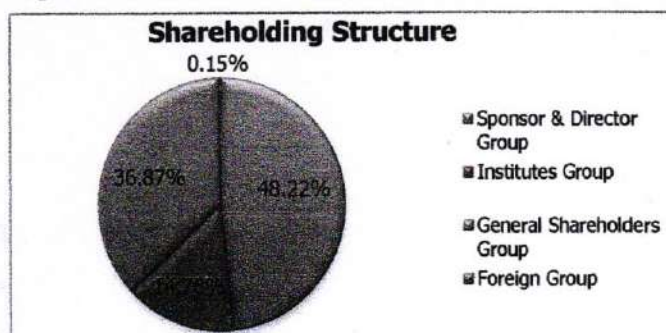


Program, and Investment Scheme for Education etc. Along with the basic Islamic banking products and services, to keep pace with the competition, it also has Online banking, SMS banking, Mobile banking, Remittance services, ATM banking, Locker service, Utility bills payment, e-Government Procurement facilities under its product portfolio. For better foreign currency fund management and to extend L/C facilities to its importers/exporters through establishment of correspondent relations and Nostro Accounts with leading banks all over the world.

A.5. Shareholding Structure

SJIBL's authorized and paid up capital stood at BDT 15,000.00 million and 10,805.52 million respectively at the end of year 2022. Total number of ordinary shares outstanding as on December 31, 2022 was 1,080,551,798 of BDT 10.00 each; of which 48.22% by Sponsor & Director Group, 36.87% was held by the General Shareholders Group, 14.76% by institutions and rest of the 0.15% of shares are hold by foreign investor.

Figure 1: SJIBL's Shareholding Structure



A.6. Subordinated Bond Issuance Objectives

The objective behind issuance of the SJIBL 3rd Mudaraba Subordinated Bond is to further strengthen the capital base as supplementary (Tier-II) capital of the bank and to comply with the capital adequacy requirements as per Basel-III. The fund raised through issuing the bond is providing the bank additional capital cushion under risk based capital adequacy framework and will help to grow the bank's investment portfolio and other business undertakings.

A.7. Structure of Subordinated Bond and Terms

Exhibit 3: Basic Features of SJIBL 3rd Mudaraba Subordinated Bond

| Issuer: Shahjalal Islami Bank Limited (SJIBL) | |
|--|---|
| The Issue: | SJIBL 3rd Mudaraba Floating Rate, Non-Convertible, Unsecured Subordinated Bond |
| Issue Type: | Non-Convertible, Floating Rate, Redeemable BASEL III compliant Tier 2 Debt instruments |
| Mandated Lead Arranger: | Standard Chartered Bank ("SCB") and referred to as the "Mandated Lead Arranger" or the "MLA" |
| Trustee: | DBH Finance PLC |
| Arrangement Basis: | Best Efforts / Strictly Non-Underwritten |
| Purpose: | To strengthen Tier II Capital Base |
| Investors: | Local Financial Institutions, Insurance Companies, Offshore Development Financial Institutions, Corporates, High Net Worth Individuals, etc. and any other eligible investors |
| Currency: | Bangladeshi Taka (BDT) |
| Issue Size: | BDT 5,000 million |
| Denomination: | Denomination of each Bond is indicated at BDT 1,000,000 Face Value |
| Number of Issuing Unit: | 5000 Nos. |
| Market Lot: | 01(one) unit/bond and in multiples |
| Minimum Application | BDT 1,000,000 |
| Minimum Application | 1 (one) lot |
| Mode of Placement: | Private Placement |
| Issue Price: | 100% at Par |
| Tenor: | 05 NOV 2023 7 years from the Issue Date |
| Nature of Debt Instrument | Mudaraba Subordinated Bond |

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Managing Director & CEO
Shahjalal Islami Bank
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| Expected Issue Date: | Post BSEC approval or any other mutually agreeable date | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------------------|---|------------------|----------------------------|-----|---------------------------|---|----|--|-----|---|----|--|-----|---|----|--|-----|---|----|--|-----|---|----|--|-----|--|--------------|--|-------------|
| Status of Debt: | Subordinated Non-Convertible | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Security: | Unsecured | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Form: | Registered | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Listing: | As per BSEC consent letter | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mudaraba Profit Rate: | <p>Mudaraba Profit Rate: The total profit on the Bonds will be calculated by Benchmark Mudaraba Term Deposit profit rate of the issuer plus a predetermined additional profit rate as described in below mechanism:</p> <p>Benchmark Mudaraba Term Deposit Profit: The average of most recent month's published highest Mudaraba Term Deposit profit rates in 6 months tenor of all Islami Banks (except foreign Islamic Banks and Z category Islamic Banks) to be applied semi-annually. The highest prevailing published Mudaraba Term Deposit profit rate in 6 months tenor (as reported to Bangladesh Bank) of the Issuer to be included in the semi-annual profit rate fixation. The first rate will be fixed at the date of the issuance of the Mudaraba Subordinated Bonds as per above. From thereon, the rate will be re-fixed semi-annually. After each financial year end, the issuer will give adjustment to the Mudaraba Subordinated Bondholders, if there is any additional profit reported in the respective financial year for applied Mudaraba Term Deposit profit.</p> <p>The Benchmark rate will be calculated by the Trustee and notified to the Issuer and all Investors on every Profit Reset Date.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Margin with Rate of Return: | <p>Additional Profit Rate: Investors will get an additional profit rate of 2.00% per annum to be paid semiannually along with the benchmark profit by the issuer for the respective investments in the Mudaraba Subordinated Bonds.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Range of Profit Rate: | Floor: 6.00% - Ceiling: 9.00% p.a. at all times | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Payment of Profit: | Semi-annually not later than 60 days from expiry of 6 months and 12 months of each year from the issuance of the Bond | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Redemption Schedule: | <p>To be redeemed at par in 5 equal annual installments starting from end of 3rd year from the subscription closing date/deemed date of allotment and each 12 months from thereafter as per following table:</p> <table><tr><th>No. Installments</th><th>of Installment (in Months)</th><th>Due</th><th>Percentage Redemption (%)</th></tr><tr><td>1</td><td>36</td><td></td><td>20%</td></tr><tr><td>2</td><td>48</td><td></td><td>20%</td></tr><tr><td>3</td><td>60</td><td></td><td>20%</td></tr><tr><td>4</td><td>72</td><td></td><td>20%</td></tr><tr><td>5</td><td>84</td><td></td><td>20%</td></tr><tr><td></td><td>Total</td><td></td><td>100%</td></tr></table> | No. Installments | of Installment (in Months) | Due | Percentage Redemption (%) | 1 | 36 | | 20% | 2 | 48 | | 20% | 3 | 60 | | 20% | 4 | 72 | | 20% | 5 | 84 | | 20% | | Total | | 100% |
| No. Installments | of Installment (in Months) | Due | Percentage Redemption (%) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | 36 | | 20% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | 48 | | 20% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | 60 | | 20% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | 72 | | 20% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | 84 | | 20% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Total | | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Late Redemption: | Incremental charge at the rate of 2% per annum payable by the Issuer to the Bondholders above the amount to be paid by the Issuer to the Bondholders on the Redemption Date for failure of the Issuer to make payment to the Bondholders on the Redemption Date. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Over Subscription: | In event of this issue of the bond being oversubscribed, the allotment will be a first come first serve basis | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Under Subscription: | Any under-subscribed portion will be re-offered for fresh subscription depending on prevailing market conditions. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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Credit Rating Ltd



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| | |
|---|---|
| Documentation: | Will include but not limited to the followings: <ul style="list-style-type: none"> • Term Sheet • Bond Subscription Agreement • Trust Deed • Any other documentation related to the transaction Customary documentation including force majeure, negative pledge, cross default and indemnity provisions. |
| Governing Law: | The Laws of The People's Republic of Bangladesh. The Bonds are governed by and shall be construed in accordance with the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021. Any dispute arising thereof shall be subject to the jurisdiction of the competent courts of Bangladesh. |
| Applicable Bangladesh Bank Guidelines: | The Bonds are being made in pursuance of "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" on Basel III capital regulations issued by Bangladesh Bank vide BRPD Circular No- 18 dated December 21, 2014 (herein after Basel III Regulations/ Basel III Guidelines/ Bangladesh Bank RBCA Guidelines-2014) covering criteria for inclusion of instruments in Regulatory Capital (Specific Eligibility Criteria for Subordinated Debt to Qualify as Tier 2 Capital stated in ANNEX-4 of Bangladesh Bank RBCA Guidelines-2014). The issue of Bonds and terms and conditions of the Bonds will be subject to the applicable guidelines/orders /rules/circulars issued by Bangladesh Bank and Bangladesh Securities and Exchange Commission from time to time. |
| Regulatory Approval | Upon approval from the Bangladesh Securities and Exchange Commission and No-Objection Certificate from Bangladesh Bank, the Issuer will issue the Bonds. |
| Transferability: | Freely transferable subject to the terms and conditions of the Bond documents. |
| Liquidity: | Freely transferable subject to the terms and conditions of the Bond documents. |
| Prepayment: | No Prepayment option. |
| Call: | Bond is non-callable |
| Refunding: | Not applicable |
| Conversion features: | Bond is non-convertible |
| Exchange options: | Not applicable |
| Early Redemption: | Not applicable |
| Compliance | The bond indenture to be aligned, where applicable, for compliance with "Guideline of Risk Based Capital Adequacy" issued by Bangladesh Bank (BB). Rules & Regulations of Bangladesh Securities & Exchange Commission (BSEC) and applicable Laws of the land. |

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**Tax Features:**

All payments made by the Issuer or under or in respect of the Trust Deed or the Bonds will be subject to any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Bangladesh or any political subdivision thereof or any authority thereof or therein having power to tax. The Issuer will not be Obligated pay any additional amounts in respect of such taxes, duties, assessments or governmental charges that may from time to time be deducted or withheld from such payments but will provide or procure the provision of original or authenticated tax receipts relating to any such deductions or withholdings to Bondholders.

Cost Related to the Issue:

Arrangement Fee: Total of 0.50% of the Face Value Amount of the Bonds + VAT

Trustee Fee:

- BDT 400,000 per annum + VAT

Credit Rating Fee:

- BDT 1.00 Lac per rating

Application Fee to BSEC: BDT 10,000

Consent Fee to BSEC: 0.10% on the Face Value

Other/Legal/Regulatory Cost (if any): At Actual

Credit enhancement or guarantee, if any:

Not Applicable

Enforcement of charges over securities:

Not Applicable

Conditions Precedent:

In form and substance satisfactory to the MLA including without limitation: (i) due diligence having been conducted and completed, (ii) documentation for Financing and appropriate business description disclosure in the offering circular, (iii) receipt by the MLA of appropriate legal opinions from external counsel, (iv) the Issuer having obtained all relevant approvals for Financing.


Enforcement of Charges over securities:

At any time after the Bonds have become due and repayable, the Trustee may, and without further notice in writing, take such proceedings against the Issuer as it may think fit to enforce repayment of the Bonds and to enforce the provisions of the Trust Deed, but it will not be bound to take any such proceedings unless

(a) it shall have been so requested in writing by the holders of not less than 66²/₃ per cent. in principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (b) it shall have been indemnified and/or secured to its satisfaction. No Bondholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

Basel Accords

Global minimum standards for the prudential regulation of banks set by the Basel Committee on Bank Supervision, housed with the Bank for International Settlements. The Basel Accords do not have legal force. The standards need to be incorporated into local legal frameworks through each jurisdiction's rule-making process within the predefined time frame established by the Basel Committee on Bank Supervision. There are three main sets of these agreements, which are commonly known as Basel I, II and III.


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| | |
|--|---|
| Basel III | Means the Basel III International regulatory framework for banks. Basel III framework was drafted by the Basel Committee on Banking Supervision, which is a Committee of Bank of International Settlements. It is the risk-based capital framework to be followed by banks across countries and it has been designed to be risk sensitive across various types of banking assets, including securitization exposure. Basel III is based on the following three mutually reinforcing pillars that allow banks and supervisors to evaluate properly the various risks that banks face: <ul style="list-style-type: none"> (i) minimum capital requirements, which seek to refine the present measurement framework; (ii) supervisory review of an institution's capital adequacy and internal assessment process; and market discipline through effective disclosure to encourage safe and sound banking practices. |
| Additional Tier 1 (AT1) capital | Capital instruments that meet the criteria for inclusion in the additional tier 1 capital as defined by the Bangladesh Bank, the Central Bank of Bangladesh. |
| Tier 2 capital | Sum of Capital instruments that meet the criteria for inclusion in the tier 2 capital (gone-concern capital) as defined by the Bangladesh Bank, the Central Bank of Bangladesh. |
| Basel III Regulations/ Basel III Guidelines/ Bangladesh Bank RBCA Guidelines-2014 | BRPD Circular No.-18 dated December 21, 2014 issued by the Bangladesh Bank (the central Bank of Bangladesh) on Basel III Capital Regulations (Guidelines on Risk Based Capital Adequacy, Revised Regulatory Capital Framework for banks in line with Basel III), as amended from time to time covering terms and conditions for issue of debt instruments for inclusion in regulatory capital (Annex 4 of the Guidelines on Risk Based Capital Adequacy, Revised Regulatory Capital Framework for banks in line with Basel III). In the case of any discrepancy or inconsistency between the terms of the Bonds or any other Transaction Document and the Basel III Guidelines, the provisions of the Basel III Guidelines as per Bangladesh Bank shall prevail. The issue of Bonds and the terms and conditions of the Bonds will primarily be subject to and governed by the applicable guidelines issued by the Bangladesh Bank from time to time and the Rules and Regulations of Bangladesh Securities and Exchange Commission as amended from time to time. |

B. FINANCIAL RISK ANALYSIS

B.1. Asset Composition & Trends

Exhibit 4: Selected Indicators for Shahjalal Islami Bank Limited
FY 31 December

| | 2022 | 2021 | 2020 | 2019 |
|---|------------|------------|------------|------------|
| Total Asset (BDT Million) | 339,818.87 | 313,731.10 | 293,517.85 | 265,992.54 |
| Asset Growth (%) | 8.32 | 6.89 | 10.35 | 9.17 |
| Gross Investment (BDT Million) | 237,229.98 | 216,586.58 | 196,512.65 | 197,285.68 |
| Gross Investment Growth (%) | 9.53 | 10.22 | (0.39) | 6.02 |
| Gross Investments to Total Assets (%) | 69.81 | 69.04 | 66.95 | 74.17 |
| Gross NPI (BDT Million) | 11,332.83 | 9,568.84 | 8,973.48 | 9,687.32 |
| Gross NPI Growth (%) | 18.43 | 6.63 | (7.37) | (23.86) |
| Gross NPI Ratio (%) | 4.78 | 4.42 | 4.57 | 4.91 |
| Net NPI Ratio (%) | (0.09) | 0.17 | 0.05 | 1.37 |
| Investment Loss Reserve Coverage (%) | 58.14 | 57.42 | 63.12 | 53.26 |
| NPIs to Equity & Investment Loss Reserve (%) | 39.82 | 37.83 | 38.00 | 44.71 |

FY2019-2022 Data Extracted from Audited Financials

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Shahjalal Islami Bank PLC

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Managing Director & CEO
Shahjalal Islami Bank
Credit Rating Ltd

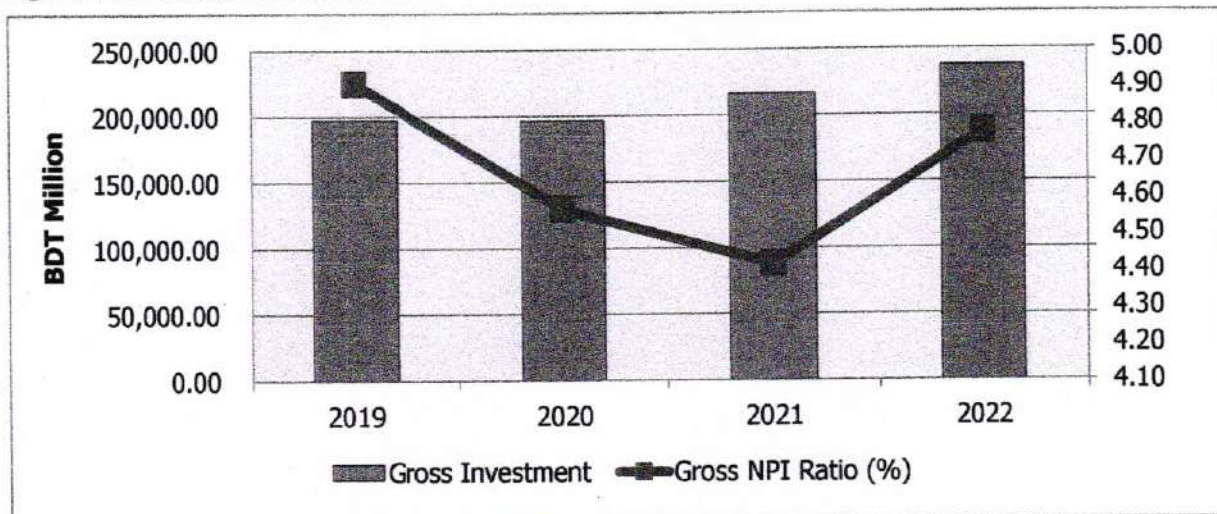




According to the financials, an ascending trend has been observed in the asset base of SJIBL throughout the course of the periods under review. The bank's asset book stood at BDT 339,818.87 million, representing a healthy 8.32% growth in FY2022 while 6.89% growth rate was experienced by the bank in the prior financial year. Taking a look at the composition of total assets, the gross investments, one of the vital component of total assets, incorporated 69.81% of total assets in FY2022. On the other hand, investments in shares and securities, other assets, placement with other banks & financial institutions, cash, fixed assets employed 9.85%, 6.43%, 6.26%, 5.10% and 1.55% of the total assets respectively during FY2022. The remaining portion of total assets incorporates balance with other banks & FIs and non-banking assets.

B.1.1. Asset Quality

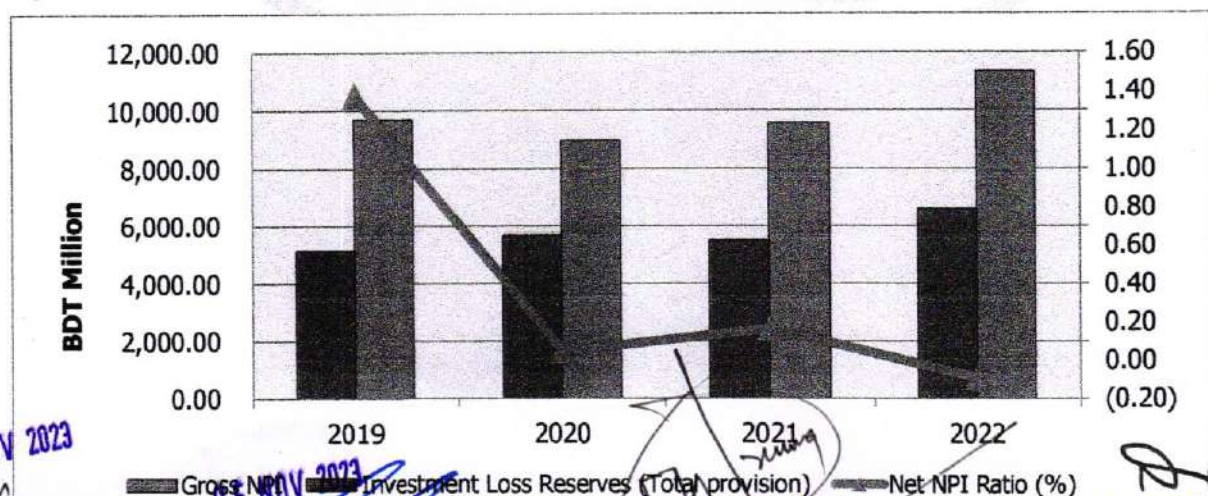
Figure 2: Selected Indicators of SJIBL



In FY2022, the gross investment, the major element of total assets, soared by 9.53% and reached at BDT 237,229.98 million compared to 10.22% growth in the previous year. On the other hand, the Non-Performing Investment (NPI) experienced an increase of BDT 1,763.99 million or 18.43%, standing at BDT 11,332.83 million by the end of FY2022 from BDT 9,568.84 million in the preceding year. As a consequence, it has led to a moderate increase in the NPI ratio which ended at 4.78% in FY2022 from 4.42% in FY2021.

Taking a look at the composition of the total investment portfolio of SJIBL, it has been observed that the gross NPI in FY2022 comprised of 84.58% bad/loss investments, 14.66% sub-standard and 0.76% doubtful investments indicating that the bank has greater concentration on the bad loss loan/investment in its non-performing investment over the years. The top 30 NPI has covered 46.08% of the total NPI at the end of 2022.

Figure 3: Selected Indicators of SJIBL



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Shahjalal Islami Bank PLC
BDT 339,818.87 million
FAD, Head Office, Dhaka
Convertible, Unsecured Subordinated Bond

EMERGING
Credit Rating



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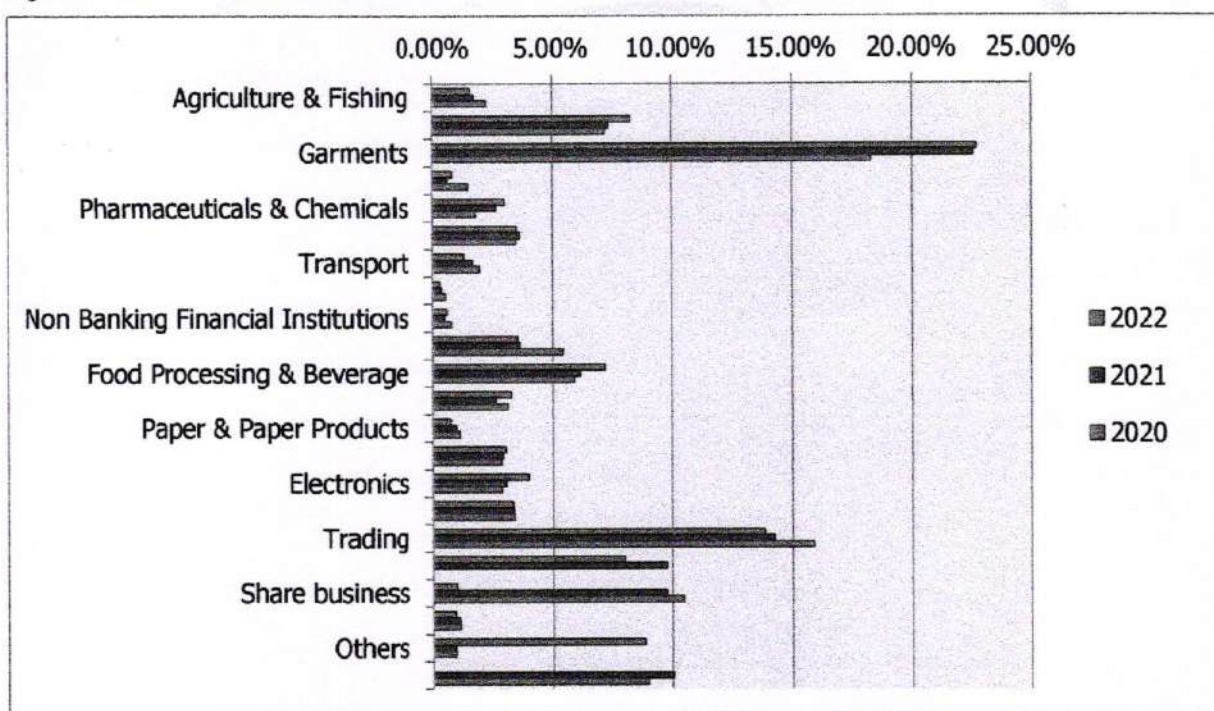


As indicated earlier, the NPI of SJIBL witnessed an increase of 18.43% in FY2022 whereas an upsurge of 1.25% in the investment loss reserve has been observed by the end of FY2022. As a consequence, it has resulted to a slight boost in the bank's investment loss reserve coverage, mounting to 58.14% from 57.42% in FY2021. The bank's provision requirement for investment (classified and unclassified) was BDT 6,371.54 million in FY2022 against which the bank kept BDT 6,589.27 million as provision, resulting in a surplus provision of BDT 217.73 million specifying that total required provision for non-performing investments has been covered by the bank.

B.1.2. Investment Diversification and Concentration

SJIBL maintains a diversified portfolio with concentration in several sectors of the economy revealed by its sector wise investments. Sectors wise concentration displays that the investment portfolio of SJIBL was mainly dominated by garments sector (22.67%) followed by trading (13.86%), others (8.87%), cotton & textile (8.30%) and construction including work order financing (8.03%) during FY2022. Geographically, merely 2.33% of the bank's investments are made in rural areas and the remaining 97.67% investments are concentrated in urban areas. SJIBL has the largest concentration of investments in the Dhaka division trailed by Chattogram division.

Figure 4: Selected Indicators of SJIBL



B.1.3. Performance of Rescheduled Investment and Written-off Investment

During FY2022, the bank's rescheduling of investments has increased significantly in terms of both amount & accounts and totaled BDT 8,017.73 million against 159 accounts, whereas it was BDT 2,691.27 million in the previous year against 39 accounts. SJIBL did not write off of any of its investments during the period FY2022. The rescheduled investment accounted for 3.38% of the total investment in FY2022 against a much lower 1.24% in FY2021. On the other hand, the NPIs and rescheduled investments together represented 8.16% of the gross investment of the bank which has increased compared to 5.66% in the preceding financial year.

B.1.4. Large Investment Exposure

SJIBL's exposure to large investments has accelerated compared to the previous year. Notably, the sum of total outstanding (both funded and non-funded) to each customer exceeding 10% of total capital of the bank as at 31 December 2022 has reached BDT 107,761.41 million with 23 accounts from BDT 98,065.51 million with 20 accounts in the prior financial year demonstrating that both amounts and accounts has increased in FY2022 compared to FY2021. Such investment of the bank occupied 45.42% of the total gross investments in FY2022 compared to 45.28% of total investments in the previous year. The top 20 funded investments of the bank was BDT 39,970.89 million

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occupying 16.85% among the total investments at the end of 2022 showing diversified investment portfolio and low concentration on large investments.

B.1.5. Off-Balance sheet exposure

SJIBL has reported BDT 154,272.18 million as total off-balance sheet exposures, registering a fall of 9.90% during this year while it witnessed a significant 42.64% uplift in the preceding year. The off-balance sheet contingent liabilities of the bank accounted for 45.40% of the total assets of the bank in FY2022 (FY2021: 54.58%) demonstrating reduced exposure during this year compared to FY2021. Furthermore, SJIBL's off balance sheet exposures incorporated acceptances & endorsements, letters of guarantee, irrevocable letters of credit and bills for collection which accounted for 33.52%, 20.30%, 28.79% and 17.39% of the total exposures at the end of FY2022 respectively.

C.2. Capital Adequacy

Exhibit 5: Selected indicators of Shahjalal Islami Bank Limited

| FY 31 December | 2022 | 2021 | 2020 | 2019 |
|---|------------|------------|------------|------------|
| Tier-I Capital (BDT Million) | 26,846.54 | 24,531.74 | 17,948.76 | 16,507.27 |
| Total Capital (BDT Million) | 34,064.48 | 33,778.03 | 28,308.26 | 28,477.37 |
| Total Risk Weighted Assets (BDT Million) | 236,937.49 | 224,653.54 | 196,154.99 | 182,775.69 |
| Tier-I Ratio (%) | 11.33 | 10.92 | 9.15 | 9.03 |
| CRAR (%) | 14.38 | 15.04 | 14.43 | 15.58 |

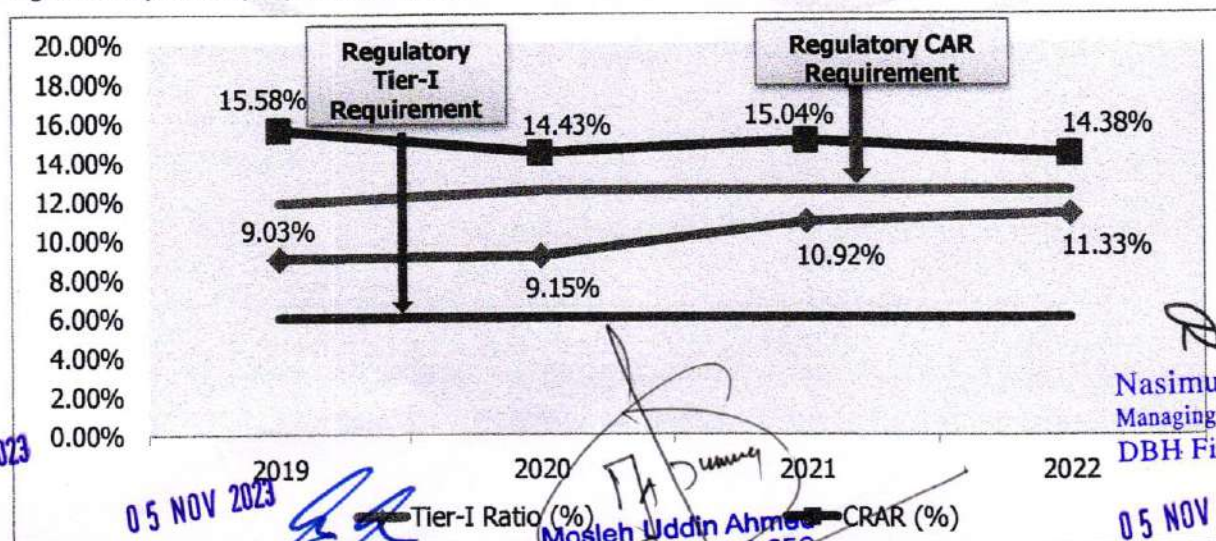
FY2019-2022 Data Extracted from Audited Financials

In order to protect depositors and other creditors from any potential losses the bank may experience, capital adequacy places a strong emphasis on the overall condition of the bank's capital. Hence, various regulations on risk-based capital adequacy are issued by Bangladesh Bank in accordance with Basel III, and every bank must keep a minimum capital of 12.50% with a capital conservation buffer including a minimum Tier-1 capital ratio of 6.00%. In line with the requirement, a CRAR of 14.38% and Tier-I Ratio of 11.33% were maintained by SJIBL in FY2022, both of which were much higher than the regulatory requirement established by the Bangladeshi central bank.

SJIBL's Tier-I or core capital climbed by 9.44% to BDT 26,846.54 million in FY2022 from BDT 24,531.74 million in the prior year. In line with this, the total eligible regulatory capital witnessed a rise of 0.85%, standing at BDT 34,064.48 million.

On the other hand, the risk weighted asset of the Bank has witnessed a moderate surge of 5.47% standing at BDT 236,937.49 million in FY2022 from BDT 224,653.54 million in the prior year. In FY2022, the risk-weighted assets originating from market risk, operational risk and credit risk experienced an escalation of 24.05%, 17.02% and 3.54% respectively. Since the growth rate of total eligible regulatory capital was lower than that of total risk weighted assets, the capital to risk weighted ratio (CRAR) marginally declined to 14.38% in FY2022 against 15.04% in the former year which is however higher than the minimum capital requirement of 12.50%.

Figure 5: Capital Adequacy Position of SJIBL



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C.3. Funding and Liquidity

Exhibit 6: Selected indicators of Shahjalal Islami Bank Limited
FY 31 December

| | 2022 | 2021 | 2020 | 2019 |
|--|------------|------------|------------|------------|
| Customer Deposits (BDT Million) | 227,982.06 | 217,288.99 | 218,442.95 | 203,272.98 |
| Total Customer Deposit Growth (%) | 4.92 | (0.53) | 7.46 | 14.93 |
| Investment/Customers Deposits (%) | 83.64 | 84.48 | 79.62 | 87.47 |
| Net Investment/Stable Funding Base (%) | 140.04 | 127.86 | 110.57 | 115.12 |
| Net Investment/Customer Deposits (%) | 99.00 | 95.43 | 85.89 | 93.58 |
| Customer Deposits/Total Funding (%) | 67.09 | 69.26 | 74.42 | 76.42 |
| Interbank Liabilities/Total Funding (%) | 12.37 | 10.34 | 6.72 | 4.28 |

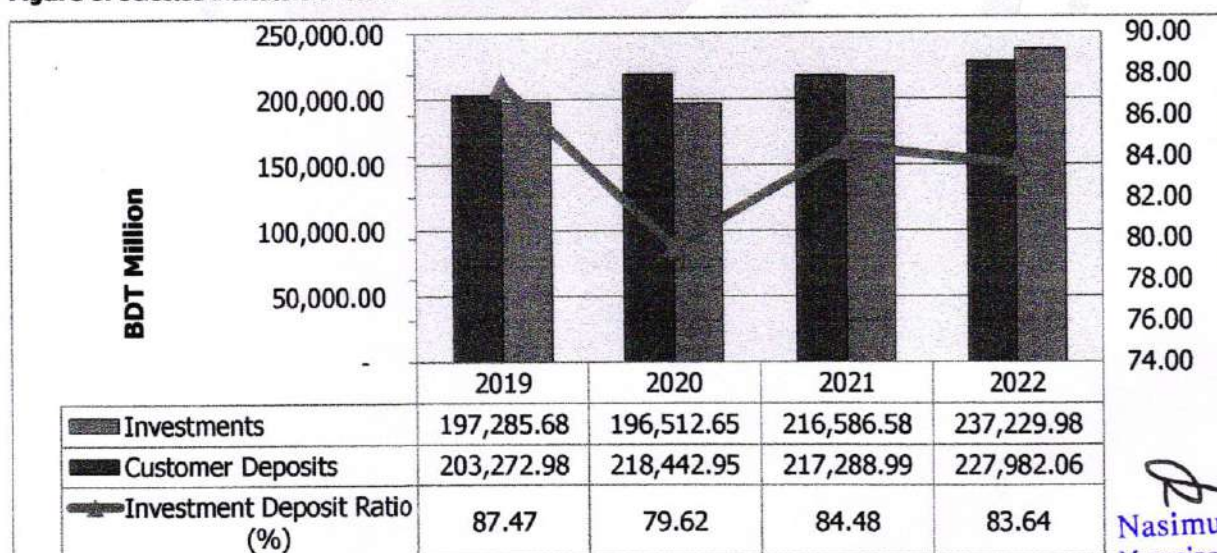
FY2019-2022 Data Extracted from Audited Financials

C.3.1. Fund Management

The lion share of a bank's funding originates from its deposit base along with capital, interbank liabilities and various financial instruments and other liabilities etc. According to the financials, deposits make up 67.09% of SJIBL's total funding base at the end of FY2022, with interbank liabilities accounting for 12.37% followed by other liabilities (11.03%), equity (6.44%), mudaraba subordinated debt (3.00%) and deferred tax liabilities (0.07%). The deposit base of the bank has enhanced by 4.92% and reached at BDT 227,982.06 million in FY2022 compared to a drop of 0.53% in FY2021. The largest contribution was made by mudaraba term deposits which incorporated 38.08% of the total deposits during this year followed by other mudaraba deposits (21.96%), saving deposits (16.20%), current deposits (21.18%) and bills payable (2.58%). Mudaraba term deposits of SJIBL enhanced by 16.58% compared to a stagnant growth of 13.83% in FY2021.

According to the guidelines set forth by the central bank, the maximum allowable limit for loan/investment to deposit ratio is 92.00% for Islamic Shariah based banks and 87% for conventional banks. Investment to deposit ratio for SJIBL stood 83.64%, well below the maximum allowable limit set by the central bank. The net investments (after deducting provision and interest/profit suspense account from gross loans/investments) were 140.04% of the stable funding base at the end of FY2022 which significantly enhanced from the previous year.

Figure 6: Selected indicators of SJIBL



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C.3.2. Liquidity Management

SJIBL has recorded surpluses of BDT 2,416.80 million and BDT 17,718.86 million at the end of FY2022, respectively, versus the CRR and the SLR requirements. By the end of FY2022, the CRR and SLR were 4.99% and 12.74%, respectively, versus the corresponding requirements of 4.00% and 5.50%. According to SJIBL's asset and liability maturity profile, the bank's assets and liabilities are satisfactorily divided throughout several time horizons. The bank's various maturity buckets did not have any liquidity gaps.



D.4. Earning Trends and Profitability

Exhibit 7: Selected Indicators of Shahjalal Islami Bank Limited
FY 31 December

| | 2022 | 2021 | 2020 | 2019 |
|--|----------|----------|----------|----------|
| Net Investment Income (BDT Million) | 7,550.31 | 6,423.55 | 5,615.32 | 7,178.36 |
| Net Investment Income Growth (%) | 17.54 | 14.39 | (21.77) | 23.19 |
| Non-Investment Income (BDT Million) | 6,570.51 | 4,477.17 | 3,190.17 | 3,327.62 |
| Non-Investment Income Growth (%) | 46.76 | 40.34 | (4.13) | 17.76 |
| Pre-Provision Profit (BDT Million) | 8,334.64 | 6,003.69 | 4,094.81 | 5,865.13 |
| Pre-Tax Profit (BDT Million) | 7,226.28 | 4,836.67 | 3,643.42 | 3,894.15 |
| Post - Tax Profit (BDT Million) | 3,525.06 | 2,585.24 | 1,908.20 | 1,718.30 |
| Post - Tax ROAE (%) | 16.92 | 13.70 | 11.08 | 10.98 |
| Profit Spread (%) | 2.96 | 3.00 | 3.03 | 3.74 |
| Net Investment Income Margin (%) | 2.74 | 2.52 | 2.42 | 3.40 |
| Cost Income Ratio | 40.98 | 44.92 | 53.50 | 44.17 |

FY2019-2022 Data Extracted from Audited Financials

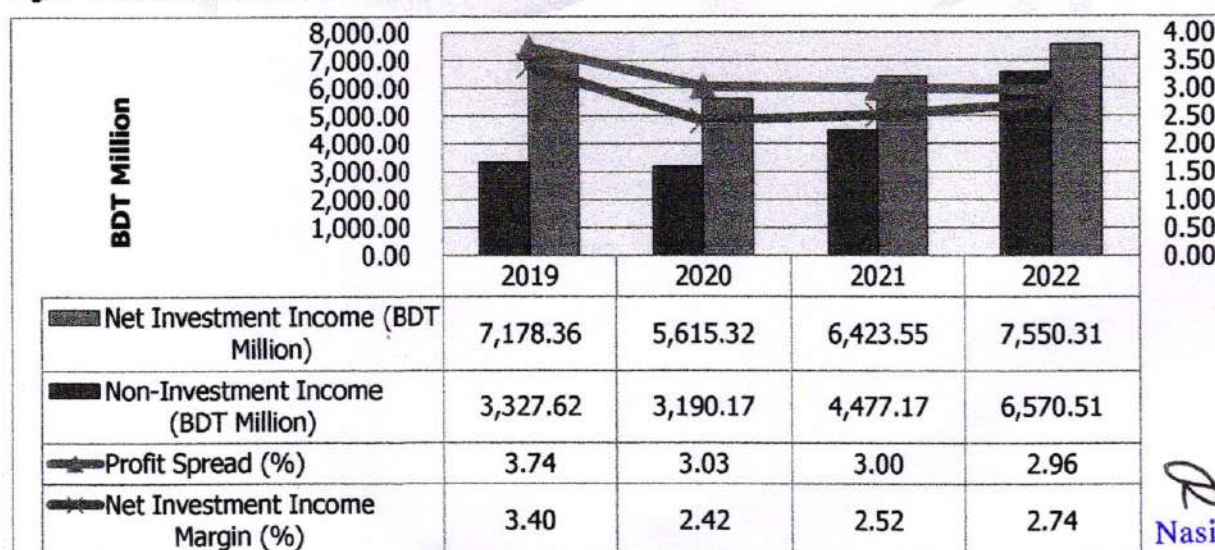
With the resumption of economic activity after the pandemic, demand for credit in the overall banking sector has gained momentum. Since SJIBL has witnessed a considerable 9.53% investment growth in FY2022, it has resulted to a substantial upsurge of 15.07% in the investment income of the bank which ended at BDT 15,885.44 million in FY2022 compared to BDT 13,805.19 million in the preceding financial year.

On the other hand, profit paid on deposits boosted by 12.92% and finally stood at BDT 8,335.13 million in FY2022. As the growth of investment income exceeded the growth of profit paid on deposits, consequently the net investment income of the bank has experienced an uplift of 17.54% standing at BDT 7,550.31 million in FY2022 as opposed to BDT 6,423.55 million in the prior year.

Furthermore, a substantial growth of 46.76% in the non-investment income has been observed which finally ended at BDT 6,570.51 million in FY2022. This growth in the non-investment income mainly originated from enhanced investment income from government sukuk bond and gross exchange gain.

As a consequence of all these factors, the total operating income has stood at BDT 14,120.83 million, registering a notable growth of 29.54% in FY2022 compared to 23.79% growth in the former year. Taking a look at the composition of total operating income, it comprised of 53.47% net investment income, 24.69% commission, exchange & brokerage fees, 12.27% income from investing in shares and securities and the rest 9.57% other operating income.

Figure 7: Selected indicators of SJIBL



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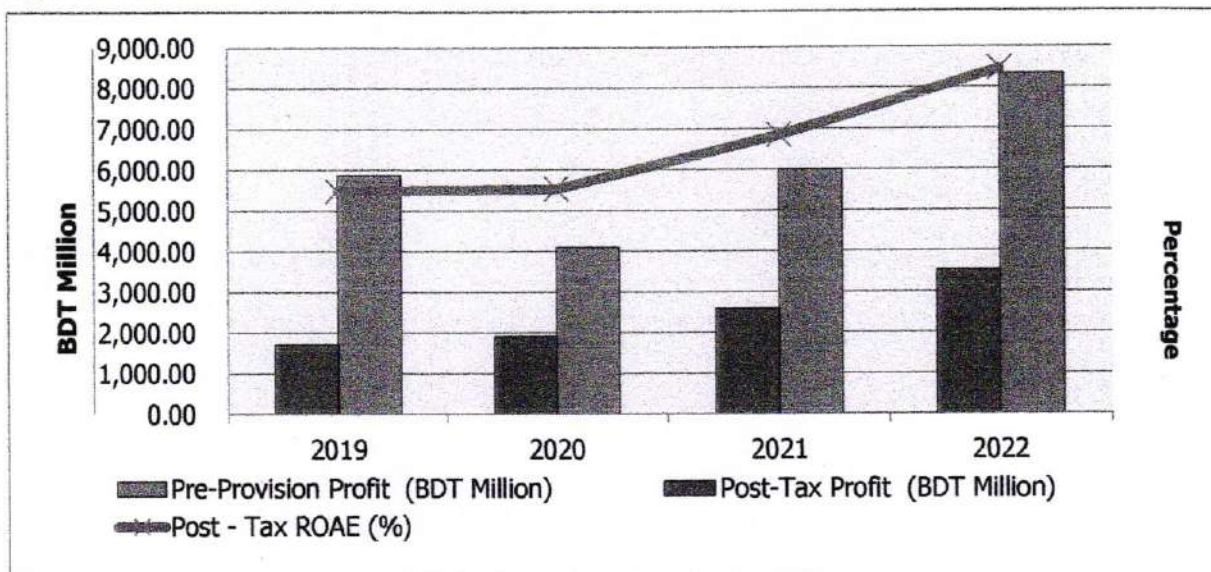
In contrast, total operating costs of the bank soared by 18.16% and stood at BDT 5,786.18 million in FY2022. Consequently, it has resulted in a decline in the cost to income ratio, standing at 40.98% during this year, an improvement from 44.92% in previous year. Enhanced growth in operating income eventually boosted the pre-provision profit by 38.83% which ended at BDT 8,334.64 million in



FY2022. Furthermore, owing to a reduction in the total provision of the bank, post-tax profit reached at BDT 7,226.28 million, recording a notable growth of 49.41% compared to previous year. Furthermore, average profit spread of SJIBL witnessed a slight fall and ended at 2.96% in FY2022 compared to 3.00% in FY2021.

In FY2022, SJIBL demonstrated operational efficiency in terms of cost control, as reflected by a decrease in the cost to income ratio. The bank's total operating income increased by 29.54%, while operating costs increased by only 18.16%. As a result, the cost to income ratio decreased from 44.92% in the previous year to 40.98% in FY2022.

Figure 8: Selected indicators SJIBL



C. MARKET RISK ANALYSIS

Markets risks of a Subordinated Bond may arise due to uncertainty related to profit rate risk and pricing risk of the bond. Moreover bond by nature are exposed to many sources of risk. The term structure of the profit rate can shift and twist in different ways. Issuers may default due to sector wide problems or individual credit difficulties. However, the debt instrument that Shahjalal Islami Bank Limited has issued is sensitive towards both market and company specific risks. All investments which offer a balance between risk and potential return are graded to be the higher rated investment. The balance between risk and return varies by the type of investment (in this case Subordinated Bond), the entity that issues it, the state of the economy and the cycle of the securities markets (this risk is eliminated as it will not be publically traded in secondary market).

SJIBL will issue 3rd Mudaraba Floating Rate, Non-Convertible, Unsecured Subordinated Bond for the purpose of strengthening its Tire II capital base. Standard Chartered Bank is acting as the mandated lead arranger whereas DBH Finance PLC. is acting as the trustee. To evaluate the proper pricing and coupon rate structure offered for the instruments ECRL has considered the following risk analysis related to the both market and instrument specific risk.

C.1. Profit Rate Risk of the Bond

Profit rate risk affects the value of bonds that arises when an investment's value will change due to a change in the absolute level of profit rates. Coupon rate of the bond will be determined by the benchmark rate and then a margin of 2.00% p.a. added to the benchmark rate. Moreover, The range of the profit rate would not be less than 6% per annum and would not be more than 9% per annum at all times, which indicates that the floor rate and the ceiling range of the bond show a proper balance for the bondholders and issuer to mitigate the profit rate risk.

Benchmark Mudaraba Term Deposit Profit: The average of most recent month's published highest Mudaraba Term Deposit profit rates in 6 months tenor of all Islami Banks (except foreign Islamic Banks and Z category Islamic Banks) to be applied semi-annually. The highest prevailing published Mudaraba Term Deposit profit rate in 6 months tenor (as reported to Bangladesh Bank) of the Issuer to be included in the semi-annual profit rate fixation. The first rate will be fixed at the date of the issuance of the Mudaraba Subordinated Bonds as per above. From thereon, the rate will

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be re-fixed semi-annually. After each financial year end, the issuer will give adjustment to the Mudaraba Subordinated Bondholders, if there is any additional profit reported in the respective financial year for applied Mudaraba Term Deposit profit.

C.2. Pricing Risk

Maturity profile of bonds affects the bond price. There are two primary reasons why long-term bonds are subject to greater profit rate risk than shorter term bonds. Firstly, there is greater probability that profit rates will move significantly upward or downward, thus upon upward movement it will negatively affect a bond's market price within a longer time period than within a shorter time period. As a result, investors who buy long term bonds but attempt to sell them before maturity may be faced with a deeply discounted market price when they want to sell their bonds. With short term bonds, the risk is not as significant because profit rates are less likely to substantially change in the short term. Shorter term bonds are also easier to hold until maturity, thereby, alleviating an investor's concern about the effect off profit rate driven changes in the price of bonds. Secondly, long term bonds have greater maturity than short term bonds. Because of this, a given profit rate change will have greater effect on long term bonds than short term bonds.

D. COMPANY SPECIFIC RISK ANALYSIS

Risk is an integral part of financing business and thus every financial institution is exposed to risk of different type and magnitude. So, the prime responsibility of every financial institution is to manage its risk such that its return from business can be maximized. As a prudent and responsible financial institution, the Company attaches top priority to ensuring safety and security of the finances that are being extended.

Risk Management for SJIBL is performed at various levels of the bank. By formulating policy regarding profit rate, market, liquidity, currency, operational as well as investment risk, SJIBL manages its business risks and aims to mitigate them.

D.1. Investment Risk

Investment risk refers to the risk that a borrower will default on any type of debt by failing to make required payments to the bank. The risk is primarily that of the lender and includes lost principal and interest/profit, disruption to cash flows, and increased collection costs which is a one of the major risks faced by the bank. The factors involved here may be the unwillingness of the counterparty as well as adverse economic condition. To address the risks, SJIBL follows a guideline on Investment Risk Management which has been prepared in the light of broad guidelines provided by Bangladesh Bank for the banking industry. The bank's formulated investment policies in compliance with regulatory requirement covers investment assessment, collateral requirements, risk grading and reporting, documentation and legal formalities and procedures along with up to date clean CIB report of the client.

The Bank pays emphasis on business risk than analysis of security risk because the security reduces the risk but does not always improve the quality of investment. Besides, the Bank addresses the Investment (Credit) risk guideline cited by the Bangladesh Bank. As regards other parts of the Banking business, the control staffs follow a pragmatic program of regular monitoring and follow-up. However, according to Bangladesh Bank's comprehensive inspection report; there were some irregularities found in several investment accounts.

D.1.1. Investment Risk Management

A systematic Investment and risk assessment should be conducted prior to granting of investments, and at least annually thereafter for all facilities. There is a separate Investment Risk Management (IRM) under the Chief Risk Officer (CRO) for mitigation of investment risk, separate Investment Administration Division (IAD) for ensuring perfection of securities and Recovery Unit for monitoring and recovery of irregular investments. Internal Control & Compliance Division (IC&CD) independently assess quality of investments and compliance status of investments during their audit at least once in a year. Adequate provision is maintained against classified investments as per Bangladesh Bank Guidelines. Status of investments is reported periodically to the Board Risk Management Committee (BRMC)/Board by the concerned Division. The Investment Risk Management system practice in SJIBL depends on the following areas such as:

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MD. Jafar Sadeq FCA

SEVP & SJIBL 3rd Mudaraba Floating Rate, Non-

Shahjalal Islami Bank PLC, Unsecured Subordinated Bond

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- Ensure timely processing of investment proposal received from applicant through Corporate Banking/Branch/Relationship officer after primary level of examination with recommendation.
- Examine investment proposals in detailed vis-à-vis ascertain investment risks of a customer through CIB Report, Risk Grading Score and divisional observations for acceptance/rejection and /or forward the same as per delegation for decision.
- Ensure customer's investment information is updated periodically and review from time to time.
- Ensuring adequate controls over investment risk.

As per the special inspection report performed by Bangladesh Bank found some lapses in investment risk management policy as per BB's guidelines. Besides, the inspection report conducted by the BB, the central bank has identified/made some observations such as unavailability of loan limits in the policy, unsatisfactory CRG (Credit risk Grade) process, not incorporated the type of collateral and documentations, lack of proper assessment of clients ability, lack of internal audit duties and responsibilities, unsatisfactory risk grading etc. Above mentioned irregularities/lapses might hamper the bank's investment risk management process to a certain extent. However, as per the bank management, they have addressed all these aforesaid observations and responded to some of the observations to the central bank of the country and have taken required steps to resolve rest of the lapses within short time period to strengthen the bank's credit risk management.

D.2.2.1. Investment Administration Process

The core objectives of the Investment administration are to separate documentation and disbursement activity from Investment approval process and to ensure discipline in Investment management. It is important in ensuring that proper documentation and approvals are in place prior to the disbursement of investment facilities. SJIBL has segregated the officers/ executives involved in investment activities. The bank has Investment administration department which is responsible for monitoring clients' repayment track records and ensure follow up and recovery.

D.3. Market Risk

Market risk refers to the risk of losses in on and off-balance sheet positions arising from movements in market prices. It arises due to change in different market variables like profit (interest) rate, exchange rate, availability of liquidity with the lenders/ depositors, prices of securities in the stock exchange. The risk arising from market risk factors such as profit rates, foreign exchange rates, and equity prices have been discussed below:

D.3.1. Investment Profit Rate Risk

Profit Rate Risk is the risk to earnings or capital of bank arising from movement of profit rates. It arises from differences between the timing of rate changes and the timing of cash flows (Re-pricing Risk), from changing rate relationships among yields curves that affect Bank activities, from changing rate relationships across the range of maturities (Yield curve Risk) and from profit-rate-related options embedded in bank's products. The Asset Liability Committee (ALCO) of SJIBL is the main body which looks after and monitors investment profit rate structure. The committee also evaluates any market risk that arises from the regulatory pressure thus reducing the profit rate. Moreover, ALCO committee is always watchful to adverse movement of the different market variables.

Shahjalal Islami Bank Limited computes an estimate changes in Bank's net profit (Interest) income (NII) given changes in profit rates. To evaluate the impact on earnings, Profit Rate Sensitive Liabilities (RSL) in each time bucket are subtracted from the corresponding Profit Rate Sensitive Assets (RSA) to produce a re-pricing "gap" for that time bucket.

D.3.2. Equity Financing Risk

Equity financing risk is defined as loss due to change in market price of equity held by the bank. SJIBL has significant amount of investment in equity portfolio with majority of quoted shares and very small investment in unquoted shares. To measure, identify and reduce this kind of risk, the bank practicing mark to market valuation of the share investment portfolios which was reflected through the bank's balance sheet as provisions for diminution in value of investment in shares.

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D.3.3. Foreign Exchange Risk

Foreign exchange risk is the risk current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. Managing foreign exchange risk involves prudently managing foreign currency positions in order to control, within set parameters, the impact of changes in exchange rates on the financial position of the bank. SJIBL adopted foreign exchange risk manual and investment guideline of Bangladesh Bank to identify and combat the foreign exchange risk. Branch-wise target is allocated to increase the import and export volume as the bank is highly involved with export and import oriented business. The bank's Internal Control and Compliance Division performs internal audit to supervise the activities of the foreign exchange departments which measures the effectiveness and efficiency of the division. The Treasury Division manages the foreign exchange risks with oversight from Asset-Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director.

D.4. Operational Risk

Operational risk is the potential loss arising from a breakdown in company's systems and procedures, internal control, compliance requirements or corporate governance practices that results in human error, fraud, failure, damage of reputations, delay to perform or compromise of the company's interests by employees. These may arise due to turnover of trained staff, risk of insider dealing, leakage of sensitive information, shortcoming of organizational structure, risk of falling in credit rating, money laundering, changes in statutory requirement as well as technological obsolescence. The Shari'ah council observes all the operational activities of the bank.

D.4.1. Information & Communication Technology Risk

Information and Communication Technology Security (ICT) Risk is a function of the likelihood of a given threat exercising a particular potential vulnerability and the resulting impact of that adverse event on the Bank. ICT risk is business risk specifically the business risk associated with the use, ownership, operation, involvement, influence, and adoption of information and communication technology within the Bank. It consists of IT-related events that could potentially cause a negative impact to the banking business. It might occur with both uncertain frequency and magnitude and might create challenges in meeting strategic goals and objectives. Managing ICT risk is therefore an element of sustaining a secure environment, a detailed process of identifying factors that could damage or disclose data, evaluating those factors in light of data value and counter measure cost, and implementing cost-effective solutions for mitigating or reducing risk. For effective management of Information Communication Technology Risk Bank has already formulated a Policy Guideline. Moreover, the Bank has been arranging internal IT audits and training on IT operations regularly. But as per the inspection report performed by Bangladesh Bank revealed some lapse in ICT security according to ICT guidelines of Bangladesh Bank. The lapses are found in light of ensuring of ICT person in each branch, performing information system audit in all branches, providing adequate training facilities and maintaining sufficient fund for risk coverage. However, as per the correspondence with the management of the bank, they are working on abovementioned observations to reconcile these issues as early as possible.

D.4.2. Internal Control and Compliance

To mitigate operational risk, money laundering & terrorist financing risk, circumvention or overridding the internal control procedures, Internal Audit, Board Audit Division & Central Compliance ICC Division are carrying out regular audit & inspection of the function of the branches and division of head office.

With the prime objective to perform in a better height through the use of its resources, SJIBL follows "Internal Control and Compliance guidelines" which is approved by the central bank, i.e. Bangladesh Bank. Operational loss arises for the cause of errors and fraud due to lack of internal control and compliance. To ensure that sound monitoring system is placed inside the organization, Audit committee has been formed. Internal Control and Compliance Division undertakes periodical and special audit & inspection of its branches and departments of Head Office for reviewing its operation and compliance of the statutory requirement. The audit committee of the Board of Directors plays a vital role in providing a bridge between the Board and Management. The committee views the financial reporting process, audit process and bank's process for compliance with laws, regulations and code of conduct. But as per the inspection report performed by Bangladesh Bank revealed some lapse in according to new ICC guideline 2016 issued by BB. As per the inspection report of BB, the

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SEVP & CFO

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SEVP & CFO

Mosleh Uddin Ahmed
Managing Director & CEO

Shahjalal Islami Bank Ltd. Dhaka
FAD, Head Office, Unsecured Subordinated Bond

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FAD, Head Office, Unsecured Subordinated Bond

Shahjalal Islami Bank Ltd. Dhaka
FAD, Head Office, Unsecured Subordinated Bond





central bank has identified/made some observations on the evaluation of effectiveness on internal control, control risk assessment, lack of BOD approval for internal audit process manual, lack of effective MIS to conduct Islamic banking investments modes, audit plan, pre-audit assessment, effective dispute management policy etc. So the BB team recommended, preparing the audit plan considering the fraud risk and having an effective problem management policy, introducing separate organogram for ICCD and designing effective MIS. However, as per the correspondence with the management of the bank, they are working on abovementioned observations to reconcile these issues as early as possible.

D.4.3. Anti-Money Laundering Policy

Money Laundering Risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. Shahjalal Islami Bank Limited has been taking preventive measures against money laundering and terrorist financing in line with the amended Money Laundering Prevention Act 2012 (amended in 2015), amended Anti-Terrorism Act 2013 and guidelines issued by the Bangladesh Bank from time to time.

D.5. Liquidity Risk

Liquidity risk is the potential for loss to a bank arising from either its inability to meet its obligations as they fall due or to fund increases in assets without incurring unacceptable cost or losses. Liquidity risk arises when the cushion provided by the liquid assets are not sufficient enough to meet maturing obligations. Liquidity risk is often triggered by the consequences of other financial risks such as Investment risk, profit rate risk, foreign exchange risk, etc. For instance, a large investment default or changes in profit rate can adversely impact a bank's liquidity position. However, as per the special inspection report carried out by the Bangladesh Bank, the BB had some observations on the SJIBL bank's management forecast liquidity ratios, composition of liquid assets, stress testing performance and excess liquidity. In discussion with the bank's management regarding aforesaid observations brought by Bangladesh Bank in their inspection report, the management of the bank has already instructed/directed to the respective division/department to implement/assess/meet these criteria as per the guidelines prescribed by the central bank of the country.

D.5.1. Liquidity Risk Management

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

D.5.2. Asset Liability Management

SJIBL's Asset Liability Committee (ALCO) is entrusted with the responsibility of managing short-term and long-term assets and ensuring adequate liquidity at optimal funding cost. The primary objective of Asset Liability Committee (ALCO) is to monitor and avert significant volatility in Net Investment Income, investment value, and exchange earnings for the purpose of taking future action plan for better profit of the obligation. The treasury department of the bank is responsible for Asset Liability Management (ALM). The Asset Liability Management Committee (ALCO) of SJIBL consisting of Senior Executives is mainly responsible for managing Asset Liability risk. The key agenda of Asset Liability Management Risk is liquidity position, pricing, risk related to the Balance Sheet, maintaining CRR & SLR, Economic outlook & Market status and rate of profit. For managing Balance Sheet risk properly, the Bank has already prepared a policy of Asset Liability Management according to the guidelines of Bangladesh Bank.

To manage the asset liability risk properly, the bank should maintain/follow some specific guidelines/rules prescribed by the central bank of the country. However, in this regard, the Bangladesh Bank inspection report brought the light in to that the bank should improve

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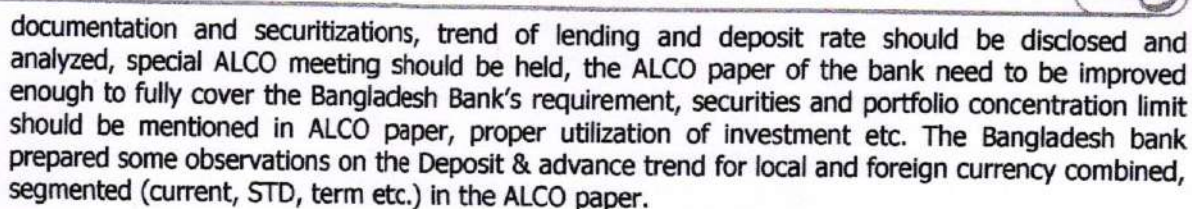
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Shahjalal Islami Bank PLC
FAD, Head Office, Dhaka

Md. Abul Bashar
SEVP & CFO
Shahjalal Islami Bank PLC

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





E.1. Corporate Governance

Aligned with the regulatory requirements and guidelines set by the Bangladesh Bank and Bangladesh Securities & Exchange Commission (BSEC), Shahjalal Islami Bank Limited maintains corporate governance standards. The Board has adopted a comprehensive framework of Corporate Governance Code which has been designed to assure the stakeholders that the business of the Bank is growing from the best foundation. With a view to ensure Corporate Governance, responsibilities and authorities among the Board of Directors including its Chairman, Management and Managing Director have been well demarcated. The BoD also ensures that adequate internal control systems are in place and they are consistently complied with to provide reasonable assurance that financial records are reliable for preparation of financial statements. The BoD further ensures that quality of financial reporting is maintained, assets of the bank are safeguarded against unauthorized use or disposition and accountability for assets and business transactions are maintained.

E.1.1. Board of Directors

The Board of SJIBL comprises with twenty Directors including three Independent Directors. The Board of Directors is responsible for proper governance, which includes setting out company's strategic aims, providing the necessary leadership to implement such aims, supervising the management of the business and reporting to shareholders on their stewardship. The Board is collectively accountable to the company's shareholders for good governance to facilitate efficient and effective management in order to deliver shareholder value over the long term, within appropriately established risk parameters.

The Board of Directors of SJIBL is headed by Mr. Mohammed Yunus, the Chairman of BoD. The BoD also have two Vice Chairmans, fourteen directors and three independent directors. The BoD is responsible for defining the company's strategic objectives, protecting the interests of all stakeholders including depositors, creating value for shareholders, reviewing management initiatives for risk management etc.

E.1.2. Board Meetings

The meetings of the Board of Directors of SJIBL are normally held at the registered Corporate Head Office of the Company. The meetings are held frequently, at least once in a quarter, to discharge its responsibilities and functions as mentioned above. The meeting is scheduled well in advance and the notice of each Board meeting is given in writing to each Director by the Company Secretary. The board held 21 meetings in 2022.

E.1.3. Board of Directors Committees

There are following three sub-committee of the Board of Directors:

Executive Committee: Currently the Executive Committee of the SJIBL consists of 07 members of the BoD and is chaired by Mr. Akkas Uddin Mollah. During the year 2022 under review, twenty three (23) meetings of the Executive Committee were held.

Audit Committee: The Audit Committee of SJIBL is comprised of 5 members of the BoD and is convened by Mr. Ekramul Hoque; who is Independent Director of the BoD. This Audit Committee acts as a bridge among the BoD, Executive Authority, Depositors and Shareholders etc. The audit committee met nine (09) times in FY2022.

Risk Management Committee: Risk Management Committee of SJIBL is comprised of 5 members of the BoD with Mr. Engr. Md. Towhidur Rahman as the chairman of the committee. During FY2022, there were seven (07) meetings held.

Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank

Md. Abul Bashar

Md. Jafar Sadeq FCA
SEVP & CFO

Shahjalal Islami Bank Ltd. Floating Rate, Non-Convertible Unsecured Subordinated Debt

SEMP & Company Secretary

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E.2. Senior Management Team

The strategic management activities and overall business operations of SJIBL are supervised and directed by the Managing Director and Chairman, Mr. Mosleh Uddin Ahmed, who is an eminent banking personality having more than 30 years' experience in banking. Among other senior executives, currently four AMDs, four DMDs, two SEVP and one EVPs are discharging their services in order to achieve organizational goals of the Bank.

Apart from functional departments, SJIBL has established various committees/units with specific objectives to manage the bank's affairs more efficiently and effectively, and to ensure compliance with Bangladesh Bank's guidelines. Notable committees/units include the following.

Asset Liability Committee (ALCO): As per treasury department is primarily responsible for Asset-Liability Management, ideally the ALCO is headed by the Managing Director and the committee consists with 8 members. This committee prime roles and responsibilities are to manage liquidity & profit rate risk of deposit and lending, understanding the market dynamics and risk elements involved within the business, assuming money market activities and last but not least complying bank's statutory obligations with the local Central Bank regulations. As per management correspondence, the committee calls for a meeting once every month to set and review strategies on Asset-Liability Management. During the year, 12 ALCO meetings were held.

Shari'ah Board: The Shari'ah Board of SJIBL comprises of 10 members and is chaired by Mufti Shahed Rahmani. The council is mainly responsible for reviewing different operational issue, giving independent opinion based on Islamic Shari'ah, providing necessary guidelines, raising awareness about the Islamic banking among the employees and clients etc.

E.3. Human Resource Management

SJIBL has a separate policy of recruiting the best professional and implement programs to develop and retain high quality employees. The bank makes equal opportunity for new talents in its process of recruitment and selection. Human Resources Division of the Bank follows a transparent system to ensure fair recruitment. The bank has defined HR policies including recruitment, training & development, promotion, leave, transfer and disciplinary action policy. At the end of year 2022, the bank's human resources base expanded to 2,835 in 2022 all inclusive from 2,741 at the end of year 2021. SJIBL has invested a great deal in developing their talent through training programs that included managerial development and technical modules.

CORPORATE INFORMATION

Board of Directors

Mr. Mohammed Younus
Mr. Mohiuddin Ahmed
Mr. Abdul Karim (Nazim)
Dr. Anwer Hossain Khan
Mr. Md. Sanaullah Shahid
Mr. Md. Abdul Barek
Mr. Abdul Halim
Mr. Akkas Uddin Mollah
Mr. Khandaker Sakib Ahmed
Engr. Md. Towhidur Rahman
Mr. A. K. Azad
Mr. Fakir Akhtaruzzaman
Mr. Mohammed Nasir Uddin Khan
Mr. Md. Moshir Rahman Chamak
Mrs. Tahera Faruque
Mrs. Jabun Nahar
Mr. Fakir Mashrikuzzaman
Mr. Ekramul Hoque
Mr. K.A.M. Majedur Rahman
Mr. Nasir Uddin Ahmed FCA, FCS
Mr. Mosleh Uddin Ahmed

Chairman
Vice Chairman
Vice Chairman
Director
Director
Director
Director
Director
Director
Director
Director
Director
Director
Director
Director
Independent Director
Independent Director
Independent Director
Managing Director

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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Md. Jafar Sadeq FCA
SEVP & CFO
Shahjalal Islami Bank PLC
FAC Head Office, Dhaka
Convertible, Unsecured Subordinated Bond

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Md. Abul Bashar
Managing Director & CEO
Shahjalal Islami Bank PLC

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





Shareholders

| | |
|----------------------|--------|
| Sponsor & Director | 48.22% |
| Institutes | 14.76% |
| General Shareholders | 36.87% |
| Foreign Investor | 0.15% |

Auditors

Hoda Vasi Chowdhury & Co

Chartered Accountants

Bangladesh Textile Mills Corporation Bhaban, 7-9 Kawran Bazar Rd, Dhaka 1215

Registered Office

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Email: sjibldh@sjibldh.com

Website: www.sjibldh.com


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


Mosleh Uddin Ahmed
Managing Director & CEO
Shahjalal Islami Bank
LIMITED


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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BOND RATING SYMBOL

LONG-TERM RATINGS

ECRL's Long-Term Ratings are assigned to debt with maturities of more than one year. These debt ratings specifically assess the likelihood of timely repayment of principal and payment of interest over the term to maturity of such debts.

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

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

Rating Outlook

ECRL's Rating Outlook assesses the potential direction of the Bond Issuers over the intermediate term (typically over a one to two-year period). The Rating Outlook may either be :

| | |
|------------|---|
| POSITIVE | which indicates that a rating may be raised; |
| NEGATIVE | which indicates that a rating may be lowered; |
| STABLE | which indicates that a rating is likely to remain unchanged; or |
| DEVELOPING | Which indicates that a rating may be raised, lowered or remain unchanged. |

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