



FINANCIAL STATEMENTS 2023

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF SHAHJALAL ISLAMI BANK PLC.

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Shahjalal Islami Bank PLC. and its subsidiaries (the "Group") as well as the separate financial statements of Shahjalal Islami Bank PLC. (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2023 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2023, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and other applicable laws and regulations.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

Description of key audit matters	Our response to key audit matters
Measurement of provision for investment The process for estimating the provision for investment portfolio associated with credit risk is significant and complex. For the individual analysis for large exposure, provision calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions. For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates of complex design and implementation. At year end the Group reported total gross investments of BDT 244,205 million (2022: BDT 239,862 million) and provision for investments of BDT 6,886 million (2022: BDT 6,589 million). We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias: • Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012 and BRPD circular no 03, dated 21 April 2019; and • For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.	We tested the design and operating effectiveness of key controls focusing on the following: • Credit appraisal, investment disbursement procedures, monitoring and provisioning process; • Completeness of appropriate documentation before disbursement of investments as well as recording of investment balance; • Alternate procedures applied by management to assess new investment/renewal of existing investments where latest audited financial statements of the borrower is not available; • Identification of loss events, including early warning and default warning indicators; • Review of quarterly Classification of Loans (CL); Our substantive procedures in relation to the provision for investments portfolio comprised the following: • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. • Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained. For the year ended 31 December 2023, the Bank has maintained required provision as per Bangladesh Bank letter DBI-7/4(5)/2024-336 dated 8 April 2024. For the year ended 31 December 2023, the Bank has maintained minimum required provision as per Bangladesh Bank letter DBI-7/4(5)/2024-336 dated 8 April 2024 and also agreed to ensure recovery/regularization of certain investments to avoid future classification.

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

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

IT systems and controls	Our response to the risk
Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively.	We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.

Legal and regulatory matters	Our response to the risk
We focused on this area because the Bank and its subsidiaries (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities. Pursuant to BRPD Circular Letter No. 28 dated 26 July 2022 and BRPD Circular Letter No. 30 dated 27 July 2022, all schedule banks of Bangladesh are instructed to reduce certain expenses at specific percentage from the allocated amount.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process. We engaged to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We engaged of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We are informed that the Bank has taken several initiatives such as rationalizing the usage of office space to reduce electricity cost, restricting entertainment expenses and travelling, reducing and deferring the expenses on computer and accessories which are not urgently required etc. Bangladesh Bank vide letter DBI-7/4(5)/2024-336 dated 8 April 2024 has instructed the Bank to consider certain matters in the subsequent reporting period.

Carrying value of investments in subsidiaries by the Bank

Carrying value of investments in subsidiaries by the Bank	Our response to the risk
The Bank has invested in equity shares of its subsidiary namely Shahjalal Islami Bank Securities Limited. As at 31 December 2023 the carrying value of these investments in Shahjalal Islami Bank Securities Limited is BDT 2,515 million (2022: BDT 2,515 million). At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank's investments in all the above subsidiaries stated at cost. Management has conducted impairment assessment and calculated recoverable value of its individual subsidiaries in accordance with IAS 36.	We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36. In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation. We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources. We further observed that pursuant to the BSEC notification the subsidiary of the Bank has made partial provision against diminution in the value of investment and client margin loan as per BSEC notification.

Reporting on other information

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

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

- 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;
- 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);
- financial statements for the year ended 31 December 2023 of subsidiary namely Shahjalal Islami Bank Securities Limited have been audited by M/s. K. M. Hasan & Co., Chartered Accountants and who has expressed unqualified audit opinion. The results of the subsidiary has been properly reflected in the Group's consolidated financial statements;
- 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;
- the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- 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;
- 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;
- adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- the information and explanations required by us have been received and found satisfactory;
- we have reviewed over 80% of the risk weighted assets of the Bank and spent over 7,050 person hours; and
- Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dhaka, 17 April 2024
DVC No: 2404170770AS756293

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

SHAHJALAL ISLAMI BANK PLC. AND ITS SUBSIDIARY

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2023

Property and Assets	Note	31.12.2023	31.12.2022
		Taka	Taka
Cash			
Cash in Hand (including Foreign Currencies)	3	2,247,682,953	2,399,102,842
Balance with Bangladesh Bank & Sonali Bank Ltd (including Foreign Currencies)	4	23,432,585,249	14,924,287,024
		25,680,268,203	17,323,389,865
Balance with other Banks and Financial Institutions			
Inside Bangladesh		2,240,532,287	2,216,396,689
Outside Bangladesh		1,754,675,394	1,103,127,014
	5	3,995,207,681	3,319,523,703
Placement with other Banks & Financial Institutions	6	14,115,801,566	21,276,957,716
Investments in Shares & Securities			
Government		24,639,910,000	25,639,910,000
Others	7	9,442,757,280	9,986,112,719
		34,082,667,280	35,626,022,719
Investments			
General Investment etc.		234,137,238,783	222,960,716,113
Bills Purchased and Discounted		10,067,701,645	16,901,718,515
	8	244,204,940,428	239,862,434,627
Fixed Assets including Premises, Furniture and Fixtures	9	5,362,859,454	5,413,945,799
Other Assets	10	26,931,710,355	19,816,448,541
Non-Banking Assets	11	88,909,355	88,909,355
Total Property and Assets		354,461,764,322	342,727,632,326
Liabilities and Capital			
Liabilities			
Placement from other Banks & Financial Institutions	12	27,742,904,371	42,299,588,342
Deposits and Other Accounts			
Mudaraba Savings Deposits		39,696,815,899	36,934,732,886
Mudaraba Term Deposits		97,867,730,869	86,817,226,090
Other Mudaraba Deposits		46,767,072,113	49,745,216,186
Al-Wadeeah Current & Other Deposit Accounts		60,012,359,409	48,292,958,243
Bills Payable		4,877,223,738	5,872,217,849
	13	249,221,202,028	227,662,351,255
Mudaraba Bonds	14	8,200,000,000	10,200,000,000
Other Liabilities	15	45,201,600,617	40,144,704,369
Deferred Tax Liabilities	16	68,723,369	235,884,914
Total Liabilities		330,434,430,385	320,542,528,880
Capital/Shareholders' Equity			
Paid-up Capital	17.2	11,129,683,510	10,805,517,980
Statutory Reserve	18	10,803,111,162	9,372,461,107
Capital Reserve		34,820,349	28,796,597
Foreign Currency Translation Reserve	19	9,087,189	-
Retained Earnings	20	1,822,170,931	1,745,940,328
		23,798,873,140	21,952,716,012
Non-controlling Interest	17.7	228,660,797	232,387,434
		354,461,764,322	342,727,632,326
Consolidated Off-balance Sheet Items			
Contingent Liabilities			
Acceptances & endorsements		49,612,821,032	51,712,319,611
Letters of guarantee	20	32,828,176,233	31,316,699,877
Irrevocable letters of credit	21	55,470,593,578	44,418,370,950
Bills for collection		26,470,542,968	26,824,787,053
Other contingent liabilities		-	-
		164,382,133,811	154,272,177,491
Other Commitments			
Accountary 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		164,382,133,811	154,272,177,491
Total off-balance sheet items including contingent liabilities		164,382,133,811	154,272,177,491
Consolidated Net Asset Value per Share [previous year's figure restated] 43(i)		21.38	19.72

The annexed notes from 1 to 55 form an integral part of these consolidated financial statements.

Chairman Director Director Managing Director & CEO

Dhaka, 17 April 2024
DVC No: 2404170770AS756293

SHAHJALAL ISLAMI BANK PLC. AND ITS SUBSIDIARY

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

Property and Assets	Note	2023	2022
		Taka	Taka
Operating Income			
Investment Income	24	18,178,269,302	15,965,123,028
Less: Profit paid on Deposits	25	9,063,042,571	8,365,858,043
		9,115,226,732	7,599,264,985
Net Investment Income			
Income from Investments in Shares & Securities	26	1,718,832,301	1,888,301,443
Commission, Exchange and Brokerage	27	2,942,927,057	3,634,722,397
Other Operating Income	28	1,543,095,945	1,357,676,035
		6,204,855,302	6,880,699,875
Total Operating Income		15,320,082,034	14,479,964,860
Operating Expenses			
Salaries and Allowances	29	3,978,469,790	3,615,281,013
Rent, Taxes, Insurances, Electricity etc.	30	391,760,855	401,946,759
Legal Expenses	31	2,502,063	1,440,072
Postage, Stamps, Telecommunication etc.	32	57,706,102	56,275,795
Stationery, Printings, Advertisements etc.	33	150,813,527	136,341,225
Chief Executive's Salary & Fees	34	16,272,000	22,399,944
Directors' Fees & Expenses	35	4,343,644	6,596,383
Shariah Supervisory Committee's Fees & Expenses	36	1,073,245	619,587
Auditors' Fees	37	1,104,000	626,500
Depreciation & Repairs of Assets	38	621,510,167	581,205,428
Zakat Expenses	39	243,649,917	205,584,162
Other Expenses	40	984,511,027	908,262,056
		6,453,716,337	5,936,578,924
Profit before Provision	23	8,866,365,696	8,543,385,936
Specific provision for Classified Investments		1,570,920,000	876,503,877
General Provision for Unclassified Investments		194,060,890	210,885,441
General Provision for Off-balance Sheet Items		(31,400,000)	-
Provision for diminution in value of Investments in Shares		-	12,400,000
Provision for Other Assets		-	112,000,000



FINANCIAL STATEMENTS 2023

SHAHJALAL ISLAMI BANK PLC. AND ITS SUBSIDIARY

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

Note	2023		2022	
	Taka	Taka	Taka	Taka
Cash flows from operating activities				
Investment income receipt in cash	44	19,943,302,439	17,477,056,520	
Profit paid on deposits and borrowings	45	(8,976,036,149)	(7,992,472,282)	
Dividend receipts		166,223,735	179,480,905	
Fees & commission receipt in cash		2,799,039,444	3,464,997,530	
Recoveries on investment previously written off		22,100,718	66,934,374	
Cash payments to employees		(3,994,741,790)	(3,637,680,957)	
Cash payments to suppliers		(150,813,527)	(136,341,225)	
Income tax paid		(4,241,720,985)	(2,231,001,404)	
Receipts from other operating activities	46	1,542,030,020	1,228,145,025	
Payments for other operating activities	47	(1,999,773,230)	(1,048,353,524)	
(i) Operating profit before changes in operating assets & liabilities		5,109,610,675	6,927,340,328	
Changes in operating assets and liabilities				
(Increase)/decrease in investment to customers	48	(5,859,036,503)	(20,662,157,610)	
(Increase)/decrease in other assets		(3,328,206,576)	(600,543,150)	
(Increase)/decrease of placement with other banks & financial institutions		7,161,156,150	(2,762,364,425)	
(Increase)/decrease in deposits from other banks		(43,797,884)	(7,046,926,871)	
Increase/(decrease) of placement from other banks & financial institutions		(14,538,676,415)	9,993,984,094	
(Increase)/decrease in deposits received from customers		21,401,535,105	17,342,079,211	
Increase/(decrease) in other liabilities on account of customers		1,477,721,462	1,228,145,025	
(Increase)/decrease in other liabilities	49	(154,560,589)	(104,835,524)	
(ii) Cash flows from operating assets and liabilities		6,116,134,751	(3,012,619,250)	
Net cash flow from operating activities (A)-(i)-(ii)		11,225,745,426	3,914,721,079	
Cash flows from investing activities				
Proceeds from sale of securities		2,004,687,917	4,679,057,930	
Payments for purchases of securities		(461,332,479)	(1,967,354,246)	
Proceeds from sale of fixed assets		42,480,675	11,682,989	
Payments for purchases of fixed assets		(238,429,093)	(218,322,332)	
Net cash flows from/(used in) investing activities (B)		1,347,407,022	2,505,064,341	
Cash flows from financing activities				
Receipts from issuance of debt instruments		(2,000,000,000)	(2,000,000,000)	
Payments for redemption of debt instruments		-	-	
Receipts from issue of ordinary shares		-	-	
Profit against mudaraba perpetual bond		(383,315,588)	(46,061,145)	
Dividend paid to ordinary shareholders		(1,301,162,158)	(1,029,096,951)	
Net cash flows from/(used in) financing activities (C)		(3,684,477,746)	(3,075,158,096)	
Net (decrease)/increase in cash and cash equivalents (A+B+C)		8,888,674,702	3,344,627,324	
Add: Effect of exchange rate changes on cash and cash equivalents		143,887,613	169,724,866	
Add: Cash and cash equivalents at the beginning of the year		20,642,913,568	17,128,561,378	
Cash and cash equivalents at the end of the year	50	29,675,475,883	20,642,913,568	
Consolidated Net Operating Cash Flow per Share (NOCFPS) [previous year's figure restated]	43(ii)	10.09	3.52	

The annexed notes from 1 to 55 form an integral part of these consolidated financial statements.

Note	2023		2022	
	Taka	Taka	Taka	Taka
Capital/Shareholders' Equity				
Paid-up Capital	17.2	11,129,683,510	10,805,517,980	
Statutory Reserve	18	10,803,111,162	9,372,461,107	
Foreign Currency Translation Reserve	19	9,087,189	9,087,189	
Retained Earnings	20a	1,818,307,263	1,692,161,829	
Total Shareholders' Equity		23,760,189,123	21,870,140,916	
Total Liabilities & Shareholders' Equity				
Off-balance Sheet Items				
Contingent Liabilities				
Acceptances & endorsements		49,612,821,032	51,712,319,611	
Letters of guarantee	21	32,828,176,233	31,316,699,877	
Irrevocable letters of credit	22	55,470,593,578	44,418,370,950	
Bills for collection		26,470,542,968	26,824,787,053	
Other contingent liabilities		-	-	
Total		164,382,133,811	154,272,177,491	
Other Commitments				
Documentary credits, short term and trade related transactions		-	-	
Forward assets purchased and forward deposits placed		-	-	
Undrawn note issuance, revolving and underwriting facilities		-	-	
Undrawn formal standby facilities, credit lines and other commitments		-	-	
Total		-	-	
Total off-balance sheet items including contingent liabilities		164,382,133,811	154,272,177,491	
Net Asset Value per Share [previous year's figure restated]	43(i)	21.35	19.65	

Note	31.12.2023		31.12.2022	
	Taka	Taka	Taka	Taka
Operating Income				
Investment Income	24a	18,129,791,800	15,885,443,131	
Less: Profit paid on Deposits	25a	(9,034,423,217)	(8,335,129,184)	
Net Investment Income		9,095,368,584	7,550,313,947	
Income from Investments in Shares & Securities				
Commission, Exchange and Brokerage	26a	1,721,361,713	1,732,562,841	
Stationery, Printings, Advertisements etc.	27a	2,861,079,211	3,486,719,333	
Other Operating Income	28a	1,536,376,195	1,351,229,343	
Total Operating Income		6,118,817,117	6,570,511,517	
Operating Expenses				
Salaries and Allowances	29a	3,911,632,751	3,541,190,780	
Rent, Taxes, Insurances, Electricity etc.	30a	385,313,991	395,349,782	
Legal Expenses	31a	2,399,713	1,362,822	
Postage, Stamps, Telecommunication etc.	32a	54,839,785	53,233,194	
Stationery, Printings, Advertisements etc.	33a	149,908,208	134,894,501	
Chief Executive's Salary & Fees	34	16,272,000	22,399,944	
Directors' Fees & Expenses	35	4,343,644	6,596,383	
Sharia'h Supervisory Committee's Fees & Expenses	36	1,073,245	619,587	
Auditor's Fees	37	1,035,000	550,000	
Depreciation & Repairs of Bank's Assets	38a	600,330,115	558,210,217	
Zakat Expenses	39a	243,649,917	205,584,162	
Other Expenses	40a	956,556,170	866,192,092	
Total Operating Expenses		6,327,354,539	5,786,183,465	
Profit before Provision	23a	8,886,831,162	8,334,641,999	
Provision for Classified Investments				
General Provision for Unclassified Investments		1,570,920,000	785,480,000	
General Provision for Off-balance Sheet Items		(31,400,000)	210,885,441	
Provision for diminution in value of Investments in Shares		-	-	
Provision for Other Assets		-	112,000,000	
Total Provision	41a	1,733,580,899	1,108,365,441	
Total Profit before Taxes		7,153,250,273	7,226,276,558	
Provision for Taxation				
Deferred Tax	42a	(166,926,414)	-	
Current Tax	42c	3,695,304,699	3,701,218,481	
Net Profit after Taxation		3,624,871,988	3,525,058,077	
Retained Earnings from previous year				
Add: Net Profit after Tax		1,692,161,829	1,584,818,008	
Profit available for Appropriation		5,317,033,817	5,109,876,085	
Appropriation:				
Statutory Reserve	18	1,430,650,055	1,445,255,312	
Start-up Fund	15a.3	36,248,720	35,250,581	
Dividend		1,620,827,688	1,543,645,421	
Profit against Mudaraba Perpetual Bond		411,000,092	393,562,943	
Retained Earnings	20a	1,818,307,263	1,692,161,829	
Earnings per Share (EPS) [previous year's figure restated]	43a	3.26	3.17	

The annexed notes from 1 to 55 form an integral part of these financial statements.

Note	2023		2022	
	Taka	Taka	Taka	Taka
Operating Income				
Investment Income	24a	18,129,791,800	15,885,443,131	
Less: Profit paid on Deposits	25a	(9,034,423,217)	(8,335,129,184)	
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Provision for Other Assets		-	112,000,000	
Total Provision	41a	1,733,580,899		



FINANCIAL STATEMENTS 2023

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 as disclosed below:

i) Presentation of Financial Statements

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

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

ii) Name of the Financial Statements

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

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

iii) Investments in Shares and Securities

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

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

iv) Revaluation Gains/Losses on Government Securities

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

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

v) Provision on Investments and Off-balance Sheet Items

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

Bangladesh Bank: As per BRPD circular no. 14 (23 September 2012), BRPD circular no. 19 (27 December 2012), BRPD circular no. 05 (29 May 2013), BRPD circular no. 16 (18 November 2014), BRPD circular no. 15 (27 September 2017), BRPD circular no. 01 (20 February 2018), BRPD circular no. 03 (21 April 2019), BRPD circular no. 07 (19 March 2020), BRPD circular no. 16 (21 July 2020), BRPD circular no. 17 dated 28 September 2020, BRPD circular letter no. 52 dated 20 October 2020, BRPD circular letter no. 56 dated 10 December 2020, BRPD circular letter no. 3 dated 31 January 2021, BRPD circular letter no. 5 dated 24 March 2021, BRPD circular no. 13 dated 27 June 2021, BRPD circular no. 19 dated 26 August 2021, BRPD circular letter no. 45 dated 04 October 2021, BRPD circular letter no. 50 dated 14 December 2021, BRPD circular letter no. 51 & 52 dated 29 December 2021, BRPD circular letter no. 53 dated 30 December 2021, BRPD circular no. 14 dated 22 June 2022, BRPD circular no. 51 dated 18 December 2022 and BRPD circular no. 53 dated 22 December 2022, a general provision at 0.25% to 2% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also, provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively except (a) short-term agricultural and micro-credits where 5% for sub-standard and doubtful loans and 100% for bad & loss loans and (b) cottage micro and small credits where 5% for sub-standard, 20% for doubtful and 100% for bad & loss loans depending on the duration of overdue. Again, as per BRPD circular no. 14 dated 23 September 2012 and BRPD circular no. 13 dated 19 October 2018, a general provision at 0.50% to 1% is required to be provided for all off-balance sheet exposures except LC issued against Fast Track Electricity Project & Bills for Collection according to BRPD circular letter no. 01 dated 03 January 2018 & BRPD circular no. 07 dated 21 June 2018 respectively. Such provision policies are not specifically in line with those prescribed by IFRS 9.

vi) Recognition of Investment Income in Suspense

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

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

vii) Other Comprehensive Income

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

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

viii) Financial Instruments - Presentation and Disclosure

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

ix) Financial Guarantees

IFRS/IAS: As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

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

x) Cash and Cash Equivalents

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

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

xi) Non-Banking Assets

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

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

xii) Cash Flow Statement

IFRS/IAS: The cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 and BRPD circular no. 15 dated 09 November 2009, cash flow is the mixture of direct and indirect methods.

xiii) Balance with Bangladesh Bank (Cash Reserve Requirement)

IFRS/IAS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7.

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

xiv) Presentation of Intangible Asset

IFRS/IAS: An intangible asset must be identified and recognised, and the disclosure must be given as per IAS 38: *Intangible Assets*.

Bangladesh Bank: There is no regulation for intangible assets in BRPD circular no. 15 dated 09 November 2009.

xv) Off-balance Sheet Items

IFRS/IAS: There is no concept of off-balance sheet items in any IFRS; hence, there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD circular no. 15 dated 09 November 2009, off-balance sheet items (e.g., letter of credit, letter of guarantee, etc.) must be disclosed separately on the face of the balance sheet.

xvi) Disclosure of Appropriation of Profit

IFRS/IAS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

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

xvii) Investments Net off Provision

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

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

xviii) Recovery of Written off Investments/Loans

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

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

xix) Revenue

As per IFRS 15, revenue should be recognised on accrual basis, but due to the unique nature of Islamic Banks, income from investment under Murabaha, Bi-Muazzal, HPSM, Ijarah, Bi-Salam, Qard, 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/CMRCD/2021-386/03 dated 14 January 2021, unclaimed dividend is required to be presented as a separate line item in the statement of financial position but the financial statements of the Bank are prepared as per the "First Schedule" and Section 38 of the Banking Companies Act, 1991 (as amended up to date) and BRPD Circular No. 15 dated 09 November 2009. Therefore, the unclaimed dividend has been presented in the separate note no. 13a.5 under the head of Unclaimed Dividend Account of the financial statements.

2.2. Basis of Consolidation

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

The consolidated Financial Statements have been prepared in accordance with IFRS 10: *Consolidated Financial Statements*. The consolidated Financial Statements are prepared to a common financial year ending 31 December 2023.

2.3. Subsidiary

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

2.4. Transactions Eliminated on Consolidation

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

2.5. Going Concern

The Financial Statements have been prepared on a going concern principle which is the assumption that an entity will remain in business for the foreseeable future. Conversely, the Bank has neither any intention nor any legal or regulatory compulsion to halt operations and liquidate its assets in the near term at what may be very low fire-sale prices. Key financial parameters (including liquidity, profitability, asset quality, provision sufficiency, capital adequacy and credit rating) of the Bank continued to demonstrate a healthy trend over 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 (BGIB) is reported at cost price.

Bangladesh Government Investment Sukuk

Investment in Bangladesh Government Investment Sukuk is reported at cost price.

Mudaraba Perpetual Bond

Investment in Mudaraba Perpetual Bond is reported at cost price. Provision for diminution in value of investment in Mudaraba Perpetual Bond was made as per Bangladesh Bank DOS circular no. 04 dated 24 November 2011.

Mudaraba Subordinated Bond

Investment in Mudaraba Subordinated Bond is reported at cost price.

Investment in Quoted Securities

These shares and securities are brought and held primarily for the purpose of selling them in future or held for dividend income. These are reported at cost. As per Bangladesh Bank DOS circular no. 04 dated 24 November 2011, provision for diminution in value of investments was made by netting off unrealised gain/loss of shares from market price less cost price.

Investment in Unquoted Securities

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

Derivative Instruments

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 - BGIB	Cost	Cost	None
Quoted Shares Debenture/ Bond/ Mutual Fund (Close-end)	Cost	Lower of cost or market value (each type in portfolio)	Provision made for unrealised Loss (each type net off gain) through profit and loss account but no unrealised gain booking.
Shares (Un-quoted)	Cost	Lower of cost or Net Worth	In case of loss due to reduction in Net Worth or non-existence or discontinued operation, provision made for proportionate to the investment (in case of reduction in Net Worth) or equal to investment (in case of non-existence or discontinued operation) through profit and loss account but no unrealised gain booking.
Mutual Fund (Open-end)	Cost	If average cost price (CP) > Surrender Price (SP), then provided provision (RP) will be (RP) = CP - SP	Provision made for Loss (net) through profit and loss account but no unrealised gain booking.

2.7.3 General Investments

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

Investments are written off as per guidelines of Bangladesh Bank. These write off however will not undermine/affect the claim amount against the client. Detailed memorandum records for all such write off accounts are meticulously maintained and followed up.

Provisions

Investments are stated in the Balance Sheet net off unearned income. Provision on Investments (Loans & Advances) is made on the basis of period end review by the management and as per instructions contained in Bangladesh Bank BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 5 dated 29 May 2013, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 03 dated 21 April 2019, BRPD circular no. 16 (21 July 2020), BRPD circular no. 17 dated 28 September 2020, BRPD circular letter no. 52 dated 20 October 2020, BRPD circular letter no. 56 dated 10 December 2020, BRPD circular letter no. 3 dated 31 January 2021, BRPD circular letter no. 5 dated 24 March 2021, BRPD circular no. 13 dated 27 June 2021, BRPD circular no. 19 dated 26 August 2021, BRPD circular letter no. 45 dated 04 October 2021, BRPD circular letter no. 50 dated 14 December 2021, BRPD circular letter no. 51 & 52 dated 29 December 2021, BRPD circular letter no. 53 dated 30 December 2021, BRPD circular no. 14 dated 22 June 2022, BRPD circular no. 51 dated 18 December 2022, 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 Standard	SMA	SS	Classified 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%
Investment to Professional	2%	2%	20%	50%	100%
Consumer 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 & Credit 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%				
Special General Provision for COVID-19	2%				

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 investments are incurred if:

- there is objective evidence of impairment as a result of a loss event that occurred after the initial recognition of the asset up to the balance sheet date;
- the loss event had an impact on the estimated future cash flows of the financial asset or the group of financial assets; and
- a reliable estimate of the loss amount can be made.

In the event of impairment loss, the Bank reviews whether a further allowance for impairment should be provided in the profit and loss statement in addition to the provision made based on Bangladesh Bank guidelines or other regulatory requirements.

2.7.5 Fixed Assets including Premises, Furniture and Fixtures Recognition and Measurement

All fixed assets including premises, furniture and fixtures are stated at cost less accumulated depreciation as per IAS 16: *Property, Plant and Equipment*. Land is measured at cost.

The cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of the IAS.

The cost of an item of fixed assets including premises, furniture and fixtures is recognised as an asset if:

- it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

The cost of an item of fixed assets including premises, furniture and fixtures comprises:

- Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purpose other than to produce inventories during that period.

Subsequent Costs

The cost of replacing part of an item of fixed assets is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day to day servicing of fixed assets are recognised in profit or loss as incurred.

Depreciation

No depreciation is charged on land. Depreciation is charged on straight-line method. Charging depreciation against fixed assets commences from the date of acquisition and ceases at the date when the assets are disposed. Asset category-wise depreciation rates are as follows:

Name of the Assets	Rates of Dep. (%)	Method of Dep.
Building	2.50	Straight line
Furniture & Fixtures other than residence	10	Straight line
Furniture & Fixtures - residence	20	Straight line
Office Equipment	20	Straight line
Computer & Network Equipment	20	Straight line
Vehicles	20	Straight line
Books	20	Straight line

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

Construction Work in Progress/Building under Construction

Building under construction is recognised and reported under Fixed Assets as per IAS 16 as Construction work in progress until the construction work is completed and the asset is ready for intended use. This asset is stated at cost and depreciation of the asset will be charged from the date of its intended use.

Intangible Assets



Shahjalal Islami Bank PLC.

Committed to Cordial Service

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Zakat

Zakat is paid by the Bank at the rate of 2.58% (instead of 2.50% as the Bank maintains its Accounts following Gregorian Year) on the closing balances of Statutory Reserve, General Reserve (Retained Earnings).

Zakat is chargeable in the BRPD and loss account of the Bank as per "Guidelines for Conducting Islamic Banking" issued by Bangladesh Bank through circular no. 15 dated 09 November 2009.

2.13. Dividend Payments

Final dividend is recognised when it is approved by the shareholders in Annual General Meeting (AGM). The proposed dividend for the year 2023, therefore, has not been recognised as a liability however disclosed in the notes to the financial statements in accordance with IAS 10: Events after the Reporting Period. Dividend payable to the Bank's shareholders is recognised as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive the dividend is established.

2.14. Profit Suspense/Compensation Account & Shariah 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 Shariah 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 Shariah.

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 Shariah. Such doubtful income is being appropriated for charitable purpose through Shahjalal Islami Bank Foundation (a separate organisation).

2.15. Provision for Nostro Accounts

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

2.16. Foreign Currency Transactions

Functional and Presentation Currency

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

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

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

Foreign Currency Translation

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

Commitment

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

2.17. Earnings per Share

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

2.18. Statement of Liquidity

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

- Balance and Placement with other Banks and Financial Institutions are on the basis of their maturity term.
- Investments in shares and securities are on the basis of their residual maturity term.
- Investments are on the basis of their repayment/maturity schedule.
- Fixed assets are on the basis of their useful life.
- Other assets are on the basis of their adjustment.
- Placement from other Banks & Financial Institutions are as per their maturity/repayment term.
- 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.
- Other long-term liabilities are on the basis of their maturity term. Provisions and other liabilities are on the basis of their expected settlement.

2.19. Cash Flow Statement

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

2.20. Statement of Changes in Equity

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

2.21. Off-balance Sheet Items

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

2.22. Changes in Accounting Policies and Estimates

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

2.23. Offsetting

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

2.24. Employee Benefits

Provident Fund (Defined Contribution Plan)

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

Gratuity Fund (Defined Benefit Plan)

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

Other Employee Benefits

Superannuation Fund

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

Benevolent Fund

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

Incentive Bonus

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

Hospitalisation Insurance

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

Workers Profit Participation Fund

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

2.25. Reconciliation:

i) Reconciliation of Books of Accounts

Books of accounts in regard to inter-Bank are reconciled and un-reconciled entries in case of inter-Bank transactions on the reporting date are not mentionable, which are, due to the time-gap before finalizing the same. Inter-Branch outstanding entries are less than 03 (three) months, details of which are disclosed in note no. 10a.5.

ii) Reconciliation of inter-bank accounts

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

2.26. Related Party Disclosures

A party is related to the company, if:

- 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;
- the party is an associate;
- the party is a joint venture;
- the party is a member of the key management personnel of the Company or its parent;
- the party is a close member of the family of any individual referred to in (i) or (iv);
- 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
- the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

Related Party Transactions

The Bank in its ordinary course of business undertook financial transactions with some entities or persons that fall within the definition of Related Party as contained in IAS 24: Related Party Disclosures and relevant provisions of the Banking Companies Act, 1991 (as amended up to date) and Bangladesh Bank BRPD circular no. 14 dated 25 June 2003. As on the reporting date, the Bank had funded and non-funded exposures with its subsidiary and exposures to some related concerns of its Directors. Please refer to note no. 54 of financial statements for details of related party transactions.

2.27. Corporate Governance

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

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

i. Risk Management

Department of Off-site Supervision (DOS) of Bangladesh Bank issued circular no. 02 dated 15 February 2012 under Section 45 of the Banking Companies Act, 1991 on Risk Management Guidelines for Banks and instructed all scheduled Banks operating in Bangladesh to follow this Guideline 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 loss, 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 revised 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, SJBPLC formed a Risk Management and Compliance Department (RM&C) 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 (CRM), 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 CRM, minutes of the monthly meeting and all other required supporting papers. Moreover, in compliance with the Banking Companies Act, 1991 (as amended up to date), Section 15 (Kha) and BRPD circular no. 11 dated 27 October 2013 of Bangladesh Bank, the Bank has constituted a Risk Management Committee comprising of 7 (seven) directors from the Board to formulate risk management policies, procedures and oversee the risk management activities of the Bank.

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

a) Investment (Credit) Risk Management

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

Investment risks may be summarized as under:

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

Portfolio monitoring is carried out by asset quality, background of the customer, soundness and viability of his/her business and cash flow, etc., sector of the economy, cost of long-term financing to match with the return on long-term investment. The Bank pays adequate emphasis on business risk than analysis of security risk because the security reduces the risk but does not always improve the quality of investment. Besides, the Bank addresses the Investment (Credit) risk guideline cited by the Bangladesh Bank.

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

b) Foreign Exchange Risk Management

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

c) Asset Liability Risk Management

The Asset Liability Management Committee (ALCO) that is formed with the senior executives headed by Managing Director consisted 14 (fourteen) members comprising of all segments of performance. In meetings were held to identify position, pricing, risk related to the Balance Sheet, maintaining CR & 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. (SJBPLC) 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 SJBPLC 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 segments of performance. In order to carry out the mission, IC&CD of SJBIL is consisted of 03 (three) independent units namely Internal Audit & Inspection Unit, Compliance Unit and Monitoring Unit.

As a guideline in performing the responsibilities, SJBPLC has drawn up its own 'Internal Control & Compliance Manual' in conformity to the "Guidelines on Internal Control & Compliance in Banks" provided by Bangladesh Bank. SJBPLC 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 SJBPLC are enjoying 24 hours Banking facilities through using Internet Banking and Mobile Application with different services like other bank fund transfer, utility bill payment, transfer to Mobile Financial Services (MFS), etc. In addition, SWIFT, REUTERS, SJBIL 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 delicately 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 constructively, is reporting directly to the Audit Committee of the Board and is responsive to the Audit Committee of the Board. Internal Audit & Inspection of SJBIL 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 verified National ID on-line. As a result, the Bank since its inception has seen comparatively very few cases of fraud and forgeries. Moreover, the Internal Control and Compliance Division (IC&CD) have been strengthened to remain ever vigilant. These have reduced the chances of fraudulent activities in Shahjalal Islami Bank PLC.

Further, the number of fraud cases in Shahjalal Islami Bank PLC. is at a minimal level. However, in the year 2023, 02 (two) cases of fraud and forgery were identified. Total embezzled/irregular amount involved in the fraud cases was Tk. 30,950,346 (Taka three crore fifty thousand three hundred forty six) only and Tk. 20,300,000 (Taka two crore three lac) only have been recovered/settled.

The Bank has also reported the same to Bangladesh Bank in compliance with the Department of Off-site Supervision (DOS) circular letter no. 10 dated 09 May 2017 of Bangladesh Bank.

2.29. Audit Committee

According to BRPD circular no. 11 dated 27 October 2013, all banks are instructed to constitute an audit committee comprising of maximum 05 (five) members of the Board. The audit committee will assist the board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plan set by board for the effective functioning of the Bank. The committee will review the financial reporting process, the system of internal control and management of the financial risk, the audit process and the Bank's process for monitoring compliance with laws and regulations and its own code of business conduct. The Board of Directors of the Bank formed an audit committee consisting of five members including three independent directors.

2.30. Compliance with Financial Reporting Standards as applicable in Bangladesh

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

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

Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied *
2	2	Inventories	Not Applicable
3	7	Statement of Cash Flows	Complied *
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	12	Income Taxes	Complied
7	16	Property, Plant & Equipment	Complied
8	19	Employee Benefits	Complied
9	20	Accounting for Government Grants and Discloser of Government Assistance	Not Applicable
10	21	The Effects of Changes in Foreign 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

*Subject to departure disclosed in note no. 2.1.

Standard issued but not yet effective

A number of new standards and amendments to standards are effective for annual period beginning on 1 January 2023 which have been duly adopted. However, none of these new and/or amended standards have any significant impact on the Bank's financial statements.

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.

A number of new standards and amendments to standards are effective for annual period beginning after 31 December 2023 and earlier application is permitted. However, none of these new and/or amended standards have any significant impact on the Bank's financial statements.

The International Sustainability Standards Board (ISSB) has issued IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, which are applicable from the financial year starting from 1 January 2024. The Central Bank (Bangladesh Bank) has also issued a guideline on sustainability and climate related financial disclosure which would be effected from 1 January 2024. The Bank is assessing impact on these standards and guidelines for implementation.

2.31. Director's Responsibilities on Financial Statement

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

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

2.32. Reporting Period

The Financial Statements cover one calendar year from 01 January to 31 December 2023.

2.33. Auditor of the Subsidiary

Name of the Subsidiary	Relationship	Name of the Auditor
Shahjalal Islami Bank Securities Limited	Subsidiary	M/s. K. M. Hasan & Co., Chartered Accountants

2.34. Events after the Reporting Period

Events after the Reporting Period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. The adjusting events are those that provide evidence of conditions that existed at the end of the reporting period and non-adjusting events are those that are indicative of conditions that arose after the reporting period. The non-adjusting events require disclosure in the notes to the Financial Statements considering their materiality. The detail of Events after the Reporting Period is given in Note No. 55 of these financial statements.

2.35. Operating Environment

The Bank's operating environment during the year ended 2023 were impacted by a number of major global geo-political events and conflict, volatile fuel and commodity prices, unpredictable foreign exchange and interest rate etc. Most of these events also had significant impact on the local economic environment affecting the Bank's operations. From time to time, the Government of Bangladesh and the local Central Bank (Bangladesh Bank) has issued various directives to manage impacts from these events which the Bank has followed. Management on regular basis review and monitor the global and country specific macro-economic situation and factor these issues into the decision making process.

2.36. Date of Authorization

The financial statements were authorized by the Board of Directors on 17 April 2024.

2.37. General Information

- 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.

	31.12.2023	31.12.2022
	Taka	Taka



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Current Account	Currency	F.C. Amount	Rate	Amount in Taka
Habib Metropolitan Bank Ltd.	ACUD	14,834.87	110.0000	1,631,836
United Bank of India, Kolkata	ACUD	204,557.84	110.0000	22,501,362
Sonali Bank Ltd. ACU, Kolkata	ACUD	59,614.82	110.0000	6,557,630
Bank of Bhutan Ltd. Main Branch	ACUD	4,821.19	110.0000	530,331
AXIS Bank Ltd. India	ACUD	237,605.51	110.0000	26,136,660
MCB Bank Limited	ACUD	134,552.09	110.0000	14,800,730
HDFC Bank Ltd., Mumbai	ACUD	1,427,041.63	110.0000	156,974,579
Nabil Bank Limited, Kathmandu, Nepal	ACUD	4,945.19	110.0000	543,971
Standard Chartered Bank, Frankfurt	EURO	1,794,738.64	122.3200	219,532,430
Commerzbank AG	EURO	1,402,972.54	122.3200	171,611,601
Wells Fargo Bank, N. A. London, UK	EURO	991,268.47	122.3200	121,251,959
JPMorgan Chase AG, Frankfurt	EURO	669,173.77	122.3200	81,853,336
Standard Chartered Bank, Tokyo	YEN	1,427,743.01	0.7782	1,111,070
Habib Bank AG Zurich	CHF	27,542.06	130.9867	3,607,644
ICIIC Bank, Canada	CAD	28,664.65	83.3460	2,389,084
Bank Aljazira, KSA	SAR	1,191,466.49	29.3568	34,977,643
Riyad Bank, KSA	SAR	1,433,341.37	29.3568	42,078,316
Standard Chartered Bank, London	GBP	120,337.48	140.9650	16,963,373
JPMorgan Chase Bank N.A., London	GBP	13,654.64	140.9650	1,924,826
Mashreq Bank PSC, UAE	AED	130,081.24	29.9540	3,896,453
Emirates Islamic Bank PJS, Dubai	AED	10,728.00	29.9540	321,347
Standard Chartered Bank, China	CNY	18,253.35	15.4551	282,107
				1,754,675,394

Currency-wise Distribution:

Foreign Currency	Amount in Taka	Composition
USD	761,354,066	43.39%
ACUD	291,520,139	16.61%
EURO	594,249,326	33.87%
YEN	1,111,070	0.06%
CHF	3,607,644	0.21%
CAD	2,389,084	0.14%
SAR	77,055,959	4.39%
GBP	18,888,199	1.08%
AED	4,217,800	0.24%
CNY	282,107	0.02%
	1,754,675,394	100%

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

5.3 In accordance with Bangladesh Bank Foreign Exchange Policy Department, Circular Letter No. FEPD (FEMO)/01/2005-677 dated 13 September 2005, the quarterly review of Nostro Accounts for the quarter ended 31 December 2023 reflect the true state of the Nostro Account entries recorded correctly and after review a separate audit certificate has also been given by the Auditor. The status of all outstanding unmatched entries is given below:

As at 31 December 2023		Amount in US\$		
As per Bank's Book		As per Correspondents' Book		
Debit Entries	Credit Entries	Debit Entries	Credit Entries	
No. Amount	No. Amount	No. Amount	No. Amount	
Up to 3 months	6 5,850,000	347 12,170,788	23 6,426,885	471 20,854,089
More than 03 months but less than 06 months	-	-	-	-
More than 06 months but less than 09 months	-	-	-	-
More than 09 months but less than 12 months	-	-	-	-
More than 12 months	-	-	-	-
	6 5,850,000	347 12,170,788	23 6,426,885	471 20,854,089

As at 31 December 2022		Amount in US\$		
As per Bank's Book		As per Correspondents' Book		
Debit Entries	Credit Entries	Debit Entries	Credit Entries	
No. Amount	No. Amount	No. Amount	No. Amount	
Up to 3 months	9 1,359,364	279 8,787,742	18 1,203,402	391 22,184,753
More than 03 months but less than 06 months	-	-	-	-
More than 06 months but less than 09 months	-	-	-	-
More than 09 months but less than 12 months	-	-	-	-
More than 12 months	-	-	-	-
	9 1,359,364	279 8,787,742	18 1,203,402	391 22,184,753

5.4 Maturity-wise groupings of Balance with Other Banks and Financial Institutions		31.12.2023		31.12.2022	
		Taka		Taka	
On Demand		55,759,001		265,207,519	
Not more than 03 months		3,916,348,463		3,030,382,322	
More than 03 months but less than 01 year		-		-	
More than 01 year but less than 05 years		-		-	
		3,972,107,464		3,295,589,841	

6 Consolidated Placement with Other Banks & Financial Institutions		31.12.2023		31.12.2022	
		Taka		Taka	
Shahjalal Islami Bank PLC.	(Note-6a)	14,115,801,566		21,276,957,716	
Shahjalal Islami Bank Securities Ltd.		-		-	
		14,115,801,566		21,276,957,716	

6a Placement with Other Banks & Financial Institutions of the Bank		31.12.2023		31.12.2022	
		Taka		Taka	
Placement with Other Banks	(Note-6a.1)	13,060,801,566		19,221,957,716	
Placement with Financial Institutions	(Note-6a.2)	1,055,000,000		2,055,000,000	
		14,115,801,566		21,276,957,716	

6a.1 Placement with other Banks		31.12.2023		31.12.2022	
Mudaraba Term Deposits-Other Banks		Taka		Taka	
ICB Islamic Bank Limited		310,801,566		311,017,716	
Export Import Bank of Bangladesh Limited		3,250,000,000		3,750,000,000	
Bangladesh Bank (Refinance Fund)		500,000,000		500,000,000	
Jamuna Bank PLC. (Islami Banking Branch)		3,000,000,000		1,500,000,000	
Pubali Bank PLC. (Islami Banking Branch)		1,000,000,000		1,400,000,000	
Standard Bank PLC.		1,000,000,000		500,000,000	
National Credit and Commerce Bank PLC. (Islami Banking Branch)		2,000,000,000		2,000,000,000	
The Premier Bank PLC. (Islami Banking Wing)		-		-	
Al-Arafah Islami Bank PLC.		-		5,965,940,000	
Social Islami Bank PLC.		-		2,695,000,000	
Agrani Bank PLC. (Islami Banking Wing)		-		1,800,000,000	
Midland Bank PLC. (Islami Banking Window)		-		300,000,000	
ONE Bank PLC. (Islami Banking Branch)		-		500,000,000	
		13,060,801,566		19,221,957,716	

6a.2 Placement with Financial Institutions		31.12.2023		31.12.2022	
Mudaraba Term Deposits-Financial Institutions		Taka		Taka	
Industrial and Infrastructure Development Finance Company Limited		135,000,000		135,000,000	
Union Capital Limited		250,000,000		250,000,000	
Phoenix Finance & Investments Limited		370,000,000		370,000,000	
Premier Leasing International Limited		300,000,000		300,000,000	
IDLC Finance Limited		-		500,000,000	
Lanka Bangla Finance Limited		-		500,000,000	
		1,055,000,000		2,055,000,000	
		14,115,801,566		21,276,957,716	

6a.3 Maturity-wise groupings of Placement with Other Banks and Financial Institutions		31.12.2023		31.12.2022	
		Taka		Taka	
On Demand		-		-	
Not more than 03 months		13,805,000,000		20,965,940,000	
More than 03 months but not more than 01 year		-		-	
More than 01 year but not more than 05 years		310,801,566		311,017,716	
		14,115,801,566		21,276,957,716	

7 Consolidated Investments in Shares & Securities		31.12.2023		31.12.2022	
		Taka		Taka	
Government		24,639,910,000		25,639,910,000	
Shahjalal Islami Bank PLC.	(Note-7a.i)	-		-	
Shahjalal Islami Bank Securities Ltd.		-		-	
		24,639,910,000		25,639,910,000	
Others		7,310,952,402		7,846,594,133	
Shahjalal Islami Bank PLC.	(Note-7a.ii)	2,131,804,878		2,139,518,584	
Shahjalal Islami Bank Securities Ltd.		9,442,757,280		9,986,112,719	
		34,082,667,280		35,626,022,719	

7a Investments in Shares & Securities of the Bank		31.12.2023		31.12.2022	
		Taka		Taka	
i) Government		24,639,910,000		25,639,910,000	
Bangladesh Government Islamic Investment Bond (BGIB)	(Note-7a.2)	-		-	
Bangladesh Government Investment Sukuk (BGIS)	(Note-7a.3)	24,639,910,000		24,639,910,000	
		24,639,910,000		25,639,910,000	
ii) Others		1,527,284,492		1,527,284,492	
Mudaraba Perpetual Bond	(Note-7a.4)	2,360,000,000		2,980,000,000	
Mudaraba Subordinated Bond	(Note-7a.5)	652,658,200		903,029,100	
Beximco Green Sukuk Al Istisna'a		2,771,009,710		2,436,280,544	
Investments in Shares & Securities	(Note-7a.6)	7,310,952,402		7,846,594,133	
		31,950,862,402		33,486,504,135	

7a.1 Maturity-wise groupings of Investments in Shares & Securities		31.12.2023		31.12.2022	
		Taka		Taka	
On Demand		-		-	
Not more than 03 months		200,000,000		1,000,000,000	
More than 03 months but less than 01 year		4,143,667,910		3,839,309,644	
More than 01 year but less than 05 years		26,079,910,000		27,119,910,000	
More than 05 years		1,527,284,492		1,527,284,492	
		31,950,862,402		33,486,504,135	

7a.2 Bangladesh Bank introduced Mudaraba Bond named "Bangladesh Government Islamic Investment Bond (Islamic Bond)" in September 2004 on behalf of the Government to facilitate Islamic Banks and Financial Institutions. Investment in this fund is considered as a component of Statutory Liquidity Ratio (SLR).
The mobilized fund from Islamic Bond is invested by Bangladesh Bank and a portion of realized profit is distributed among the bondholders as per mudaraba principle of Islamic Shariah on the basis of the tenor of the bond. So the rate of return from Islamic Bond is dependent on fund deployment of Bangladesh Bank which is not prefixed.

	31.12.2023	31.12.2022
	Taka	Taka

7a.3 Sukuk is an Islamic financial certificate, similar to a conventional bond, and structured to generate returns in compliance with Islamic finance principles. The government raised the fund through issuing the Bangladesh Government Investment Sukuk (BGIS) in December 2020 & June 2021 for Tk. 80 billion for implementation of a water-supply project titled "Safe Water Supply for the Whole Country" @4.69% for 5 years' tenure and in December 2021 for Tk. 50 billion for a project titled "Need Based Infrastructure Development of Government Primary School Project (1st Phase)" @4.65% for 5 years' tenure. SJIBL, in view of diversifying its investment portfolio, maintaining Statutory Liquidity Ratio (SLR) requirement as well as pile up stock of High Quality Liquidity Assets, participated in all 03 (three) auctions and received an allocation for investment of (i) in December 2020 Tk. 369.56 crore (Taka three hundred sixty-nine crore and fifty-six lac only) fixed rental rate @4.69% per annum (ii) in June 2021 Tk. 496.20 crore (Taka four hundred ninety-six crore and twenty lac only) fixed rental rate @4.69% per annum and (iii) in December 2021 Tk. 614.01 crore (Taka six hundred fourteen crore and one lac only) fixed rental rate @4.65% per annum (iv) in April 2022 Tk. 984.22 crore (Taka nine hundred eighty-four crore and twenty two lac only) fixed rental rate @4.75% per annum.

7a.4 Mudaraba Perpetual Bond		31.12.2023		31.12.2022	
		Taka		Taka	
Islami Bank Bangladesh PLC.		1,077,284,492		1,077,284,492	
Al-Arafah Islami Bank PLC.		450,000,000		450,000,000	
		1,527,284,492		1,527,284,492	

7a.5 Mudaraba Subordinated Bond		31.12.2023		31.12.2022	
		Taka		Taka	
IBBL Mudaraba Subordinated Bond		200,000,000		400,000,000	
IBBL 3rd Mudaraba Subordinated Bond		1,360,000,000		1,480,000,000	
AIBL 3rd Mudaraba Subordinated Bond		800,000,000		1,000,000,000	
SIBL Mudaraba Subordinated Bond		-		100,000,000	
		2,360,000,000		2,980,000,000	

7a.6 Investments in Shares & Securities (at cost)		31.12.2023		31.12.2022	
Quoted		Taka		Taka	
The ACME Laboratories Limited		49,116,095		29,077,594	
Active Fine Chemicals Ltd.		60,709,192		60,709,192	
Aftab Automobiles Limited		72,694,437		72,694,437	
AIBL 1st Islamic Mutual Fund		72,760,284		72,760,284	
Dhaka Electric Supply Company Ltd.		125,754,826		125,754,826	
Export Import Bank of Bangladesh Limited		158,148,898		158,148,898	
Generation Next Fashions Limited		25,741,813		25,741,813	
Meghna Petroleum Limited		103,596,757		133,872,759	
RAK Ceramics (Bangladesh) Limited		49,814,878		49,814,878	
Square Textile Ltd.		82,481,825		82,481,825	
The Dacca Dyeing & Mfg. Co. Limited		102,948,339		102,948,339	
Titas Gas Transmission and Distribution Co. Ltd.		240,881,514		240,881,514	
Prime Islami Life Insurance Ltd.		47,262,250		55,501,667	
Singer Bangladesh Limited		88,910,881		88,910,881	
Square Pharmaceuticals Ltd.		188,977,997		157,304,920	
The IBN SINA Pharmaceutical Industry Ltd.		31,346,168		31,346,168	
MJL Bangladesh Limited		82,688,225		86,720,740	
Siba Pharmaceuticals Limited		48,788,156		48,788,156	
Rohi 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	
Ubu-rrr (Bangladesh) Limited		69,212,179		69,212,179	
Mir Akhter Hossain Limited		87,290,575		76,305,125	
ACI Limited		44,635,402		44,635,402	
ACI Formulations Limited		91,841,140		51,172,892	
Agni Systems Ltd.		26,617,488		23,470,246	
Grameenphone Ltd.		14,420,277		9,177,813	
Apex Tannery Limited		13,619,478		13,619,478	
BSRM Steels Limited		6,666,609		6,666,609	
Crown Cement PLC.		27,526,229		33,424,707	
Energypac Power Generation Limited		29,171,775		29,171,775	
Global Islami Bank Limited		13,173,670		13,173,670	
IFAD Autos Limited		24,142,177		24,142,177	
Islami Commercial Insurance Company Limited		-		87,980	
Olymp					



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	31.12.2023	31.12.2022
	Taka	Taka
(vi) Maximum total amount of investments, including temporary investments made at any time during the period to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons.	2,322,427,437	2,224,379,061
(vii) Maximum total amount of advances including temporary advances granted during the period to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private companies as members.	2,159,203,672	2,712,444,495
(ix) Investments due from other Banks	-	-
(x) Classified Investment on which profit has not been charged	10,689,017,890	11,332,826,570
a. Movement of Classified Investments:		
Opening Balance	11,332,826,570	9,568,844,349
Increase/(decrease) during the year	(643,808,679)	1,763,982,220
	10,689,017,890	11,332,826,570
i) (Decrease)/Increase of specific provision	92,401,887	852,414,374
ii) Amount of written-off investment during the year against which fully provided	1,653,436,088	-
iii) Amount recovered against the investment which was previously written-off	22,100,718	66,934,374
b. Amount of provision kept against classified investment as Bad or Loss on the reporting day of Balance Sheet	4,019,935,518	3,927,533,630
c. Amount of profit charged in suspense account	7,334,987,997	5,750,464,749
(xi) Cumulative amount of written off Investments		
Opening Balance	5,793,611,471	5,793,611,471
Amount written off during the year	1,653,436,088	-
	7,447,047,559	5,793,611,471

9 Consolidated Fixed Assets including Premises, Furniture and Fixtures

	31.12.2023	31.12.2022
	Taka	Taka
Cost		
Shahjalal Islami Bank PLC. (Note-9a)	8,303,533,104	7,869,223,133
Shahjalal Islami Bank Securities Ltd.	247,120,773	246,969,082
	8,550,653,877	8,116,192,215
Accumulated Depreciation		
Shahjalal Islami Bank PLC. (Note-9a)	3,068,387,359	2,596,560,659
Shahjalal Islami Bank Securities Ltd.	119,407,064	105,685,757
	3,187,794,423	2,702,246,416
Written Down Value	5,362,859,454	5,413,945,799

9a Fixed Assets including Premises, Furniture and Fixtures of the Bank

	31.12.2023	31.12.2022
	Taka	Taka
Tangible Assets:		
Cost		
Land	1,876,724,350	1,876,724,350
Building	893,986,278	893,986,278
Furniture & Fixtures	1,298,515,777	1,208,748,919
Office Equipment	824,478,380	781,386,436
Computer & Network Equipment	742,202,653	708,831,394
Vehicles	133,226,381	129,909,231
Right of Use Assets as per IFRS-16*	2,352,443,206	2,095,664,041
Books	1,042,667	1,042,667
	8,122,619,692	7,696,293,315
Less:		
Accumulated depreciation	2,912,014,699	2,447,229,475
Written Down Value	5,210,604,993	5,249,063,840
Intangible Assets:		
Cost		
Software-Core Banking	62,615,431	62,615,431
Software-Others	118,297,981	110,314,387
	180,913,412	172,929,818
Less:		
Amortization	156,372,661	149,331,184
Written Down Value	24,540,751	23,598,634
Total Written Down Value	5,235,145,745	5,272,662,474

*Right of Use (ROU) Assets are measured at cost less any accumulated depreciation and adjusted for any measurement of lease liabilities (Note-2.7.6).

The details of fixed assets are given in **Annexure-B**.

	31.12.2023	31.12.2022
	Taka	Taka
10 Consolidated Other Assets		
Shahjalal Islami Bank PLC. (Note-10a)	28,926,044,213	21,844,875,177
Shahjalal Islami Bank Securities Ltd.	520,666,142	486,573,264
	29,446,710,355	22,331,448,541
Less: Inter Company transaction	2,515,000,000	2,515,000,000
	26,931,710,355	19,816,448,541

	31.12.2023	31.12.2022
	Taka	Taka
10.1 Consolidated Advance Tax		
Shahjalal Islami Bank PLC. (Note-10a.4)	21,110,037,588	17,325,070,828
Shahjalal Islami Bank Securities Ltd.	492,618,443	451,921,114
	21,602,656,031	17,776,991,942

	31.12.2023	31.12.2022
	Taka	Taka
10a Other Assets of the Bank		
Income Generating:		
Shahjalal Islami Bank Securities Ltd. (Note-10a.3)	2,515,000,000	2,515,000,000
Sub-total	2,515,000,000	2,515,000,000

	31.12.2023	31.12.2022
	Taka	Taka
Non-Income Generating:		
Stock of Stationery, Stamps and printing materials etc. (valued at cost)	47,167,552	32,352,408
Advance Rent and Security Deposit	42,604,032	42,794,922
Suspense Account (Note-10a.1)	499,979,226	476,794,286
Profit Receivable (Note-10a.2)	1,044,643,316	1,083,252,168
Other Prepayments	262,130,247	133,509,156
Advance Insurance Premium	4,019,272	58,852
Advance for New Branches	-	3,600,000
Advance Tax Paid (Note-10a.4)	21,110,037,588	17,325,070,828
Other Receivables	3,034,667	3,034,667
SJIBL General Account-Net	3,397,428,313	229,407,891
Balance with OBU	8,160,680,000	10,031,884,419
	34,571,724,213	29,361,759,597
Less: Offshore Banking Unit	8,160,680,000	10,031,884,419
Sub-total	26,411,044,213	19,329,875,177
Grand Total	28,926,044,213	21,844,875,177

	31.12.2023	31.12.2022
	Taka	Taka
10a.1 Suspense Account		
Sundry Debtors	46,258,799	28,756,970
Excise Duty on MTDR	31,534,751	28,521,261
Advance against TA/DA	226,270	9,600
Advance against Petty Cash	555	-
Advance against Petty Cash	555	-
Cash Remittance	62,427,800	92,010,000
Law Charges	59,601,812	63,089,279
Stamp	214,580	282,450
Others	299,160,213	263,594,727
	499,979,226	476,794,286

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

Sl. #	Break-up	Less than 03 months	03 months to less than 06 months	06 months to less than 09 months	09 months to less than 12 months	12 months and above
1	Sundry Debtors	14,128	27,512	332	1,605	2,682
2	Advance against TA/DA	226	-	-	-	-
3	Advance against Petty Cash	555	-	-	-	-
4	Cash Remittance	62,428	-	-	-	-
5	Legal Expenses	5,782	3,722	3,565	2,863	43,670
6	Others	316,670	3,563	1,039	3,793	5,844
	Grand Total	399,789	34,797	4,936	8,261	52,196

	31.12.2023	31.12.2022
	Taka	Taka
10a.2 Profit Receivable		
Placement to Other Banks-MTDR	183,378,591	178,935,535
Placement to Financial Institutions-MTDR	1,286,805	16,338,333
Profit on Investment against MSD	361,167	375,878
General Investments	859,616,753	887,302,422
	1,044,643,316	1,083,252,168

10a.3 Shahjalal Islami Bank PLC. invested Tk. 251.50 crore in its subsidiary company named 'Shahjalal Islami Bank Securities Limited' as per approval of competent authority. The subsidiary company commenced its operation on 25 May 2011. The total paid-up capital of the subsidiary company is Tk. 274.00 crore which is divided into 27,400,000 ordinary shares at Tk. 10 each and the Bank holds 91.79% of its paid-up capital.

	31.12.2023	31.12.2022
	Taka	Taka
10a.4 Advance Tax Paid		
Balance at the beginning of the year	17,325,070,828	16,597,308,766
Adjustment for final Settlement	(416,056,896)	(1,460,862,131)
Paid during the year	4,201,023,656	2,188,624,194
	21,110,037,588	17,325,070,828

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

	Debit		Credit	
	No. of Entry	Amount	No. of Entry	Amount
Up to 3 months	445	3,419,465,563	2081	22,037,250
Over 3 Months but within 6 months	-	-	-	-
Over 6 Months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
	445	3,419,465,563	2081	22,037,250

Net unrecouped amount **3,397,428,313**

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

11 Non-Banking Assets

	31.12.2023	31.12.2022
	Taka	Taka
Shahjalal Islami Bank PLC.	88,309,355	88,909,355

The Bank was awarded absolute ownership on some mortgaged properties through the verdict of Honorable Court under Section 33(7) of the Arbitration 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:

	31.12.2023	31.12.2022
	Taka	Taka
12 Consolidated Placement from other Banks & Financial Institutions		
Shahjalal Islami Bank PLC. (Note-12a)	27,511,352,759	42,036,645,204
Shahjalal Islami Bank Securities Ltd.	2,065,040,064	2,523,473,895
	29,576,392,823	44,560,119,099
Less: Inter Company Transaction	1,833,488,452	2,260,530,757
	27,742,904,371	42,299,588,342

* The Bank has sold 13 Decimals land owned from Mr. Md. Mehedul Islam situated at Dinajpur, Fulbari, Mouza: Rashidpur at Tk. 600,000.

	31.12.2023	31.12.2022
	Taka	Taka
12a Placement from other Banks & Financial Institutions of the Bank		
Export Development Fund - Bangladesh Bank	16,651,315,958	31,463,988,138
Financial Stimulus Fund - Bangladesh Bank	742,848,980	4,703,822,926
Foreign Currency Deposit (FSP BB USD) - Bangladesh Bank	255,861	5,512,056
Mudaraba Term Deposit from other Banks (Note-12a.1)	300,000,000	4,955,673,575
Bangladesh Bank Refinance (Bal Samal)	677,164,000	761,665,000
Bangladesh Bank Refinance (TDF)	58,268,375	79,456,875
Bangladesh Bank Refinance (BMMFLIPSB)	5,957,404	2,400,000
SME Foundation Refinance Scheme	33,502,920	11,900,000
Bangladesh Bank Refinance	1,717,185,205	23,000,000
Islami Investment Bond from Bangladesh Bank	1,900,000,000	-
Bangladesh Bank Pre-Finance Scheme-CMSME	5,424,854,055	-
Islami Refinance Fund - Bangladesh Bank	-	3,726,633
ISDF's SPRP For Covid-19	-	25,500,000
Borrowing from Offshore Banking Unit (OBU)	-	165,395
	27,511,352,759	42,036,645,204

	31.12.2023	31.12.2022
	Taka	Taka
12a.1 Mudaraba Term Deposit from other Banks		
Inside Bangladesh		
Export Import Bank of Bangladesh Limited	300,000,000	-
Al-Arafah Islami Bank PLC.	-	2,065,940,000
Sub-total	300,000,000	2,065,940,000
Outside Bangladesh		
Bank Muscat SAOG	-	309,891,000
National Bank of Ras Al-Khaimah (P.S.C.)	-	2,166,654,575
United Bank Limited	-	413,188,000
Sub-total	-	2,889,733,575
Grand Total	300,000,000	4,955,673,575

	31.12.2023	31.12.2022
	Taka	Taka
13 Consolidated Deposits and Other Accounts		
Al-Wadeeah Current Deposits & Other Accounts		
Shahjalal Islami Bank PLC. (Note-13a)	60,012,469,463	48,293,094,847
Shahjalal Islami Bank Securities Ltd.	-	-
	60,012,469,463	48,293,094,847
Less: Inter Company Transaction	110,054	136,604
	60,012,359,409	48,292,958,243
Bills Payable		
Shahjalal Islami Bank PLC. (Note-13a)	4,877,223,738	5,872,217,849
Shahjalal Islami Bank Securities Ltd.	-	-
	4,877,223,738	5,872,217,849
Mudaraba Savings Deposits		
Shahjalal Islami Bank PLC. (Note-13a)	39,696,820,704	36,934,789,424
Shahjalal Islami Bank Securities Ltd.	-	-
	39,696,820,704	36,934,789,424
Less: Inter Company Transaction	4,805	56,538
	39,696,815,899	36,934,732,886
Mudaraba Term Deposits		
Shahjalal Islami Bank PLC. (Note-13a)	97,867,730,869	86,817,226,090
Shahjalal Islami Bank Securities Ltd.	-	-
	97,867,730,869	86,817,226,090
Other Mudaraba Deposits		
Shahjalal Islami Bank PLC. (Note-13a)	47,130,779,908	50,064,730,403
Shahjalal Islami Bank Securities Ltd.	-	-
	47,130,779,908	50,064,730,403
Less: Inter Company Transaction	363,707,795	319,514,217
	46,767,072,113	49,745,216,186
Total	249,221,202,028	227,662,351,255

	31.12.2023	31.12.2022
	Taka	Taka
13a Deposits and Other Accounts of the Bank		
Al-Wadeeah Current Deposits & Other Accounts		
Al-Wadeeah Current Deposits	15,099,548,202	14,523,129,877
Foreign Currency Deposits	5,959,195,678	4,542,969,527
Non-Resident Taka Account	183,600,438	207,042,612



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	31.12.2023	31.12.2022
	Taka	Taka
(c) General Provision on Off-balance Sheet Items		
Provision held at the beginning of the year	1,356,200,000	1,356,200,000
Addition during the year	(31,400,000)	-
Balance at the end of the year	1,324,800,000	1,356,200,000
Total Provision for Investments & Off-balance Sheet Items (a+b+c)	8,210,523,518	7,945,473,726
(d) Provision for Other Assets		
Provision held at the beginning of the year	203,965,000	91,965,000
Addition during the year	-	112,000,000
Balance at the end of the year	203,965,000	203,965,000
(e) Provision for Investments in Shares & Securities		
Provision held at the beginning of the year	658,560,000	658,560,000
Addition during the year	-	-
Balance at the end of the year	658,560,000	658,560,000
(f) Profit Suspense Account		
Balance at the beginning of the year	4,948,313,858	3,732,643,784
Amount transferred to suspense account during the year	1,776,461,921	2,389,717,982
Amount recovered from suspense account during the year	(501,340,576)	(1,094,678,127)
Amount waived/ written-off during the year	(214,883,200)	(79,369,781)
Balance at the end of the year	6,008,552,002	4,948,313,858

	31.12.2023	31.12.2022
15a.2 Provision for Taxation		
Provision for Current Tax		
Balance at the beginning of the year	19,607,591,030	17,290,140,619
Add: Provision for current year	2,989,089,841	3,208,335,035
Add: Provision for prior years	706,214,858	492,883,446
Add: Provision made on other during the year	91,368,719	77,094,061
Less: Adjustment for final settlement for previous years	(541,693,786)	(1,460,862,131)
Balance at the end of the year	22,852,570,661	19,607,591,030

The Bank has challenged some disputed income tax assessments which are pending at various appeal stages (i.e. Appellate Tribunal, High Court Division). The Bank is confident that once these appeals are finally disposed off, there should not be any additional tax demand against the Bank and hence no further provision is required.

	31.12.2023	31.12.2022
15a.2a) Provision for Current Tax made during the year		
Income tax @ 37.50% on estimated taxable Business Profit	2,942,972,602	3,148,765,095
Income tax @ 20% on Dividend Income	43,304,747	35,896,181
Income tax @ 15% on Capital Gain on Sale of Shares	2,812,491	23,673,759
Adjustment for previous year	706,214,858	492,883,446
Estimated Total Provision Required	3,695,304,699	3,701,218,481

	31.12.2023	31.12.2022
Computation of Taxable Business Profit		
Profit before Taxes	7,153,250,273	7,226,276,558
Add: Inadmissible expenditures & Separate consideration	3,154,699,305	2,225,706,339
	10,307,949,577	9,451,982,897
Less: Allowable Expenditure & Separate consideration	(2,460,022,637)	(1,055,275,977)
Estimated Taxable Business Profit for the year	7,847,926,940	8,396,706,921

Particulars	Effective Rate	
	2023	2022
Profit before income taxes as per profit and loss account	37.5%	37.5%
Income taxes as per applicable tax rate	2,682,468,852	2,709,853,709
Factors affecting the tax charge for current year:		
Inadmissible expenses	16.54%	834,639,877
Admissible expenses in the current year	-11.66%	(834,280,860)
Tax savings from reduced tax rates for dividend	-0.53%	(37,891,654)
Tax loss/savings from reduced tax rates for capital gain	-0.06%	(4,218,737)
Adjustment for previous year	9.87%	492,883,446
Total Income Tax Expenses	51.66%	3,695,304,699

	31.12.2023	31.12.2022
15a.3 Provision for Start-up Fund		
For the year 2020	19,081,986	19,081,986
For the year 2021	25,852,369	25,852,369
For the year 2022	35,250,581	35,250,581
For the year 2023	36,248,720	-
Balance at the end of the year	116,433,656	80,184,936

Bangladesh Bank vide its SMESPD Circular No. 04 dated 29 March 2021 as well as SMESPD Circular Letter No. 05 dated 26 April 2021 instructed all scheduled banks to build-up a Start-up Fund under Other Liabilities @1% out of net profit starting from the year 2020 in order to make disbursement to make new entrepreneurs and self-employment.

	31.12.2023	31.12.2022
16 Consolidated Deferred Tax Liabilities		
Shahjalal Islami Bank PLC.	70,225,452	237,151,866
Shahjalal Islami Bank Securities Ltd.	(1,502,083)	(1,266,952)
68,723,369	235,884,914	

	31.12.2023	31.12.2022
16a Deferred Tax Liabilities of the Bank		
Balance at the beginning of the year	237,151,866	237,151,866
Add: Provision made during the year	(166,926,414)	-
70,225,452	237,151,866	

	31.12.2023	31.12.2022
16a.1 Deferred Tax (Assets)/Liabilities		
Fixed Assets (as per Financial Statements)	5,235,145,745	5,272,662,474
Less: Carrying amount of vehicles purchase over the allowable limit	(11,828,479)	(13,341,654)
5,223,317,266	5,259,320,820	
Tax base carrying amount	5,036,049,395	4,753,535,768
187,267,871	505,785,052	
Deferred Tax (Assets)/Liabilities	70,225,452	189,669,395

According to IAS 12: "Income taxes" deferred tax benefit of Tk 4,74,82,471 had been arisen in 2022 due to temporary timing difference which had not been recognized in the profit and loss account and corresponding deferred tax asset liability as per direction of Bangladesh Bank vide letter no. DBI-7/459/2023-377 dated 2 April 2023. Thus the deferred tax liability was remain unchanged at Tk 23,71,51,866 in the year 2022.

	31.12.2023	31.12.2022
17 Capital		
17.1 Authorized Capital		
1,500,000,000 ordinary shares of Tk. 10 each	15,000,000,000	15,000,000,000

	31.12.2023	31.12.2022
17.2 Issued, Subscribed and Paid-up Capital		
1,112,968,351 ordinary shares of Tk. 10 each	11,129,683,510	10,805,517,980
20,500,000 ordinary sponsor shares of Tk. 10 each issued for cash	205,000,000	205,000,000
12.5% Stock Dividend for the year 2002	25,625,000	25,625,000
236,200,000 ordinary new shares issued	2,362,000,000	236,200,000
4,690,000 ordinary new shares issued	46,900,000	46,900,000
935,825,500 shares issued under Initial Public Offer (IPO)	9,358,255,000	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	1,113,163,840	1,113,163,840
20% Stock Dividend for the year 2012	1,113,163,840	1,113,163,840
10% Stock Dividend for the year 2013	667,898,310	667,898,310
5% Stock Dividend for the year 2016	367,344,060	367,344,060
10% Stock Dividend for the year 2017	771,422,540	771,422,540
10% Stock Dividend for the year 2018	848,564,790	848,564,790
5% Stock Dividend for the year 2019	466,710,630	466,710,630
5% Stock Dividend for the year 2020	490,046,160	490,046,160
5% Stock Dividend for the year 2021	514,548,470	514,548,470
3% Stock Dividend for the year 2022	324,165,530	324,165,530
11,129,683,510	10,805,517,980	

Unclaimed Stock Dividend
The Stock Dividend which could not be distributed to the Shareholders due to closure of BO ID on the crediting day, kept under the Suspense A/C bearing BO ID - 120490016665712. During the year 2023, 5,079 numbers of Unclaimed Bonus Share have been transferred to CMSF bearing BO ID - 1201530074571230.

Category	Holding	31.12.2023	31.12.2022
Sponsor & Director	In the year 2023: 47.61%; 2022: 48.22%	5,298,394,760	5,210,533,770
Institutes	In the year 2023: 15.07%; 2022: 14.76%	1,677,275,770	1,594,505,140
General Shareholders	In the year 2023: 37.32%; 2022: 36.87%	4,154,012,980	3,983,838,770
Foreign	In the year 2023: 0.00%; 2022: 0.15%	16,640,300	16,640,300
		11,129,683,510	10,805,517,980

Classification of Shareholders by number of holding: As at 31 December 2023

Range of Share Holding	No. of Shareholders	No. of Shares	Percentage of Holding Shares
Up to 500	10,627	1,599,686	0.14%
501-5,000	10,703	22,409,953	0.21%
5,001-10,000	1,019	7,122,753	0.64%
10,001-20,000	495	6,794,331	0.61%
20,001-30,000	198	4,743,149	0.43%
30,001-40,000	88	2,972,886	0.27%
40,001-50,000	47	2,096,602	0.19%
50,001-100,000	177	4,309,460	0.40%
100,001-1,000,000	134	39,864,146	3.58%
Over 1,000,000	90	1,018,275,861	91.49%
Total	23,505	1,112,968,351	100.00%

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%

	31.12.2023	31.12.2022
17.3 Consolidated Capital to Risk-Weighted Assets Ratio (CRAR) Under Basel-III		
a) Going Concern Capital (Tier-I):		
Common Equity Tier-I Capital (CET-I)		
i. Paid-up Capital	11,129,683,510	10,805,517,980
ii. Statutory Reserve	(Note-18) 10,803,111,162	9,372,461,107
iii. Retained Earnings	(Note-20) 1,822,170,931	1,745,940,328
iv. Foreign Currency Translation Reserve	9,087,189	-
v. Capital Reserve	34,820,349	28,796,597
vi. Non-controlling Interest	228,460,797	232,387,434
	24,027,333,937	22,185,103,447

	31.12.2023	31.12.2022
	Taka	Taka
Less: Carrying amount of intangible assets	24,816,045	23,942,748
Additional Tier-I Capital (AT-I)	24,002,517,892	22,161,160,699
	5,000,000,000	5,000,000,000
	29,002,517,892	27,161,160,699
b) Gone Concern Capital (Tier-II):		
i. General Provision	4,240,053,735	4,067,405,831
ii. Mudaraba Subordinated Bond	1,200,000,000	3,200,000,000
iii. Mudaraba Perpetual Bond (Excess over limit of AT-I)	-	-
	5,440,053,735	7,267,405,831
c) Total Eligible Regulatory Capital (a+b)	34,442,571,627	34,428,566,530
d) Consolidated Total Risk Weighted Assets	232,588,460,986	243,919,410,119
e) Minimum Required Capital (10% of Risk-Weighted Assets)	23,258,846,098.61	24,391,941,012
f) Minimum Required Capital (12.50% of Risk-Weighted Assets) including conservation buffer	29,073,557,623	30,489,926,265
g) Total Capital Surplus (c-e)	11,183,725,528	10,036,625,518
h) Total Capital Surplus considering conservation buffer (c-f)	5,369,014,004	3,938,640,265

Particulars	2023		2022	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	12.47%	6.00%	11.14%
Common Equity Tier-I Capital: (CET-I)	4.50%	10.32%	4.50%	11.14%
Tier-I Plus Conservation Buffer	8.50%	12.47%	8.50%	11.14%
CET-I Plus Conservation Buffer	7.00%	10.32%	7.00%	9.09%
Gone Concern Capital: (Tier-II)	-	2.34%	-	2.98%
CRAR	10.00%	14.81%	10.00%	14.11%
CRAR including Conservation Buffer	12.50%	14.81%	12.50%	14.11%

	31.12.2023	31.12.2022
17.4 Consolidated Risk Weighted Assets (RWA) for		
1. Investment (Credit) Risk		
On-balance Sheet	167,937,026,101	172,272,135,836
Off-balance Sheet	27,911,031,878	35,014,509,696
2. Market Risk	8,894,974,184	12,795,816,487
3. Operational Risk	27,845,428,823	23,836,948,102
Consolidated Total Risk Weighted Assets (1+2+3)	232,588,460,986	243,919,410,119

	31.12.2023	31.12.2022
17.5 Capital to Risk-Weighted Assets Ratio (CRAR) Under Basel-III of the Bank		
a) Going Concern Capital (Tier-I):		
Common Equity Tier-I Capital (CET-I)		
i. Paid-up Capital	11,129,683,510	10,805,517,980
ii. Statutory Reserve	(Note-18) 10,803,111,162	9,372,461,107
iii. Retained Earnings	(Note-20(a)) 1,818,307,263	1,692,161,829
iv. Foreign Currency Translation Reserve	9,087,189	-
	23,760,189,123	21,870,140,916
Less: Carrying amount of intangible assets	24,540,751	23,598,634
	23,735,648,372	21,846,542,282
Additional Tier-I Capital (AT-I)		
	5,000,000,000	5



Shahjalal Islami Bank PLC.

Committed to Cordial Service

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	2023	2022
	Taka	Taka
29a Salaries & Allowances of the Bank		
Basic Salary	1,555,441,803	1,420,473,004
Allowances	1,363,499,162	1,216,287,537
Bonus	792,267,907	729,367,050
Bank's Contribution to Provident fund	148,660,269	131,828,896
Leave Encashment	51,763,611	43,234,293
	3,911,632,751	3,541,190,780
30. Consolidated Rent, Taxes, Insurance, Electricity etc.		
Shahjalal Islami Bank PLC.	(Note- 30a) 385,313,991	395,349,782
Shahjalal Islami Bank Securities Ltd.	6,446,864	6,596,977
	391,760,855	401,946,759
30a Rent, Taxes, Insurance, Electricity etc. of the Bank		
Rent, Rates & Taxes	(Note- 30a.1) 84,146,403	98,650,730
Insurance	199,976,324	207,173,243
Electricity & Lighting	101,191,264	89,525,809
	385,313,991	395,349,782
30a.1 Rent, Rates & Taxes		
Rent, Rates & Taxes	362,274,434	339,705,804
Transfer to depreciation and profit expenses under IFRS 16*	278,128,031	241,055,074
	640,402,465	580,760,878
	84,146,403	98,650,730
*Due to the adoption of IFRS 16 Leases, rental expense of Tk. 278,128,031 was transferred to depreciation of Right of Use (ROU) Assets and profit expense of lease liabilities.		
31. Consolidated Legal Expenses		
Shahjalal Islami Bank PLC.	(Note- 31a) 2,399,713	1,362,822
Shahjalal Islami Bank Securities Ltd.	102,350	77,250
	2,502,063	1,440,072
31a Legal Expenses of the Bank		
Legal Fees & Charge	672,553	339,940
Other Legal Expenses	1,727,160	1,022,882
	2,399,713	1,362,822
32. Consolidated Postage, Stamps, Telecommunication etc.		
Shahjalal Islami Bank PLC.	(Note- 32a) 54,839,785	53,233,194
Shahjalal Islami Bank Securities Ltd.	2,866,317	3,042,601
	57,706,102	56,275,795
32a Postage, Stamps, Telecommunication etc. of the Bank		
Postage	1,058,358	1,477,068
Leased line	34,896,953	31,647,194
Telegram, Fax & Telex	5,565,365	5,931,705
Telephone charges	2,010,356	2,703,086
Mobile phone charges	11,308,754	11,474,141
	54,839,785	53,233,194
33. Consolidated Stationery, Printing, Advertisements etc.		
Shahjalal Islami Bank PLC.	(Note- 33a) 149,908,208	134,894,501
Shahjalal Islami Bank Securities Ltd.	905,319	1,446,724
	150,813,527	136,341,225
33a Stationery, Printing, Advertisements etc. of the Bank		
Table Stationery	11,848,883	8,795,089
Printing Stationery	12,695,825	12,666,445
Security Stationery	8,010,196	6,176,398
Computer Stationery	74,502,948	66,116,652
Publicity and Advertisement	42,850,356	41,139,918
	149,908,208	134,894,501
34. Chief Executive's Salary & Fees of the Bank		
Basic Salary	9,600,000	13,129,487
Allowances	3,912,000	4,556,967
Bonus	2,760,000	3,635,380
Bank's Contribution to Provident Fund	-	1,078,110
	16,272,000	22,399,944
35. Directors' Fees & Expenses of the Bank		
Directors' Fees	4,166,400	5,345,600
Meeting Expenses	177,244	1,250,783
	4,343,644	6,596,383
36. Shariah Supervisory Committee's Fees & Expenses of the Bank		
Sharia Council Meeting Expenses	1,073,245	619,587
37. Consolidated Auditors' Fees		
Shahjalal Islami Bank PLC.	(Note- 37a) 1,035,000	550,000
Shahjalal Islami Bank Securities Ltd.	69,000	76,500
	1,104,000	626,500
37a Auditor's Fees of the Bank		
Auditor's Fees*	1,035,000	550,000
* Auditor's Fees of 2023 include interim audit fee for September 2023 Tk. 345,000 (including VAT).		
38. Consolidated Depreciation & Repairs of Assets		
Shahjalal Islami Bank PLC.	(Note- 38a) 600,330,115	558,210,217
Shahjalal Islami Bank Securities Ltd.	21,180,052	22,995,211
	621,510,167	581,205,428
38a Depreciation & Repairs of Assets		
a) Depreciation of Bank's Assets (Annexure-B)		
Land & Building	19,660,190	19,660,190
Furniture & Fixtures	94,603,272	86,516,080
Office Equipment	107,496,127	96,856,740
Computer & Network Equipment	76,186,225	84,608,955
Vehicles	13,093,922	15,131,791
Right of Use (ROU) Assets*	240,590,387	211,365,471
Books	-	17,394
	558,671,600	519,786,068
b) Amortization of Bank's Assets (Annexure-B)		
Software-Core Banking	7,041,477	5,629,448
Software-Others	-	-
	7,041,477	5,629,448
c) Repairs on Bank's Assets		
Office Premises	1,620,354	4,483,679
Office Equipment	17,911,535	20,078,653
Office Furniture & Fixtures	1,467,402	1,438,239
Vehicles	3,689,997	2,588,643
Procurement of Parts, Spares & Others	16,969,227	9,834,940
	41,658,515	38,424,148
	600,330,115	558,210,217
*As per note-2.7.6, in accordance with IFRS 16 Leases, the Bank has recognized Right of Use (ROU) Assets and related depreciation as shown above.		
39. Zakat Expenses of the Bank		
Zakat Expenses	243,649,917	205,584,162
	243,649,917	205,584,162
40. Consolidated Other Expenses		
Shahjalal Islami Bank PLC.	(Note- 40a) 956,556,170	866,192,092
Shahjalal Islami Bank Securities Ltd.	27,954,857	42,069,963
	984,511,027	908,262,056
40a Other Expenses of the Bank		
Petrol, Oil and Lubricants	9,289,052	8,024,457
Entertainment	50,836,074	60,096,297
Subscription	6,578,508	6,638,710
Traveling and Conveyance	30,127,735	26,017,405
Training Expenses	7,831,304	7,460,010
Car expenses	204,280,898	196,771,514
Gratuity expenses	300,000,000	250,000,000
Papers & Periodicals	386,795	163,000
Utility	7,068,476	6,860,190
Uniform & Livers	3,032,869	4,047,511
Bank Charges	1,479,968	2,386,376
Business development & promotion	25,156,629	45,241,360
Upkeep and cleaning of office premises	52,030,874	42,646,925
Security Service- outsourcing	107,195,276	94,935,383
Credit Rating fee	287,500	618,125
SJIBPLC Card expenses	76,999,710	53,319,234
Islamic Credit Card Expenses	19,078,208	15,319,565
AGM & meeting expenses	8,106,859	7,491,245
Capital Enhancement Fees	10,059,546	4,768,044
Contribution to Social Security Superannuation Fund	2,000,000	2,000,000
Laundry and Washing	454,064	404,285
Crockeries, Kettle and others	710,313	661,854
Photograph and Photocopy	688,412	830,133
Loss on Disposal of Fixed Assets	7,145,598	4,127,765
CSR Expense	410,000	500,000
Agent Banking Expense	9,201,161	6,747,461
Miscellaneous Expenses	14,148,078	16,728,293
Branch Opening Expenses	2,272,264	1,386,950
	956,556,170	866,192,092
Pursuant to BRPD Circular Letter No. 28 dated 26 July 2022 and BRPD Circular Letter No. 30 dated 27 July 2022, Management of the Bank has taken austerity measures in all respect to ensure cost savings on account of fuel, electricity, entertainment, travelling, computer & accessories, electric equipment, furniture and other stationeries. All branches and divisions are instructed to take necessary steps to follow meticulously in order to reduce expenses. Expenditures on different heads are being monitored closely in order to ensure cost savings during the period under review which has helped the Bank to keep the cost within the acceptable limit.		
41. Consolidated Provision against Investments, Off-balance Sheet Items & Others		
Shahjalal Islami Bank PLC.	(Note- 41a) 1,733,580,890	1,108,365,441
Shahjalal Islami Bank Securities Ltd.	-	103,423,877
	1,733,580,890	1,211,789,318
41a Provision against Investments, Off-balance Sheet Items & Others of the Bank		
Provision on Classified Investments	194,600,890	210,885,441
Provision on Unclassified Investments	1,570,920,000	785,480,000
Provision on Off-balance Sheet Items	(31,400,000)	-
Provisions on Investments in Securities	-	112,000,000
Provision on Other Assets	-	-
	1,733,580,890	1,108,365,441
42. Consolidated Deferred Tax (Income)/Expenses		
Shahjalal Islami Bank PLC.	(Note- 42a) (166,926,414)	334,272
Shahjalal Islami Bank Securities Ltd.	(235,132)	334,272
	(167,161,546)	334,272
42a Deferred Tax (Income)/Expenses of the Bank		
Closing deferred tax liability	70,225,452	237,151,866
Opening deferred tax liability	237,151,866	237,151,866
Deferred tax expenses/(Income)	(166,926,414)	-
	70,225,452	237,151,866
42b Consolidated Tax Expenses		
Current tax	3,718,392,081	3,745,966,752
Deferred tax	(167,161,546)	334,272
	3,551,230,535	3,746,301,024

	2023	2022
	Taka	Taka
42c Tax Expenses of the Bank		
Current tax	(Note-15a.2) 3,695,304,699	3,701,218,481
Deferred tax	(Note-42a) (166,926,414)	-
	3,528,378,285	3,701,218,481
43. Consolidated Earnings per Share (EPS)		
Net Profit after Taxes	(Note-2.19) 3,580,980,909	3,580,349,082
No. of Ordinary Shares outstanding	1,112,968,351	1,112,968,351
	3.22	3.22
43a Earnings per Share (EPS) of the Bank		
Net Profit after Tax	(Note-2.19) 3,624,871,988	3,525,058,077
Number of Ordinary Shares outstanding	1,112,968,351	1,112,968,351
	3.26	3.17
Earnings per share has been calculated in accordance with IAS 33 Earnings per Share.		
Operating Income & Earnings per Share substantially increased compared to that of last year mainly due to the increase of Net Investment Income, Income from Investments in Shares & Securities and Other Operating Income.		
43(i) Net Asset Value (NAV) per Share:		
Net Asset Value (Consolidated)	23,798,873,140	21,952,716,012
Net Asset Value (Bank's)	23,760,189,123	21,870,140,916
No. of Outstanding Shares	1,112,968,351	1,112,968,351
Net Asset Value (NAV) per Share (Consolidated) [previous year's figure restated]	21.38	19.72
Net Asset Value (NAV) per Share (Bank's) [previous year's figure restated]	21.35	19.65
Net Asset Value per Share has increased compared to that of last year due to the increase of net profit after taxes during the period.		
43(ii) Net Operating Cash Flows per Share (NOCFPS):		
Net cash flow from operating activities (Consolidated)	11,225,745,426	9,914,721,079
Net cash flow from operating activities (Bank's)	11,222,663,771	8,881,596,555
No. of Outstanding Shares	1,112,968,351	1,112,968,351
Net Operating Cash Flow per Share (NOCFPS) (Consolidated) [previous year's figure restated]	10.09	8.88
Net Operating Cash Flow per Share (NOCFPS) (Bank's) [previous year's figure restated]	10.08	7.94
Net Operating Cash Flows per Share (NOCFPS) has increased significantly compared to that of last year mainly due to the increase in deposits from customers while decrease in placement with other Banks and Financial Institutions as well as increase in investment income during the year.		
44. Consolidated Investment Income Receipt in Cash		
Shahjalal Islami Bank PLC.	(Note-44a) 19,673,238,630	17,054,304,197
Shahjalal Islami Bank Securities Ltd.	270,263,809	422,323,223
	19,943,502,439	17,476,627,420
44a Investment Income Receipt of the Bank		
Investment Income receipt (excluding Dividend Income)	(Note-24a & 26a) 19,634,629,778	17,438,525,068
Add: Opening profit receivable	(Note-10a.2) 1,083,252,168	699,031,297
Less: Closing profit receivable	(Note-10a.2) 1,044,643,316	1,083,252,168
	19,673,238,630	17,054,304,197
45. Consolidated Profit Paid on Deposits		
Shahjalal Islami Bank PLC.	(Note-45a) 8,762,916,189	7,778,867,646
Shahjalal Islami Bank Securities Ltd.	213,119,960	213,604,636
	8,976,036,149	7,992,472,282
45a Profit Paid on Deposits of the Bank		
Profit Paid on Deposits	(Note-25a) 8,964,029,741	8,335,129,184
Add: Opening profit payable on deposit	(Note-13a) 1,151,802,996	595,541,458
Less: Closing profit payable on deposit	(Note-13a) 1,352,916,548	1,151,802,996
	8,762,916,189	7,778,867,646
46. Consolidated Cash Receipts from Other Operating activities		
Shahjalal Islami Bank PLC.	(Note-46a) 1,535,197,977	1,346,180,485
Shahjalal Islami Bank Securities Ltd.	6,832,043	6,579,919
	1,542,030,020	1,352,760,404
46a Cash Receipts from other Operating activities of the Bank		
Postage & Telex Charge Recovery	156,676,719	139,048,317
Incidental Charge	700	915
Supervision & Monitoring Charge	119,753,604	4,102,206
Other charges (except income from sale of fixed assets)	1,258,766,954	1,203,029,048
	1,535,197,977	1,346,180,485
47. Consolidated Cash Payments for Other Operating activities		
Shahjalal Islami Bank PLC.	(Note-47a) 1,961,852,413	1,563,784,406
Shahjalal Islami Bank Securities Ltd.	37,920,817	52,609,132
	1,999,773,230	1,616,393,538
47a Cash Payments for Other Operating activities of the Bank		
Rent, Taxes, Insurance, Lighting etc.	(Note-30a) 663,442,022	395,349,782
Legal Expenses	(Note-31a) 2,399,713	1,362,822
Postage, Stamp, Telegram & Telephone	(Note-32a) 54,839,785	53,233,194
Directors' Fee & Expenses	(Note-35) 4,343,644	6,596,383
Sharia Supervisory Committee's Fees & Expenses	(Note-36) 1,073,245	619,587
Auditor's Fee	(Note-37a) 1,035,000	550,000
Repairs & Maintenance of Bank's Assets	(Note-38a.c) 41,658,515	38,424,148
Zakat Expenses	(Note-39) 243,649,917	205,584,162
Other Expenses	949,410,572	862,064,327
	1,961,852,413	1,563,784,406
48. Cash Increase/Decrease in Consolidated Other Assets		
Shahjalal Islami Bank PLC.	(Note-48a) 6,771,363,308	3,436,552,181
Shahjalal Islami Bank Securities Ltd.	28,047,699	34,652,250
	6,799,411,007	3,471,204,431
Less: Cash Increase/(Decrease) through Inter Company Transaction	2,515,000,000	2,515,000,000
	4,284,411,007	956,204,431
Cash (Increase)/Decrease in Other Assets		



FINANCIAL STATEMENTS 2023

ANNEXURE-A

SHAHJALAL ISLAMI BANK PLC.						
INVESTMENTS IN SHARES & SECURITIES (LISTED WITH STOCK EXCHANGES)						
AS AT 31 DECEMBER 2023						
(Amount in Taka)						
Sl. No.	Name of Company	No. of Shares/ Securities	Market Price per Share	Market Value as at 31 December 2023	Cost Price as at 31 December 2023	Unrealised Gain/(loss)
Quoted						
1	The ACME Laboratories Limited	535,000	85.00	45,475,000	49,116,095	(3,641,095)
2	Active Fine Chemicals Ltd.	2,200,000	19.30	42,460,000	60,709,192	(18,249,192)
3	Afab Automobiles Limited	1,223,775	30.00	36,713,250	72,694,437	(35,981,187)
4	AIPL 1st Islamic Mutual Fund	8,099,050	7.70	62,362,685	72,760,284	(10,397,599)
5	Dhaka Electric Supply Company Ltd.	2,500,000	36.60	91,500,000	125,548,826	(34,048,826)
6	Export Import Bank of Bangladesh PLC.	11,500,000	10.40	119,600,000	158,148,898	(38,548,898)
7	Generation Next Fashions Limited	1,989,845	6.10	12,138,055	25,741,813	(13,603,758)
8	Meghna Petroleum Limited	500,000	198.60	99,300,000	103,596,757	(4,296,757)
9	RAK Ceramics (Bangladesh) Limited	1,000,000	42.90	42,900,000	49,814,878	(6,914,878)
10	Square Textile Ltd.	1,186,491	67.50	80,088,143	82,481,825	(2,393,682)
11	The Dacca Dyeing & Mfg. Co. Limited	2,800,000	13.50	37,800,000	102,948,339	(65,148,339)
12	Titus Gas Transmission and Distribution Co. Ltd	4,600,000	40.90	188,140,000	240,881,514	(52,741,514)
13	Prime Islami Life Insurance Ltd.	700,000	52.70	36,890,000	47,262,250	(10,372,250)
14	Singer Bangladesh Limited	500,000	151.90	75,950,000	88,910,881	(12,960,881)
16	Square Pharmaceuticals Ltd.	850,000	210.30	178,755,000	188,977,997	(10,222,997)
17	The IBN SINA Pharmaceutical Industry Ltd.	100,000	286.60	28,660,000	31,346,168	(2,686,168)
18	MJL Bangladesh Limited	953,500	86.70	82,668,450	82,688,225	(19,775)
19	Silva Pharmaceuticals Limited	2,300,000	21.60	49,680,000	48,788,156	891,844
20	Robi Axiata Limited	3,000,000	30.00	90,000,000	142,756,117	(52,756,117)
21	Linde Bangladesh Ltd.	50,000	1,397.70	69,885,000	75,143,517	(5,258,517)
22	Power Grid Company of Bangladesh Ltd.	2,000,000	52.40	104,800,000	123,322,659	(18,522,659)
23	Lub-rref (Bangladesh) Limited	1,500,000	35.10	52,650,000	69,212,179	(16,562,179)
24	Mir Akhter Hossain Limited	1,200,000	50.80	60,960,000	87,290,575	(26,330,575)
25	ACI Limited	157,500	260.20	40,981,500	44,635,402	(3,653,902)
26	ACI Formulations Limited	555,000	155.00	86,025,000	91,841,140	(5,816,140)
27	Agni Systems Ltd.	1,000,000	23.70	23,700,000	26,617,488	(2,917,488)
28	Grameenphone Ltd.	50,000	286.60	14,330,000	14,200,277	(129,723)
29	Apex Tannery Limited	100,000	99.30	9,930,000	13,619,478	(3,689,478)
31	BDCOM Online Ltd.	50,000	34.50	1,725,000	1,774,623	(49,623)
32	BSRM Steels Limited	100,000	63.90	6,390,000	6,666,609	(276,609)
33	Crown Cement PLC.	350,000	75.70	26,495,000	27,526,229	(1,031,229)
34	Energypac Power Generation Limited	750,000	34.50	25,875,000	29,711,775	(3,836,775)
35	Global Islami Bank Limited	1,383,235	8.60	11,895,821	13,173,670	(1,277,849)
37	IFAD Autos Limited	525,000	44.10	23,152,500	24,142,177	(989,677)
38	IT Consultants Limited	600,000	37.00	22,200,000	22,930,714	(730,714)
39	LafargeHolcim Bangladesh Limited	1,571,500	69.30	108,904,950	110,074,700	(1,169,750)
40	Summit Alliance Port Limited	1,500,000	27.20	40,800,000	48,240,857	(7,440,857)
41	Agricultural Marketing Company Ltd. (Pran)	60,000	252.00	15,120,000	16,586,180	(1,466,180)
42	Aamra Technologies Limited	200,000	30.50	6,100,000	6,642,625	(542,625)
43	ADN Telecom Limited	100,000	117.70	11,770,000	13,232,555	(1,462,555)
44	Bashundhara Paper Mills Limited	350,000	61.00	21,350,000	28,595,419	(7,245,419)
45	JMI Hospital Requisite Manufacturing Limited	450,000	70.30	31,635,000	34,780,361	(3,145,361)
47	LankaBangla Securities Limited	97,828	17.60	1,721,773	4,999,989	(3,278,216)
48	Union Bank Limited	2,100,000	8.90	18,690,000	25,711,346	(7,021,346)
49	Fareast Islami Life Insurance Co. Ltd.	50,000	75.00	3,750,000	3,482,952	267,048
50	Agro Organica PLC	3,694	17.60	65,014	36,940	28,074
Un-Quoted						
1	CWT - Community Bank Shariah Fund	2,000,000	10.00	20,000,000	20,000,000	-
2	Investment A/C - SWIFT Membership Share	-	-	11,758,622	11,758,622	-
Total				2,273,680,762	2,771,009,710	(497,328,949)

ANNEXURE-B

SHAHJALAL ISLAMI BANK PLC.										
SCHEDULE OF FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURES										
As at 31 December 2023										
(Amount in Taka)										
Particulars	Cost			Depreciation & Amortization			Exch. Rate effect of OBU	Balance as at 31.12.2023		Written Down Value as at 31.12.2023
	Balance as at 01.01.2023	Addition during the year	Adjustment during the year	Rate	Balance as at 01.01.2023	Adjustment during the year		Charged during the year	Balance as at 31.12.2023	
Tangible Assets										
Land	1,876,724,350	-	-	-	1,876,724,350	-	-	-	1,876,724,350	-
Building	893,986,278	-	-	2.50%	893,986,278	165,951,506	19,660,190	185,611,696	708,374,582	-
Furniture & Fixtures	1,208,748,919	120,886,867	31,120,009	10% & 20%	1,289,515,777	22,264,048	94,603,272	1,267,176,505	651,994,224	-
Office Equipment	781,386,436	54,409,827	11,317,883	20%	847,114,146	107,670,680	107,496,127	2,960	739,617,969	-
Computer & Network Equipment	708,831,394	44,702,648	11,331,388	20%	764,865,430	11,300,051	76,186,225	577,924,568	164,278,085	-
Vehicles	129,909,231	3,317,150	-	20%	133,226,381	99,273,633	-	112,367,554	20,868,827	-
Right of Use Assets (ROU)	2,095,664,041	338,307,565	81,528,400	-	2,515,499,006	543,391,236	42,614,944	741,366,779	1,611,076,626	-
Books	1,042,667	-	-	20%	1,020,539	-	-	1,020,539	22,128	-
Sub-total	7,696,293,315	561,624,057	135,297,680		8,393,215,052	86,849,624	551,630,123	4,724	2,912,014,699	5,210,604,993
Intangible Assets										
Software-Core Banking	62,615,431	-	-	20%	62,615,431	-	-	62,601,317	14,114	-
Software-Others	110,314,387	7,983,594	-	20%	118,297,981	7,041,477	-	93,771,343	24,526,638	-
Sub-total	172,929,818	7,983,594	-		180,913,412	7,041,477	-	156,372,661	24,540,751	-
Grand Total	7,869,223,133	569,607,651	135,297,680		8,574,128,464	93,891,101	551,630,123	4,724	3,168,387,359	5,235,145,745

ANNEXURE-C

SHAHJALAL ISLAMI BANK PLC.											
STATEMENT OF FOREIGN CURRENCY											
AS AT 31 DECEMBER 2023											
(Refer to Note-Sa.2 to the financial statements)											
Sl. No.	Name of the Bank	Currency Name	31-Dec-23			31-Dec-22			Amount in Taka	Conversion rate per unit F.C.	Amount in Taka
			Amount in Foreign Currency	Conversion Rate per Unit F.C.	Amount in Taka	Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in Taka			
1	Standard Chartered Bank, NY	USD	4,280,525.13	110.0000	470,857,764	417,823.14	103.2970	43,159,877			
2	Mashreq Bank PSC, NY	USD	194,253.24	110.0000	21,367,856	258,990.42	103.2970	26,752,933			
3	Standard Chartered Bank, Mumbai	USD	222,198.53	110.0000	24,441,838	222,198.53	103.2970	22,952,442			
4	Habib American Bank, USA	USD	42,118.49	110.0000	4,633,034	595,701.28	103.2970	61,534,155			
5	ICICI Bank, Hong Kong	USD	758,447.80	110.0000	83,429,258	30,864.31	103.2970	3,184,311			
6	WACHOVIA BANK, NY, USA	USD	149,157.03	110.0000	16,407,273	2,915,672.46	103.2970	301,180,218			
7	Commerzbank AG Frankfurt	USD	1,009,467.52	110.0000	111,041,427	214,960.23	103.2970	22,204,747			
8	Bank Aljazira	USD	770.80	110.0000	84,788	770.80	103.2970	79,621			
9	JP Morgan Chase Bank N.A., NY, USA	USD	85,082.05	110.0000	9,359,262	49,629.90	103.2970	5,126,620			
10	Citibank N.A., NY, USA	USD	179,380.01	110.0000	19,731,801	48,038.63	103.2970	4,962,246			
11	AB Bank Ltd. Mumbai	ACUD	193,289.12	110.0000	21,261,803	45,804.14	103.2970	4,731,430			
12	Standard Chartered Bank, Mumbai	ACUD	178,265.21	110.0000	19,609,173	1,800,343.02	103.2970	185,970,033			
13	Standard Chartered Bank, Colombo	ACUD	7,882.01	110.0000	867,021	319,155.01	103.2970	32,967,755			
14	ICICI Bank, Mumbai	ACUD	182,773.60	110.0000	20,105,096	55,410.28	103.2970	5,723,716			
15	Habib Metropolitan Bank Ltd.	ACUD	14,834.87	110.0000	1,631,836	6,309.20	103.2970	651,721			
16	United Bank of India, Kolkata	ACUD	204,557.84	110.0000	22,501,362	104,684.31	103.2970	10,813,575			
17	Sonal Bank Ltd. ACU, Kolkata	ACUD	59,614.82	110.0000	6,557,630	22,144.86	103.2970	2,287,498			
18	Bank of Bhutan Ltd. Main Branch	ACUD	4,821.19	110.0000	530,331	39,090.21	103.2970	4,037,901			
19	AXIS Bank Ltd. India	ACUD	237,605.51	110.0000	26,136,606	48,895.46	103.2970	5,050,754			
20	MCB Bank Limited	ACUD	134,552.09	110.0000	14,800,730	41,620.00	103.2970	4,299,221			
21	HDFC Bank Ltd., Mumbai	ACUD	1,427,041.63	110.0000	156,974,579	4,578.19	103.2970	472,913			
22	Nabil Bank Limited, Kathmandu, Nepal	ACUD	4,945.19	110.0000	543,971	33,640.75	103.2970	3,474,989			
23	Standard Chartered Bank, Frankfurt	EURO	1,794,738.64	122.3200	219,532,430	1,015,780.50	109.6394	111,369,565			
24	Commerzbank AG	EURO	1,402,972.54	122.3200	171,611,601	418,178.23	109.6394	45,848,810			
25	Wells Fargo Bank, N. A. London, UK	EURO	991,268.47	122.3200	121,251,959	1,153,631.55	109.6394	126,483,471			
26	JP Morgan Chase AG, Frankfurt	EURO	669,173.77	122.3200	81,853,336	497,812.98	109.6394	54,579,916			
27	Standard Chartered Bank, Tokyo	YEN	1,427,743.01	0.7782	1,111,070	351,766.00	0.7683	270,262			
28	Habib Bank AG Zurich	CHF	27,542.06	130.9867	3,607,644	2,688.88	111.2509	299,140			
29	ICICI Bank, Canada	CAD	28,664.65	83.3460	2,389,084	24,019.23	75.9369	1,823,946			
30	Bank Aljazira, KSA	SAR	1,191,466.49	29.3568	34,977,643	39,468.23	27.5019	1,085,451			
31	Riyad Bank, KSA	SAR	1,433,341.37	29.3568	42,078,316	41,966.28	27.5019	1,154,152			
32	Standard Chartered Bank, London										



FINANCIAL STATEMENTS 2023

ANNEXURE-F

SHAHJALAL ISLAMI BANK PLC. (OFFSHORE BANKING UNIT)				
BALANCE SHEET AS AT 31 DECEMBER 2023				
Note	31.12.2023		31.12.2022	
	USD	Taka	USD	Taka
Property and Assets				
Cash				
Cash in Hand (including Foreign Currencies)	-	-	-	-
Balance with Bangladesh Bank & Sonali Bank Ltd. (including Foreign Currencies)	-	-	-	-
Placement with other Banks & Financial Institutions				
Inside Bangladesh	61,701.36	6,787,150	583,263.81	60,249,402
Outside Bangladesh	-	-	-	-
3	61,701.36	6,787,150	583,263.81	60,249,402
Investments				
General Investment etc.	22,648,618.49	2,491,348,034	25,548,445.58	2,639,077,783
Bills Purchased and Discounted	53,926,937.58	5,931,963,134	121,946,232.13	12,596,679,940
4	76,575,556.07	8,423,311,168	147,494,677.71	15,235,757,723
Fixed Assets including Premises, Furniture and Fixtures				
5	2,044.21	224,863	4,423.84	456,969
Other Assets				
-	-	-	-	-
Non-Banking Assets				
-	-	-	-	-
Total Property and Assets	76,639,301.64	8,430,323,180	148,082,365.36	15,296,464,095
Liabilities and Capital				
Liabilities				
Placement from other Banks & Financial Institutions				
6	74,188,000.00	8,160,680,000	145,091,900.00	14,987,557,994
Deposits and Other Accounts				
Mudaraba Savings Deposits	3,177.47	349,522	34,882.24	3,603,231
Mudaraba Term Deposits	-	-	-	-
Other Mudaraba Deposits	-	-	-	-
Al-Wadeeah Current & Other Deposit Accounts	126,151.92	13,876,711	296,086.51	30,584,848
Bills Payable	-	-	-	-
7	129,329.39	14,226,233	330,968.75	34,188,079
Other Liabilities				
8	2,321,972.25	255,416,948	2,659,496.61	274,718,021
Total Liabilities	76,639,301.64	8,430,323,180	148,082,365.36	15,296,464,095
Capital/Shareholders' Equity				
Paid-up Capital				
Statutory Reserve	-	-	-	-
Foreign Currency Translation Reserve	-	9,087,189	-	-
Retained Earnings	-	(9,087,189)	-	-
9	-	(9,087,189)	-	-
Total Shareholders' Equity	-	(9,087,189)	-	-
Total Liabilities & Shareholders' Equity	76,639,301.64	8,430,323,180	148,082,365.36	15,296,464,095

SHAHJALAL ISLAMI BANK PLC. (OFFSHORE BANKING UNIT)				
OFF-BALANCE SHEET ITEMS AS AT 31 DECEMBER 2023				
Note	31.12.2023		31.12.2022	
	USD	Taka	USD	Taka
Contingent Liabilities				
Acceptances & endorsements				
Letters of guarantee	-	-	-	-
Irrevocable letters of credit (including back to back bills)	-	-	-	-
Bills for collection	707,386.27	77,812,490	1,558,995.05	161,039,512
Other contingent liabilities	-	-	-	-
Total	707,386.27	77,812,490	1,558,995.05	161,039,512
Other commitments				
Documentary credits, short term and trade related transactions	-	-	-	-
Forward assets purchased and forward deposits placed	-	-	-	-
Undrawn note issuance, revolving and underwriting facilities	-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-	-	-
Total	-	-	-	-
Total off-balance sheet items including contingent liabilities	707,386.27	77,812,490	1,558,995.05	161,039,512

SHAHJALAL ISLAMI BANK PLC. (OFFSHORE BANKING UNIT)				
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023				
Note	31.12.2023		31.12.2022	
	USD	Taka	USD	Taka
Investment Income	6,588,415.14	710,286,275	8,991,355.38	928,780,037
Less: Profit paid on Deposits & Borrowing	(2,430,060.64)	(261,980,868)	(3,574,052.22)	(369,188,872)
Net Investment Income	4,158,354.50	448,305,407	5,417,303.16	559,591,165
Commission, Exchange and Brokerage	15,848.11	1,708,559	27,138.49	2,803,325
Other Operating Income	84,113.80	9,068,171	136,291.31	14,078,483
99,961.91	10,776,730	163,429.80	16,881,808	
Total Operating Income	4,258,316.41	459,082,137	5,580,732.96	576,472,973
Salaries and Allowances	101,950.80	10,991,149	120,771.56	12,475,340
Rent, Taxes, Insurances, Electricity etc.	974.53	105,062	945.58	97,676
Legal Expenses	-	-	-	-
Postage, Stamps, Telecommunication etc.	112.09	12,084	157.57	16,277
Stationery, Printings, Advertisements etc.	290.73	31,343	491.85	50,807
Auditor's Fees	-	-	-	-
Depreciation & Repairs of Bank's Assets	2,155.40	232,370	1,463.81	151,207
Other Expenses	6,423.06	692,460	7,579.11	782,899
Total Operating Expenses	111,906.61	12,064,469	131,409.48	13,574,205
Profit before Provision	4,146,409.80	447,017,668	5,449,323.48	562,898,768
Specific provisions for Classified Investments	-	-	-	-
General provisions for Unclassified Investments	101.01	10,890	(339,937.84)	(35,114,559)
Provisions for Other Assets	-	-	-	-
Total Provision	101.01	10,890	(339,937.84)	(35,114,559)
Total Profit before Provisions for Taxation	4,146,308.79	447,006,778	5,789,261.32	598,013,327
Deferred Tax Expenses	-	-	-	-
Current Tax Expenses	-	-	-	-
Net Profit after Taxation	4,146,308.79	447,006,778	5,789,261.32	598,013,327
Retained Earnings from previous year	-	-	-	-
Add: Retained Earnings of current year	4,146,308.79	447,006,778	5,789,261.32	598,013,327
Retained Earnings carried forward	4,146,308.79	447,006,778	5,789,261.32	598,013,327
Less: Retained earnings transferred to central operation	4,146,308.79	456,093,967	5,789,261.32	598,013,327
Translation Reserve Movement	-	(9,087,189)	-	-

SHAHJALAL ISLAMI BANK PLC. (OFFSHORE BANKING UNIT)				
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023				
	2023		2022	
	USD	Taka	USD	Taka
Cash flows from operating activities				
Investment income receipt in cash	6,588,415.14	710,286,275	8,991,355.38	928,780,037
Profit paid on deposits & borrowings	(2,430,060.64)	(261,980,868)	(3,574,052.22)	(369,188,872)
Fees & commission receipt in cash	15,848.11	1,708,559	27,138.49	2,803,325
Cash payments to employees	(101,950.80)	(10,991,149)	(120,771.56)	(12,475,340)
Cash payments to suppliers	(290.73)	(31,343)	(491.85)	(50,807)
Receipts from other operating activities	84,113.80	9,068,171	136,291.31	14,078,483
Payments for other operating activities	(7,285.45)	(815,085)	(8,682.26)	(987,183)
(i) Operating profit before changes in operating assets and liabilities	4,148,789.43	447,244,559	5,450,787.29	562,959,643
Changes in operating assets and liabilities				
(Increase)/decrease of investments to customers	70,919,121.64	6,812,446,556	34,648,729.47	392,146,613
Increase/(decrease) of deposits received from customers	(201,639.36)	(19,961,846)	282,669.51	30,044,004
Increase/(decrease) of other liabilities	(337,625.37)	(19,311,964)	438,656.34	90,117,819
(ii) Cash flows from operating assets and liabilities	70,379,856.91	6,773,172,746	35,370,055.32	512,308,435
Net cash used in operating activities (A)=(i+ii)	74,528,646.34	7,220,417,305	40,820,842.61	1,075,268,078
Cash flows from investing activities				
Proceeds from sale of fixed assets	-	-	-	-
Purchases of fixed assets	-	-	(724.96)	(74,886)
Net cash used in investing activities (B)	-	-	(724.96)	(74,886)
Cash flows from financing activities				
Borrowings from Banks & Financial Institutions	(70,903,900.00)	(6,826,877,994)	(34,979,600.00)	(462,576,706)
Profit transferred to Shahjalal Islami Bank PLC.	(4,146,308.79)	(456,093,967)	(5,789,261.32)	(598,013,327)
Net cash flow from financing activities (C)	(75,050,208.79)	(7,282,971,961)	(40,768,861.32)	(1,060,590,032)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(521,562.45)	(62,554,656)	51,256.33	14,603,160
Add/(Less): Effects of Exchange Rate Changes on Cash & Cash Equivalent	-	9,087,189	-	-
Add: Cash and cash equivalents at the beginning of the year	583,263.81	60,249,402	532,007.48	45,646,242
Cash and cash equivalents at the end of the year	61,701.36	6,781,934	583,263.81	60,249,402

SHAHJALAL ISLAMI BANK PLC. (OFFSHORE BANKING UNIT)

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

1. Status of the Unit
Offshore Banking Unit (OBU) is a separate business unit of Shahjalal Islami Bank PLC., governed under the rules and guidelines of Bangladesh Bank. The Bank commenced the operation of its Offshore Banking Unit on 21 December 2008 with the permission from Bangladesh Bank vide letter no. BRPD (P-3744/99)/2008-2000 dated 24 July 2008. The unit is located at Shahjalal Islami Bank Tower, Plot-04, Block-CWNC(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 (IFRS) and International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act, 1994, the listing regulations of the Stock Exchanges, the Securities and Exchange Rule, 1987 and other laws and rules applicable in Bangladesh.

2.2 Common Expense
a. Expenditure for audit fees has not been separately accounted for in the Financial Statements of OBU.
b. Provision for taxation, investments and off-balance sheet items has not been accounted for in the separate Financial Statements of OBU. However, all provisions have been accounted for in the Financial Statement of Shahjalal Islami Bank Limited instead of OBU.

2.3 General
a. These Financial Statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.
b. Assets & liabilities have been converted to BDT currency which is the functional currency of the Bank @ US\$1 = Taka 110.00 (closing rate (inter-bank weighted average)) and income & expenses have been converted to BDT currency @ US\$1 = Taka 107.8084 (monthly average rate of inter-bank weighted average rate). The arising differences from the above two rates have been recognized as foreign currency translation reserve.

3	31.12.2023		31.12.2022	
	USD	Taka	USD	Taka
Balance with Other Banks and Financial Institutions (Other than Mudaraba Term Fund)				
Inside Bangladesh	61,701.36	6,787,150	583,263.81	60,249,402
Outside Bangladesh	-	-	-	-
61,701.36	6,787,150	583,263.81	60,249,402	
3.1 Inside Bangladesh				
Shahjalal Islami Bank PLC.	61,701.36	6,787,150	583,263.81	60,249,402
61,701.36	6,787,150	583,263.81	60,249,402	
4 Investments (Loans and Advances)				
Country-wise Classification of Investments				
Inside Bangladesh				
Gross Murabaha, Bai-Muajjal etc.	22,648,618.49	2,491,348,034	25,548,445.58	2,639,077,783
Less: Profit receivable on Murabaha, Bai-Muajjal etc.	-	-	-	-
Net Murabaha, Bai-Muajjal etc.	22,648,618.49	2,491,348,034	25,548,445.58	2,639,077,783
Net Bills Purchased and Discounted	53,926,937.58	5,931,963,134	121,946,232.13	12,596,679,940
Outside Bangladesh	76,575,556.07	8,423,311,168	147,494,677.71	15,235,757,723
4.1 Bills Purchased and Discounted				
Payable inside Bangladesh	3,074,298.00	338,172,780	2,992,982.29	309,166,092
Payable outside Bangladesh	51,031,261.28	5,613,438,741	119,107,431.16	12,303,440,317
Gross Bills Purchased and Discounted	54,105,559.28	5,951,611,521	122,100,413.45	12,612,606,408
Less: Profit receivable on Bills Purchased and Discounted	178,621.70	19,648,387	154,181.32	15,926,468
Net Bills Purchased and Discounted	53,926,937.58	5,931,963,134	121,946,232.13	12,596,679,940
5 Fixed Assets including Premises, Furniture & Fixtures				
Furniture & Fixture	905.84	99,642	1,710.45	176,684
Office Equipment	1,138.37	125,221	2,713.39	280,285
Carrying Value	2,044.21	224,863	4,423.84	456,969
6 Placement from other Banks & Financial Institutions				
Mudaraba Term Deposit from other Banks	-	-	47,975,000.00	4,955,673,575
Borrowing from Shahjalal Islami Bank PLC.	74,188,000.00	8,160,680,000	97,116,900.00	10,031,884,419
74,188,000.00	8,160,680,000	145,091,900.00	14,987,557,994	
7 Deposits and Other Accounts				
Al-Wadeeah Current Deposit	16,667.34	1,833,407	193,520.60	19,990,097
Sundry Deposits	109,484.58	12,043,304	102,565.91	10,594,751
126,151.92	13,876,711	296,086.51	30,584,848	
Mudaraba Savings Deposit	1,249.47	137,442	1,237.34	127,814
Foreign Currency Deposits	1,928.00	212,080	33,644.90	3,475,417
3,177.47	349,522	34,882.24	3,603,231	
Mudaraba Term Deposit	-	-	-	-
129,329.39	14,226,233	330,968.75	34,188,079	

	31.12.2023		31.12.2022	
	USD	Taka	USD	Taka
8 Other Liabilities				
Profit Payable	820,413.00	90,245,430	1,168,582.62	120,711,079
Provision for Investments	1,490,000.00	163,		