

**ANNUAL  
REPORT**  
2013



**Shahjalal Islami Bank**

L I M I T E D

Committed to Cordial Service

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Growth  
is for life  
Islam is the  
way of  
life

### Messages from the Holy Qur'an

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

*Surah Al-Baqarah, verse-275*

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

*Surah Al-Baqarah, verse-276*

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

*Surah Al-Baqarah, verse-278*

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

*Surah Al-Baqarah, verse-279*

Annual  
Report  
2013

## Awards



The Bank received **ICMAB Best Corporate Award-2013** in Islamic Banking Operation category from the Institute of Cost and Management Accountants of Bangladesh.

The Bank received the “**Certificate of Appreciation**” in the 13th ICAB National Award for Best Presented Annual Report-2012 organized by the Institute of Chartered Accountants of Bangladesh.

# Letter of Transmittal

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

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report 2013 of Shahjalal Islami Bank Limited including Audit Report and Audited Financial Statements of 2013 along with Notes thereon for your kind information and record.

Thank you,

Yours Truly,

Sd/-

Md. Abul Bashar

Deputy Company Secretary



## Shahjalal Islami Bank Limited

Registered Office: Uday Sanz, Plot No. SE(A), 2/B Gulshan South Avenue  
Gulshan-1, Dhaka-1212

### NOTICE OF THE 13<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given to all shareholders of Shahjalal Islami Bank Limited that the 13<sup>th</sup> Annual General Meeting of Shahjalal Islami Bank Limited will be held on Sunday, June 29, 2014 at 10.00 am at Bashundhara Convention Centre-02, Block-C, Umme Kulsum Road, Bashundhara R/A, Dhaka-1229 to transact the following business:

#### AGENDA

1. To receive, consider and adopt the Audited Balance Sheet and Profit and Loss Account of the Company for the period ended on 31<sup>st</sup> December 2013 along with Auditor's Report and Director's Report.
2. To approve Dividend for the year ended 31<sup>st</sup> December 2013 as recommended by the Board of Directors.
3. To elect Directors.
4. To appoint Auditors of the Company for the term till the next Annual General Meeting and fix their remuneration.

By the order of the Board

Dated: 03.05.2014

Sd/-  
Md. Abul Bashar  
Deputy Company Secretary

#### Notes:

1. The Record Date is 08-05-2014. Trading of the Company's shares in the Stock Exchanges will remain suspended on the Record Date.
2. The Board of Directors has recommended 10% Stock Dividend for the year ended 31<sup>st</sup> December 2013. The Shareholders whose name will appear on the Members/Depository Register as on the Record Date will be entitled to attend the meeting and receive the Dividend.
3. Any Member of the Company entitled to attend and vote at the Meeting may appoint a Proxy on his/her behalf. The instrument appointing a proxy duly signed by the Member and stamped must be submitted at the Registered Office of the Company at least 72 (Seventy two) hours before the meeting.
4. To elect Directors shall be dealt in accordance with the provisions of the Articles of Association of the Company and the relevant rules/circulars/notifications of the regulatory authorities.
5. The existing Auditors M/s. ACNABIN, Chartered Accountants being eligible applied for re-appointment.
6. Annual Report, Attendance Slip and Proxy Form along with the notice will be sent to the shareholders' Addresses by post/courier.
7. Change of address, if any, should be notified to the Shareholders' respective Depository Participant.
8. Attendance Slip (duly signed) must be submitted to the Registration Counter at the time of entrance.

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের সার্কুলার নং-এসইসি/সিএমআরআরসিডি/২০০৯-১৯৩/১৫৪ তারিখ ২৪-১০-২০১৩ অনুযায়ী আসন্ন বার্ষিক সাধারণ সভায় সম্মানিত শেয়ারহোল্ডারবৃন্দের জন্য কোন প্রকারের গিফট/সুবিধাদি প্রদানের বা আপ্যায়নের ব্যবস্থা থাকবে না।

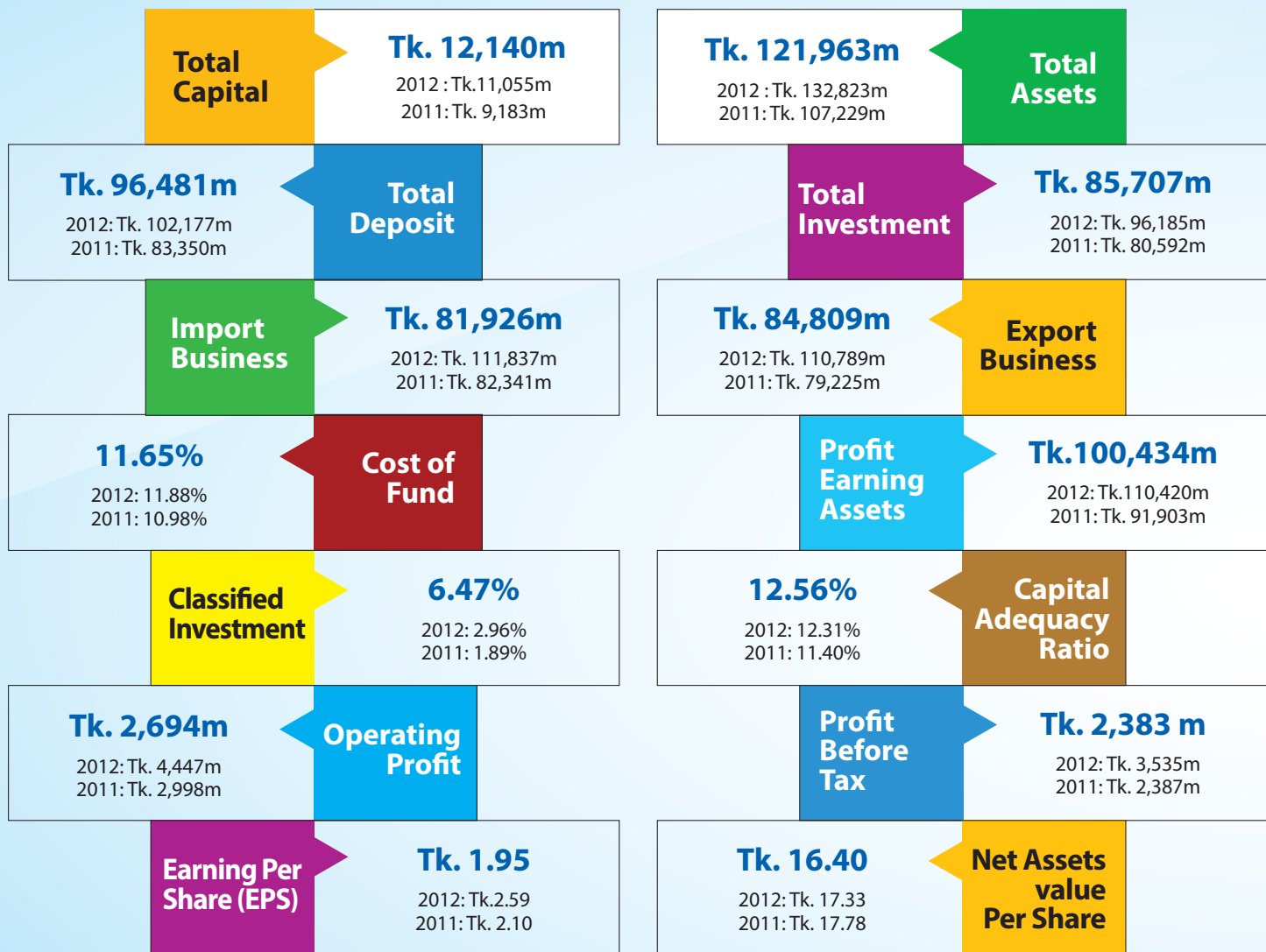
# Standard Disclosure Index

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## Financial Highlights

SJIBL has continued to deliver consistent, diverse and sustained growth while investing to underpin future momentum and building balance sheet resilience.



## Operating Highlights

Number of  
**Delivery  
Points**

2013:**92**  
2012:**84**

Number of  
**ATMs**

2013:**37**  
2012:**33**

**Staff  
Strength**

2013:**2,173**  
2012:**1,881**

Contribution to  
**National  
Exchequer**

2013: **Tk. 4,102m**  
2012: **Tk. 3,221m**

**CSR**

2013: **Tk. 45m**  
2012: **Tk. 79m**

Number of  
**Clients**

2013:**4,48,271**  
2012:**4,31,301**

Number of  
**Foreign  
Correspondents**

2013:**397**  
2012:**415**

Number of  
**Drawing  
Arrangements**

2013:**9**  
2012:**10**

Number of  
**AD  
Branches**

2013:**19**  
2012:**19**

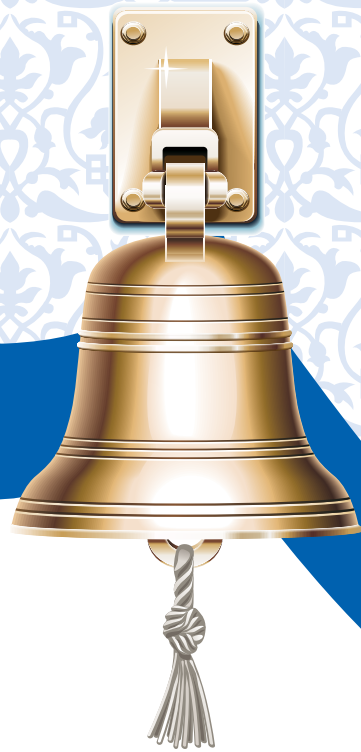


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## **Our Vision**

*Where we want to be...*

To be the unique modern shariah based Islamic Bank in Bangladesh and to make significant contribution to the national economy and enhance customers' trust & wealth, quality investment, employees' value and rapid growth in shareholders' equity.

## **Our Motto**

*Ethical bondage to aim...*

Committed to Cordial Service.



## Our Mission

*What we want to achieve...*

- ◆ To provide quality service to customers
- ◆ To set high standards of integrity
- ◆ To make quality investment
- ◆ To ensure sustainable growth in business
- ◆ To ensure maximization of Shareholders' wealth
- ◆ To extend our customers' innovative services acquiring state-of-the-art technology blended with Islamic principles
- ◆ To ensure human resource development to meet the challenges of the time



# Our Core Values

## The principles underpinning the way we behave

In the performance of these corporate mission, Shahjalal Islami Bank limited shall be guided by its corporate brand values with the Slogan:

### **AN UNIQUE; DYNAMIC; PROFESSIONAL; CARING AND TRUSTWORTHY BANK**

#### ▶ **An Unique Bank**

Our Islamic Products are the Benchmark

Reputed as the pioneer in Islamic banking, we helped to build the Islamic banking industry

#### ▶ **Dynamic**

Progressive and Innovative

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

#### ▶ **Professional**

Fast, Efficient and Responsive Service

We are knowledgeable and equipped to handle global business challenges

#### ▶ **Caring**

Approachable and Supportive Partner

We help to fulfill every customer's needs

#### ▶ **Trustworthy**

Dependable and Reliable

We offer and provide Shariah-compliant products and services to the customers

# Our Strategy

## A strategy for sustainable performance with positive growth

### **Our strategic intent**

**To be the unique shariah based  
Islamic Bank in Bangladesh**

A healthy economy bank to:

- ▶ facilitate trade across markets
- ▶ enable corporate clients to conduct complex business transactions
- ▶ service the needs of an increasing consumer base
- ▶ capture the unbanked population of the country

### **Our brand promises**

**DYNAMIC; PROFESSIONAL; CARING AND  
TRUSTWORTHY**

Our commitment to three core pillars:

- ▶ people – our long-standing relationships and focus on customers and clients
- ▶ progress – the way we conduct ourselves
- ▶ long run – our footprint and heritage

## How we deliver: Our Strategic Pillars

### Focus on all over the country

We have an unequivocal focus on all over the country with deep local relationships. We are emphasizing for opening of more branches (agri/SME branch) at rural/unbanked areas of country.

### Strict Observance of Shari'ah

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

### Diversified deposit and investment products: Emphasis both wholesale banking and consumer banking

We operate as a Bank with two major businesses, Wholesale Banking and Consumer Banking, working together effectively.

### Client relationship, rather than a product driven approach

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

### Distinctive culture and values

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

### Conservative and disciplined on risk, capital and liquidity

We regard balance sheet quality as a cornerstone of our business model and strategy and are prepared to sacrifice income to achieve and protect this.

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

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

### Supported by our ways of working

As a Bank committed to Cordial Service, with an ongoing commitment to sustainable business practices, upholding high standards of corporate governance, social responsibility, environmental protection and employee diversity.

## Code of Conduct..

### Ethical Principles of SJIBL

The Bank has been achieved a remarkable reputation since its inception. This reputation is our most important asset and is a source of pride to everyone in the Bank. The Bank's continued success depends heavily on each staff doing his or her best to maintain and enhance our tradition of honesty, integrity, fairness, excellence, respect and concern for others.

### Our Code of Conduct/Ethical Principles lies with

SJIBL promoted required ethical conduct by its directors and officials while providing banking services. This ethical conduct includes, but is not limited to, the following:

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



## Forward Looking Statement

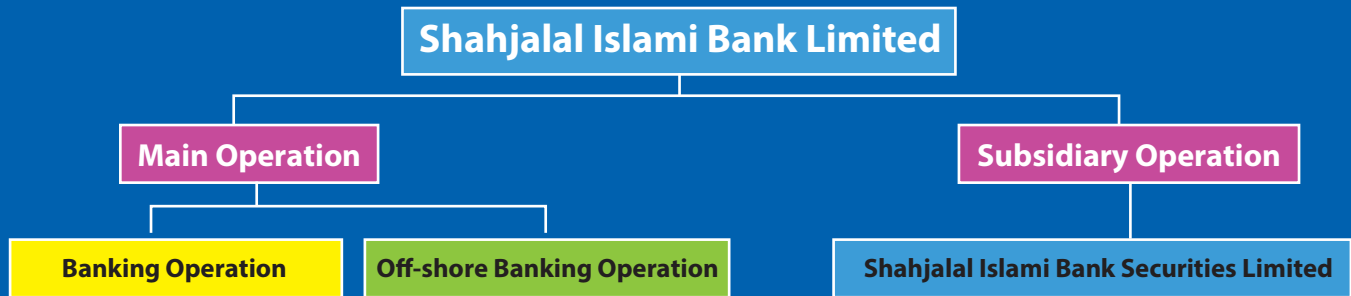
This Annual Report contains certain forward looking statements, which are based on certain assumptions, describes future plans, strategies and expectations of the company. These forward looking statements are generally identified by use of the words 'believe', 'expect', 'intend', 'anticipate', 'estimate', 'project', or similar expressions. The Company's ability to predict results or the actual effect of future plans or strategies is uncertain. Factors which could have a material adverse effect on the operations of the Company and the subsidiary included but not limited to, changes in interest rates, general economic conditions, legislative/regulatory changes, monetary and fiscal policies of the Government, including policies of the Bangladesh Bank, the quality or composition of the general and or other investment portfolios, demand for Investment products, deposit flows, competition, demand for financial services in the Company's market area and accounting principles and guidelines. These risks and uncertainties should be considered in evaluating forward looking statements and undue reliance should not be placed on such statements. The Company does not undertake and specifically disclaims any obligation to publicly release the result of any revisions which may be made to any forward looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

- ▶ Adverse credit and capital market conditions may significantly affect the ability to meet liquidity needs and increase cost of funding;
- ▶ Declining asset markets could adversely affect the operations or profitability;
- ▶ The business of proposed bank is substantially dependent on the Bangladesh economy and we can give no assurance as to the likely future state of such economy;
- ▶ An increase in defaults under our loan portfolio could adversely affect our results of operations, liquidity, capital resources and financial condition;
- ▶ There can be no assurance that actions of the Bangladesh government and other governmental and regulatory bodies to stabilize financial markets will achieve the intended effect;
- ▶ Banking businesses in Bangladesh are highly regulated and we could be adversely affected by changes in regulations and regulatory policy;
- ▶ Reputational damage could harm our business and prospects;
- ▶ Failure to maintain our credit ratings could adversely affect our cost of funds, liquidity, competitive position and access to capital markets;
- ▶ Introduction of compliance issues raised by the international forums which is likely to affect the export growth;
- ▶ Rise in international prices of essentials which is resulting to volatility in FX market;
- ▶ International embargo/unrest in Middle-East countries are likely to affect remittances and trade;
- ▶ We may fail to realise the business growth opportunities, cost savings and other benefits anticipated from, or may incur unanticipated costs associated with the operations & financial condition.

# Corporate Information

Name of the Company	Shahjalal Islami Bank Limited
Legal Form	A public limited company incorporated in Bangladesh on 1st April 2001 under the companies Act 1994 and listed in Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.
Commencement of Business	10th May 2001
Registered Office	Uday Sanz, 2/B Gulshan South Avenue, Gulshan-1, Dhaka-1212
Telephone No.	88-02-8825457, 8824736
Fax No.	88-02-8827607
Website	www.shahjalalbank.com.bd
SWIFT	SJBL BD DH
E-mail	sblho@shahjalalbank.com.bd
Chairman	A.K. Azad
Managing Director	Farman R. Chowdhury
Auditors	M/S. ACNABIN, Chartered Accountants BDBL Bhaban (Level-13), 12 Kawran Bazar C/A, Dhaka-1115 Phone: 88-02-8144347-52
Tax Advisor	M/S K.M Hasan & Co., Chartered Accountants 87, New Eskaton Road, Dhaka, Phone: 88-02-9351457, 9351564
Legal Advisor	Hasan & Associates, Chamber of Commerce Building (6th floor), 65-66 Motijheel C/A, Dhaka
No. of Branches	92
No. of ATM Booth	39
No. of SME Centres	06
Off-Shore banking Unit	01
No. of Employees	2,173
Stock Summary	
Authorized Capital	Tk. 10,000.00 million
Paid up Capital	Tk. 6,678.98 million
Face Value per Share	Tk. 10.00

# Group Corporate Structure



## Milestone

Incorporation of the Company	1st April 2001
Certificate of Commencement of Business	1st April 2001
License issued by Bangladesh Bank	18th April 2001
Formal launching of the Bank	10th May 2001
Commencement of Business	10th May 2001
Initial Public Offerings (IPO)	
Opening of Subscription	14 January 2007
Closing of Subscription	18 January 2007
Listed with Dhaka Stock Exchange Limited	21st March 2007
Listed with Chittagong Stock Exchange Limited	18 March 2007
Trading of shares on Dhaka Stock Exchange Limited	28 March 2007
Trading of shares on Chittagong Stock Exchange Limited	28 March 2007
Agreement with Leads for 'Ultimus' Core Banking Software	11 January 2010
Opening of first Off-shore Banking Unit	21 December 2008
Completion of 13 years of service	10 May 2014
Launching of 1st ATM	20 May 2007
Opening of first SME Centre	22 December 2008
Incorporation and commencement of Subsidiary Company, namely Shahjalal Islami Bank Securities Limited	6 September 2010 and started operation on 25 May 2011
Change of face value and market lot of shares	09 December 2010
Full operation on BankUltimus Core Banking Solutions	11 May 2013
Started construction of Head Office Building	10 January 2014

# Products and Services

## Deposit Schemes

- Mudaraba Millionaire Scheme
- Mudaraba Monthly Income Scheme
- Mudaraba Double/Triple Benefit Scheme
- Mudaraba Monthly Deposit Scheme
- Mudaraba Hajj Scheme
- Mudaraba Cash waqf Deposit Scheme

## Deposit Account

- Al-Wadiah Current Deposit
- Mudaraba Savings Deposit
- Mudaraba Special Notice Deposit
- Mudaraba Term Deposit Receipt
- Mudaraba Foreign Currency Deposit
- Mudaraba SJIBL School Banking
- Mudaraba Money Spinning

## SJIBL Card

- VISA Debit Card
- VISA Prepaid Card (Local)
- VISA Prepaid Card (International)
- VISA Prepaid Card (Dual)
- VISA Souvenir Card (Gift Card - Local)

## Capital Market Operation

- Brokerage Operation
- Margin Facility

## Service Product

- ATM Service
- Remittance Service
- Locker Service
- Online Banking
- Phone Banking
- SMS Push-Pull
- SWIFT
- REUTERS

## Investment Product

### Corporate (Mode)

- Murabaha
- Bai-Muazzal
- Hire Purchase under Shirkatul Meelk
- Ijara
- Bai-Salam
- Quard-e-Hasana
- Investment against LC

### Retail

- Household Durable Scheme
- Housing Investment Programme
- Car Investment Scheme
- Investment for Self-employment
- Investment Scheme for Executives
- Investment Scheme for Doctors
- Investment Scheme for Marriage
- Investment Scheme for CNG Conversion
- Investment Scheme for Overseas Employment
- Investment Scheme for Education

### SME

- Small Business Investment Programme
- Small Entrepreneur Investment Programme
- Medium Entrepreneur Investment Programme
- Rural Investment Programme
- Women Entrepreneur Investment Scheme

মুদারাবা  
দ্বিগুণ বৃদ্ধি  
আমাদের প্রবন্ধ

পরিমাণ সরাসরি পরিকল্পিত অর্থায়ন...

ন্যূনতম ১০,০০০ টাকা বা এর প্রদত্ত যে কোন পরিমাণ অর্থ  
জমা করে ৬ বছরে পাওয়া যাবে দ্বিগুণ (প্রাপ্তিলিত\*)।

শাহজালাল ইসলামী ব্যাংক

আঞ্চলিক সেবার প্রতিশ্রুতি

www.shajalbank.com.bd

হাজি  
ভ্রমণের প্রবন্ধ

মারোটিকা আব্বাছা মারোটিকা। মারোটিকা লা শরিফা লালা মারোটিকা।

১ থেকে ১০ বছর মেয়াদে সর্বনিম্ন ১,৮০০ টাকা থেকে  
সর্বোচ্চ ২০,০০০ টাকা হারে মাসিক নির্দিষ্ট অর্থ করে হাজি  
হজরতের প্রয়োজনীয় অর্থ পাওয়া যাবে।

শাহজালাল ইসলামী ব্যাংক

আঞ্চলিক সেবার প্রতিশ্রুতি

www.shajalbank.com.bd

আজকের সময়ে উচ্চশিক্ষা জরুরি-  
আপনার সন্তানের সুখর ভবিষ্যৎ গড়ুন উচ্চ  
শাহজালাল ইসলামী ব্যাংকের সাথে

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We are on Green Banking  
Save Green Live Green

YOU DO RIGHT BY SAVING.  
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YOU FOR IT.

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7% on Daily balance

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• No Cheque Bank Fee • Free and Charge Free • 0% Bank Service Charge Free

Mudarabah Money Spinning account will give you higher profit rate (provisional) than any other savings account. The relevant charges are free\*. The account is fully Shariah compliant that has been designed to cater the needs of retail customers.

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মাসের শেষ...!  
তবু সচল মানি ব্যাংক

মুদারাবা  
মাসিক উপার্জন  
প্রকল্প

১ নম্বর টাকা ১ বছর থেকে ৩ বছর মেয়াদে জমা করে প্রতি মাসে উপার্জন  
করুন ২০০ টাকা থেকে ১,০০০ টাকা (প্রাপ্তিলিত মুদারাবা\*)। যুগ্মতঃ  
১,০০,০০০ টাকা বা এর প্রদত্ত যে কোন পরিমাণ অর্থ জমা করা যাবে।

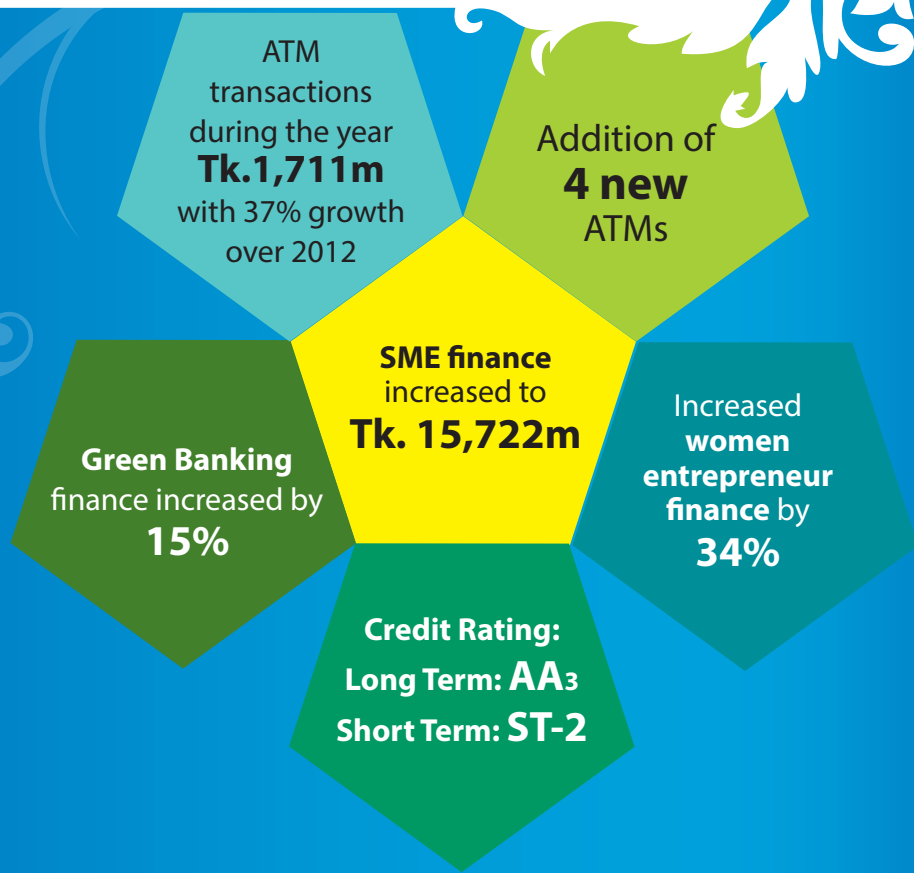
শাহজালাল ইসলামী ব্যাংক

আঞ্চলিক সেবার প্রতিশ্রুতি

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## Highlights 2013



## Board of Directors

### Chairman

A.K. Azad

### Vice Chairmen

Alhaj Syed Nurul Arefeen  
Alhaj Mohammed Faruque

### Directors

Sajjatuz Jumma  
Anwer Hossain Khan  
Tofazzal Hossain  
Md. Sanauallah Shahid  
Shams Uddin Khan  
Mohammed Farooq  
Md. Abdul Barek  
Mohammed Solaiman  
Abdul Halim  
Mohiuddin Ahmed  
Akkas Uddin Mollah  
Khandaker Sakib Ahmed  
Engr. Md. Towhidur Rahman  
Mohammed Younus

### Independent Director

Mosharraf Hossain  
Farida Parvin Nuru

### Managing Director

Farman R. Chowdhury



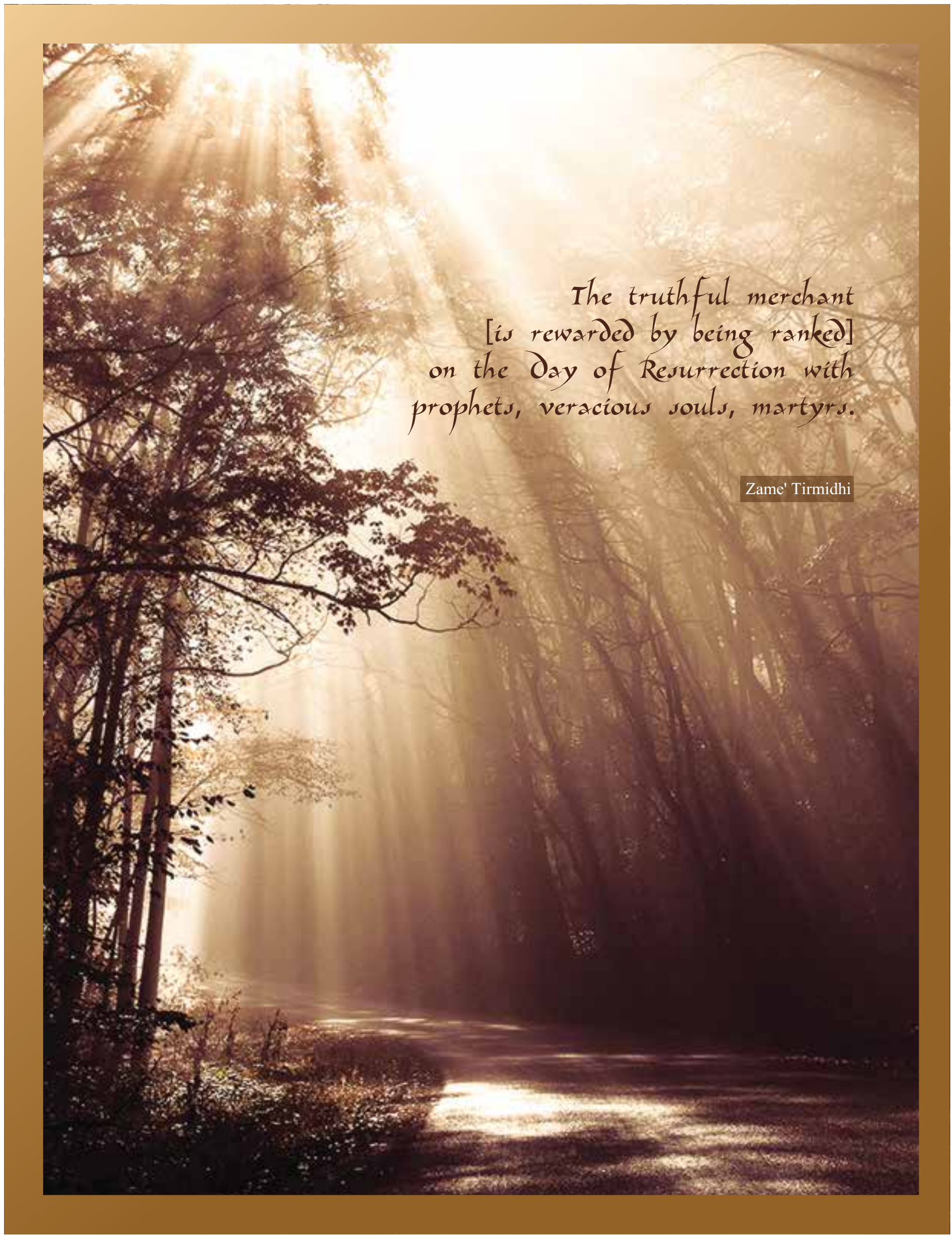
## Board of Directors

Directors from Left to right :

**Sajjatuz Jumma, Md. Abdul Barek, Alhaj Mohammed Faruque, Mohammed Solaiman, Abdul Halim, Akkas Uddin Mollah, Khandaker Sakib Ahmed, Md. Sanaullah Shahid, A.K. Azad, Tofazzal Hossain, Mohammed Farooq, Mohiuddin Ahmed, Anwer Hossain Khan, Mohammed Younus, Mosharraf Hossain, Alhaj Syed Nurul Arefeen, Engr. Md. Towhidur Rahman, Farman R. Chowdhury.**



Directors are not in the group photo :  
**Shams Uddin Khan and Farida Parvin Nuru.**



*The truthful merchant  
[is rewarded by being ranked]  
on the Day of Resurrection with  
prophets, veracious souls, martyrs.*

Zame' Tirmidhi

*Banking  
which is true in spirit  
to Islamic and  
ethical principles*

**Directors' Profile**





## **A. K. Azad** **Chairman**

A. K. Azad was born in the year of 1959 in a respectable Muslim family and started business after completion of BSC (Hons') in Applied physics from Dhaka University.

Mr. Azad is the Chairman of the Bank. He has long and creditable business experience for more than two decades and established himself as a tycoon not only in RMG sector but also other sectors.

Mr. Azad is also the Managing Director of Ha-Meem Fashions Ltd., Ha-Meem Apparels Ltd., New Modern Garments Ind. Ltd., That's It Fashions Ltd., Asha Fashions Ltd., Sajid Apparels Ltd., Refat Sports Wear Ltd., Modern Washing and Dyeing Ind. Ltd., That's It Packaging Ltd., Sajib Poly Industries Ltd., Ha-Meem Washing Ltd., That's Knit Ltd., Sajid Washing and Dyeing Ltd., Enzyme Bangladesh Ltd., That's It Garments Ltd., Nishat Jute Mills Ltd., Ha-Meem Design Ltd., Refat Garments Ltd., That's It Sports Wear Ltd., Ha-Meem Denim Ltd., Director of Ecochem Bangladesh (Pvt.) Ltd. and Sonar Bangla Insurance Ltd. He is also the sponsor of Shahjalal Islami Bank Securities Ltd.

Mr. Azad has also affiliation with different trade bodies and social organizations. He is the former President of FBCCI and member of BGMEA and BTMEA. He is the President of BCI. He is a man of pleasant personality and amiable disposition. He also traveled different parts of the world in connection with business.

Alhaj Syed Nurul Arefeen was born in the year of 1964 in a respectable Muslim family and he has passed the S.S.C from St. Gregory High School, H.S.C from Natre Dame College and completed the honors degree in Accounting from University of Dhaka and obtained MBA from Deem University of Lucknai, India.

Mr. Arefeen is a sponsor shareholder and the Vice Chairman of the Board of Directors of the Bank and he is also the Director of Shahjalal Islami Bank Securities Ltd. He has long and creditable business experience for more than two decades.

Mr. Arefeen is also the proprietor of Solar Trading Co., Managing Partner of Solar Auto and Solar Tele Communication, Managing Director of Solar Precured Tyre Retreading Ltd., Director of Universal Yarn Dyeing Ltd., Universal Maize Products Ltd. He is a man of commendable personality and amiable disposition. He traveled different parts of the world in connection with business.



**Alhaj Syed Nurul Arefeen, Vice Chairman**



Alhaj Mohammed Faruque was born in the year of 1947 in a respectable Muslim family and started business after completion of Bachelor Degree in UK. He also completed a Diploma in Sales Management and Marketing from Jersey, Britain. Mr. Faruque is a sponsor shareholder and the Vice Chairman of the Board of Directors of the Bank.

Mr. Faruque has long and creditable business experience for more than three decades Restaurant business in UK.

He is the Managing Director of F & T Property Investment Co. in UK.

**Alhaj Mohammed Faruque, Vice Chairman**



**Sajjatuz Jumma, Director**

Sajjatuz Jumma was born in the year of 1948 in a respectable Muslim family and started business after completion of Masters Degree.

Mr. Jumma, the Founder Chairman and Director of the Bank, has long and creditable business experience for about two decades and established himself as an icon of production, indenting, electronics and industrial consulting business.

He is representing Fresco Flour Industries Ltd., Desh Landmark Ltd., Milling Engineers Ltd. and Desh Electronics as the Managing Director. He is also sponsor of Shahjalal Islami Bank Securities Limited.

In addition to his success in trade and business, Mr. Jumma is widely reputed for his contribution to the field of education. He is the Founder Chairman of Governing Council of Prime University and Founder of Bir Sraystha Hamidur Rahman College at Jhenaidha. He is also the Chairman of Prime Foundation.

Mr. Jumma, who is a man of pleasant personality and amiable disposition, has also affiliation with different trade bodies and social organizations. He is also the Member of Dhaka Club, Uttara Club and Sylhet Station Club.

Anwer Hossain Khan was born in the year of 1961 in a respectable Muslim family and started business after completion of M.Com. Degree.

He is the Director and immediate past Chairman of the Board of Directors of the Bank. He has long and creditable business experience for two decades and emerged himself as a prominent figure in pathological business.

Mr. Khan is also the Chairman and Managing Director of Modern Group of Companies, Modern Diagnostic Centre Ltd., Anwer Khan Modern Medical College, Hazi Sakawat Anwara Eye Hospital Ltd., Modern Diabetic Center Ltd., Dhaka Telecommunication and Modern Environmental Technologies. He is the sponsor shareholder of Shahjalal Islami Bank Securities Ltd., Director of Fareast Finance & Investment Ltd. and Fareast Stocks & Bonds Ltd. He also traveled different parts of the world in connection with business.

In addition to his success in trade and business, Mr. Khan is highly reputed for his contribution to the field of education and health. He is a Member of Governing Body of Prime University and founder of Anwer Khan Modern Hospital Ltd.



**Anwer Hossain Khan, Director**

Tofazzal Hossain was born in the year of 1957 in a respectable Muslim family and started business after completion of Masters Degree.

Mr. Hossain is a sponsor shareholder and Director of the Bank. He is also the sponsor of Shahjalal Islami Bank Securities Limited. He has long and creditable business experience for more than two decades.

He is the Managing Director of Ever Best Textile (Pvt.) Ltd., Beauty Food and Beverage Ltd. and Chairman of Rajkamal Evervest Corporation Ltd. He is also the Owner of Beauty Enterprises and Director of Fareast Finance & Investment Ltd. He traveled different parts of the world in connection with business.

In addition to the success in trade and business, Mr. Hossain is well known for his interest to education. He is a Member of Governing Body of Prime University.



**Tofazzal Hossain, Director**



Md. Sanaullah Shahid was born in the year of 1963 in a respectable Muslim family and started business after completion of Bachelor Degree.

Mr. Sanaullah is a sponsor shareholder and Director of the Bank. He has long and creditable business experience for more than two decades.

Mr. Sanaullah is the Chairman of Electra International Ltd. and Sponsor shareholder of Shahjalal Islami Bank Securities Limited. He is a man of pleasant personality and amiable disposition. He also traveled different parts of the world in connection with business.

**Md. Sanaullah Shahid, Director**



**Shams Uddin Khan, Director**

Shams Uddin Khan was born in the year of 1935 in a respectable Muslim family and started business after completion of Bachelor Degree.

Mr. Khan has long and creditable business experience for more than 45 years both in UK & Bangladesh.

Since he has been living in the UK, he is the Director of Shamsuddin Khan & Harun Miah Ltd. Kushiara Financial Services Ltd., Kushiara Cash and Carry Ltd. He is also the Director of Taj Tea and Trading Company Limited (Momincherra Tea Estate), Mathiura Tea Company Limited (Mathiura Tea Estate), Proprietor of Shamsuddin Khan and Brothers situated in Sylhet. He is also the Director of Shahjalal Islami Bank Securities Ltd.

In addition to his success in trade and business, he is immensely reputed for his contribution to the field of education. He is the Member of Governing body of London Grace International School and College.

Mr. Khan who bears charming personality, traveled different parts of the world in connection with business.

Md. Farooq was born in the year of 1942 in a respectable Muslim family and started business after completion of Bachelor Degree.

Mr. Farooq is the Managing Director of F. S. Printing & Packaging Ltd., Proprietor of Famous Perfumery Suppliers. He is the Managing Director of Famous Group of Companies Ltd., Famous General Agencies Ltd. He is the Managing Director of Famous Printing & Packaging Ltd., Famous Iberchem Flavours & Fragrance Ltd. & Matcon Ltd. He is also president of Bangladesh Chemical & Perfumery Merchant Association, patron & life member of Saarc Chamber of Commerce & Industries (SAARC CCI), Chairman of Standing Committee on Chemical & Perfumery, FBCCI and life president of Armanitola J.S. Club. He is also the Vice Chairman of Shahjalal Islami Bank Securities Ltd.

In addition to his success in trade and business, Mr. Farooq is highly reputed for his contribution to the field of education and health. He is the Co-ordinator of Southeast University and the Co-ordinator of Eden Multicare Hospital Ltd. He is a man of bright personality and amiable disposition. He also traveled different parts of the world in connection with business.



**Mohammed Farooq, Director**



Md. Abdul Barek was born in the year of 1960 in a respectable Muslim family and started business after completion of Bachelor Degree.

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

Mr. Barek is the Proprietor of Arju Electronics, Jony Electronics and Rony Electronics. He is a man of pleasant personality and amiable disposition. He also traveled different parts of the world in connection with business.

**Md. Abdul Barek, Director**



Mohammed Solaiman was born in the year of 1958 in a respectable Muslim family and started business after completion of Master Degree.

Mr. Solaiman is a sponsor shareholder and Director of the Bank. He has long and creditable business experience for more than two decades. He is the Director of Shahjalal Islami Bank Securities Ltd.

Mr. Solaiman is the Director of Paradise Electronics and Managing Director of Paradise Corporation (Pvt.) Limited.

In addition to his success in trade and business, Mr. Solaiman is highly reputed for his contribution to the field of education and health. He is the Director of Hardco International School, Central Hospital Limited and Eden Multicare Hospital Limited.

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

**Mohammed Solaiman, Director**



**Abdul Halim, Director**

Abdul Halim was born in the year of 1948 in a respectable Muslim family and started business after completion of Bachelor Degree.

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

Mr. Halim is also the Chairman of Halim Group and Proprietor of Abdul Halim & Brothers, Motor Cycle Bitan, Karnafuli Motors, Fair Car.

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

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

Mr. Ahmed is a sponsor shareholder and Director of the Bank and he is also the Chairman of Shahjalal Islami Bank Securities Ltd. He has long and creditable business experience for more than two decades.

Mr. Ahmed is the proprietor of Mohiuddin Auto House, Rupsha Trading Corporation.

In addition to his success in trade and business, Mr. Ahmed is immensely reputed for his contribution to the field of education. He is the Vice Chairman of Southeast University. He is also the Director of BCI. He is a man of pleasant personality and amiable disposition. He also traveled different parts of the world in connection with business.



**Mohiuddin Ahmed, Director**

Akkas Uddin Mollah took his birth in the year of 1954 in a respectable Muslim family. Former Chairman of the Bank Mr. Mollah is now the sponsor shareholder and Director of the Bank has long and creditable business experience for more than one decade and established himself as a prominent figure of RMG industries.

Mr. Mollah is the Chairman and Managing Director of Russel Spinning Mills Limited, Russel Garments, Russel Knitting, Russel Washing Plant, Ekram Sweaters Limited, Saladin Garments Limited. He is also the Sponsor of Shahjalal Islami Bank Securities Ltd.

In addition to the success in trade and business, Mr. Mollah is immensely reputed for his contribution to the field of education and health. He is the Founder of Osmania Madrasa and Osmania Memorial Hospital. His pleasant personality and amiable disposition is commendable. Mr. Mollah has also affiliation with different trade bodies and social organizations. Presently he is the member of BGMEA and BTMEA. He is also a member of Narayangonj Club.



**Akkas Uddin Mollah, Director**



Khandoker Sakib Ahmed was born in the year of 1974 in a respectable Muslim family and started business after completion of his MBA Degree.

Mr. Ahmed is a sponsor shareholder and Vice Chairman of the Board of Directors of the Bank. He is also the Managing Director of Zuairia Group, Zuairia Trade International, ZED Agrovet and sponsor of Shahjalal Islami Bank Securities Limited, Director of Al Arafah Islami Bank Securities Limited, Five Star Cargo Corporation, Khandoker Poultry & Fisheries Ltd. By dint of his talent, industrious and amiable personality he is emerging as a booming business figure.

**Khandoker Sakib Ahmed, Director**



**Engr. Md. Towhidur Rahman, Director**

Engr. Md. Towhidur Rahman, was born in the year of 1952 in a respectable Muslim family and started business after completion of B.Sc Engineering Degree from Europe.

Former Chairman of the Board, Mr. Rahman is now the sponsor shareholder and Director of the Bank. He has long and creditable business experience for more than three decade and established himself as an icon of Sea Food business.

He is also the Chairman and Managing Director of Fresh Foods Ltd. One of the largest seafood exporters of the country, Chairman of Sea Fresh Ltd., Managing Director of Libas Textile Ltd., Managing Director of Hattic Bangladesh Ltd. (joint venture company with Germany), Managing Director of M.T.S. International Inc, New York, USA, Managing Director of Habor Sea Food Ltd., Director of Takaful Islamic Insurance Ltd., Mr. Rahman who bears charming personality, traveled different parts of the world in connection with business. He has been awarded National Export Trophy (Gold, Silver) several times and also selected as a C.I.P. by the Government of Bangladesh for the last 15 years for contribution to national economy.

In addition to his success in trade and business, he is immensely reputed for his contribution to the field of education. He is a Member of Governing Body of Prime University, founder Chairman of Alhaj Jalaluddin College and Chairman of Dhulasar High School. He has been awarded Mother Terresa Gold medal and other awards for contribution to the social activities of the country.

Mohammed Younus was born in the year of 1958 in a respectable Muslim family and started business after completion of his education.

Mr. Younus is the sponsor shareholder and director of the Bank and has long and creditable business experience for about two decades. At present he is the Chairman of the Executive Committee of the Bank.

Mr. Younus is also the Managing Director of Universal Paper & Board Mills Ltd., Sobhan Ice & Cold Storage Ltd., Younus Filament Industries Ltd., Younus Plastic Industries Ltd., Younus Cold Storage Ltd., Quality Accessories Ltd., Ananta Paper Mills Ltd., Younus Paper Mills Ltd., Younus Fine Paper Mills Ltd., Younus Spinning Mills Ltd., Sonali Paper and Board Ltd., Sharif cold Storage Ltd., Newsprint Paper Mills Ltd., Younus offset Paper Mills Ltd. He is also associated with International Television Channel Ltd. (NTV). He is a man of pleasant personality and amiable disposition. He also traveled different parts of the world in connection with business.



**Mohammed Younus, Director**

Mosharraf Hossain was born in the year of 1945 in a respectable Muslim family and started his career after completion of Masters Degree.

He started his Banking career in 1970 and has long contribution in the banking sector of our country.

He was the Managing Director of Standard Bank Ltd. from 2003 to 2008 and then became the Managing Director of IFIC Bank Ltd. in 2009 and worked there till his retirement from service. He is the Chairman of the Audit Committee of the Bank.

He traveled different parts of the world like USA, Germany, China, Italy, Vietnam etc. to participate a lot of workshop/seminars.



**Mosharraf Hossain, Independent Director**



Farida Parvin Nuru was born in the year of 1967 in a respectable Muslim family and started business after completion of Masters Degree.

Mrs. Farida is the Independent Director of the Bank since 2013 and has long and creditable business experience for more than 15 years business in UK.

As she lives in UK for long, she is the Director of Viceroy Group of Rest, Property Management Ltd.

**Farida Parvin Nuru, Independent Director**



Farman R. Chowdhury joined Shahjalal Islami Bank Limited as Managing Director with effect from 1st December 2013. Prior to joining this Bank, he was the Managing Director of One Bank Limited.

Mr. Chowdhury started his banking career with American Express Bank as Management Trainee in 1986 and gradually reached up to the position of Director Marketing in 1995. He served American Express Bank for 12 years up to 1998 and worked in various operational areas like Customer services, Remittance & Settlements, Credit operation, Marketing etc.

Farman R. Chowdhury joined One Bank Limited since its inception. During July, 1998 to June, 2007 he served in various roles and at different capacities. He was the Manager of Principal Branch and Agrabad Branch and Head of Marketing of the Bank. Subsequently, he was elevated to the position of Deputy Managing Director. He was appointed Managing Director of One Bank Limited on 10 July, 2007 and successfully completed 2 (two) terms totaling 6 (six) years as Managing Director of One Bank up to July 09, 2013.

Mr. Rahman, a Business Graduate (MBA) from Institute of Business Administration (IBA) of Dhaka University, has attended many training programs, seminars & workshops at home and abroad.

**Farman R. Chowdhury, Managing Director**

### Executive Committee

Mohammed Younus	<b>Chairman</b>
Md. Sanaullah Shahid	<b>Vice Chairman</b>
Sajjatuz Jumma	<b>Member</b>
Anwer Hossain Khan	<b>Member</b>
Mohiuddin Ahmed	<b>Member</b>
Engr. Md. Towhidur Rahman	<b>Member</b>
Abdul Halim	<b>Member</b>
Md. Abul Bashar	<b>Deputy Company Secretary &amp; Member Secretary</b>

### Audit Committee

Mosharraf Hossain	<b>Chairman</b>
Akkas Uddin Mollah	<b>Member</b>
Alhaj Syed Nurul Arefeen	<b>Member</b>
Tofazzal Hossain	<b>Member</b>
Farida Parvin Nuru	<b>Member</b>
Md. Abul Bashar	<b>Deputy Company Secretary &amp; Member Secretary</b>

### Risk Management Committee

Anwer Hossain Khan	<b>Chairman</b>
Mohiuddin Ahmed	<b>Member</b>
Khandaker Sakib Ahmed	<b>Member</b>
Md. Sanaullah Shahid	<b>Member</b>
Md. Abdul Berek	<b>Member</b>

### Shariah Supervisory Committee

Hazrat Maulana Mufti Abdur Rahman	<b>Chairman</b>
Prof. Hamidur Rahman	<b>Member</b>
Maulana Yousuf Abdul Majid	<b>Member</b>
Mufti Shahed Rahmani	<b>Member</b>
Shah Abdul Hannan	<b>Member</b>
Barrister M. Ziaul Hasan	<b>Member</b>
M. Kamaluddin Chowdhury	<b>Member</b>
A. K. Azad	<b>Member</b>
Farman R. Chowdhury	<b>Managing Director &amp; Member Secretary</b>

# Management of the Bank



## MANCOM

From Left to right : Sayed Abul Hashem, Md. Akhter Hossain, Md. Setaur Rahman, Farman R. Chowdhury, Masihul Huq Chowdhury, Md. Rafiqul Islam, Md. Jahangir Alam and Md. Nazimuddoula.



From Left to right : Rumana Kutubuddin, Md. Ashraful Azim, Md. Akhter Hossain, Masihul Huq Chowdhury, Farman R. Chowdhury, Md. Jahangir Alam, Md. Setaur Rahman, Md. Nazrul Islam, Sayed Abul Hashem and Md. Rafiqul Islam.

## SRP TEAM



## ALCO

From Left to right : **Md. Ashraful Azim, Mohd. Abdul Halim, Sayed Abul Hashem, Md. Rafiqul Islam, Masihul Huq Chowdhury, Farman R. Chowdhury, Md. Akhter Hossain, Md. Setaur Rahman, Md. Jahangir Alam and Md. Nazimuddoula.**



## INVESTMENT COMMITTEE

From Left to right : **Md. Mushfiqur Rahman, Rumana Kutubuddin, Masihul Huq Chowdhury, Md. Setaur Rahman and Md. Nazrul Islam.**

# Management & Executives

## Managing Director

Farman R. Chowdhury

## Additional Managing Director

Masihul Huq Chowdhury

## Deputy Managing Directors

Md. Abdul Jabber Chowdhury

Md. Shafiqul Azam

Md. Setaur Rahman

## Senior Executive Vice Presidents

Md. Shahjahan Shiraj

Mustaque Ahmed

Md. Akhter Hossain

S. M. Jahangir Hussain

Shahabuddin

Syed Showket Rana

Abdul Aziz

Md. Nazimuddoula

Md. Mushfiqur Rahman

## Executive Vice Presidents

Md. Nasir Uddin

Imtiaz Uddin Ahmed

Mahmud Hussain

Midhat Ara

Engr. Md. Rafiqul Islam

Md. Monzurul Alam Chowdhury

## Senior Vice Presidents

Md. Habibul Islam

Sayed Abul Hashem, FCA, FCMA

(Chief Financial Officer)

Taskina Ahmed

Mohd. Abdul Halim

Rashed Sarwar

Mohammed Ashfaquul Hoque, FCA

Md. Nazrul Islam

Md. Altaf Hossain Bhuyan

Md. Mahbubur Rasheed

## Vice Presidents

Amir Uddin Chowdhury

Md. Khalid Hussain

Md. Tufael Yakub

Rumana Kutubuddin

Chowdhury Golam Rahman

Md. Shamsuddoha

Md. Naquibul Islam

Jashim Uddin Ahmed

Md. Ashraful Azim, FCA

Sultana Parvin

M. Imam Hossain Gazi

Md. Wahidur Rahman

Mohammad Towfiqul Islam

Md. Asadul Islam Khan

Abdul Kayum

## Senior Assistant Vice Presidents

S. M. Rashedul Karim

Md. Abul Bashar

Md. Nawshad Abbas

Mohammed Eskander Alam

Md. Mizanur Rahman

Md. Abdulla Al Mahmud Siddiqui

A. T. M. Qumruddin Chowdhury

Md. Iftekhar Shahid

Md. Moshiur Rahman

Md. Ziaul Hoque

Md. Mokter Hossain

Mohammad Nuruddin

Engr. Md. Zahidul Islam

Mohammad Anas

Khandker Bedoura Mahbub

A. Z. Humayun Kabir

Abul Bashar Md. Zafry

Md. Soyeb Islam Chowdhury

Md. Nure Alam Bhuiyan

Mohammed Sahab Uddin

Md. Raquibul Anwar

Md. Elias

Mohammad Iqbal Hossain

Khandkar Manwarul Islam

Muhammad Amir Hossain Sarker

Md. Abdul Quddus

Md. Abdul Khaleque

Nazir Ahmed

Md. Noor-A-Alam Hossain

Tofayal Ahmed

Md. Nurul Amin Sarker

Md. Arifur Rahman

## Assistant Vice Presidents

Zalal Ahmed

Md. Wahidul Islam

Mirza Saiful Alam

Shamsul Arifin Ferdose

Md. Rafiqul Islam

Md. Rezaur Rahman

Chowdhury Firoz Hasan

Munzer Rahaman

Mohammad Shajedul Alam

Md. Masudur Rahman

Md. Jafar Sadeq, ACA

Jyotirmaya Goswami

Mohammad Mahbubur Rahman

Khandaker Kayemur Rahman

Md. Golam Mostafa

Mohammad Rubel Alam Khan

Md. Aktaruzzaman Sarker

Mohammad Abdul Majid

Md. Saidur Rahman

Mohammed Ehsan

Md. Nazrul Islam

AHM Mostofa Kamal

Mohammad Hasib Uddin

Mohammed Safiqul Islam

Md. Jaynul Abedin Khan Safari

Mohammad Shariful Haider

Md. Imam Hossain Chowdhury

Mohammad Fakrul Islam

Md. Abu Sayeed

Md. Shanoor Siddique

Md. Khairul Alam

A.H.M. Shahrier

A. B. M. Helaluddin Ahmed

Sultana Husnoon Nada

Shahnaz Parvin

Mokammel Hossain

Abu Naser Ahmed

Md. Faruk Ahmed

Md. Khurshid Alam

Md. Humayun Kabir Mia

Faiz Ahmed

A.B.M. Mosharof Hossain

Md. Rashedul Mostafa Chowdhury

G.M. Quamruzzaman

Mrs. Taslima Akhter

Md. Masum Basunia

Selimuzzaman Chowdhury

Md. Muzaffar Habib

Md. Tazuddin Mollah

Sabeth Bin Zamir

Sujan Shahrir

Md. Abdul Hakim Mian

Sheikh Azmul Islam

Md. Abdur Rashid

Md. Ahsan Habib

A.K.M. Ashraful Islam

Mizanur Rahman

Iftekhar Husain

Omar Farooque

Mohammed Nizam Uddin

A.K.M. Hasan Rahim

Mohammad Fokhrul Islam

Md. Abdul Quddus

Moiuddin Ahmed

Md. Farhad Hossain Chowdhury

Mohammad Anisur Rahman

Md. Eazazur Rahman

Mohammad Sakil

Asma Ul Husna

Mohammed Modabbir Ahmed

Mohammad Hannan

Harilal Dev Nath

Mohammad Fazlul Huque

Md. Masudul Hoque

Mohammad Abdullah Al Mamun

Sumaira Tasmen

Md. Nazibullah

Abdur Razzak Matubber

Zahid Hasan

Md. Rakibul Alam Joarder

Md. Yeasin Mollah

S.M. Mohiuddin

Md. Tazibar Rahman

Muhammad Abul Kalam Azad

Mahbubur Rahman

Pankaj Kumar Debnath

Golzar Hossain

*Banking practiced  
according to the teachings of Islam  
is the simplest way to grow  
in a transparent partnership*

## **Financial Summary**



# Financial Summary

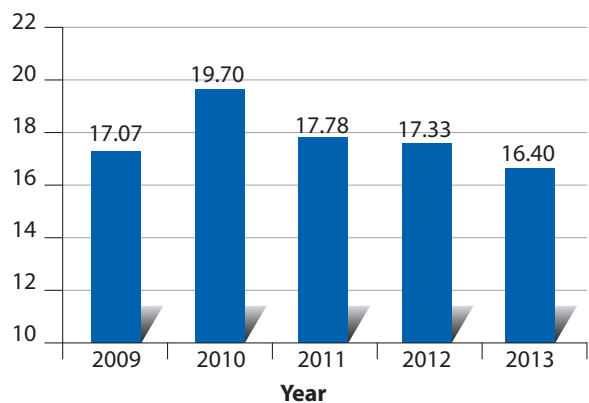
Figures in million Taka

SL	Items	2013	2012	2011	2010	2009
<b>A. Financial Position</b>						
1	Authorized Capital	10,000	6,000	6,000	6,000	4,000
2	Paid up Capital	6,679	5,566	4,453	3,425	2,740
3	Reserve and Surplus	4,272	4,080	3,464	3,323	2,187
4	Total Shareholders' Equity	10,951	9,646	7,917	6,748	4,676
5	Total Deposits	96,481	102,177	83,350	62,965	47,459
6	Total Investment (Loans & Advances)	85,707	96,185	80,592	61,440	43,958
7	Investment in Share and Securities	7,221	5,163	3,377	2,229	3,483
8	Fixed Assets	2,955	2,898	1,525	1,473	620
9	Total Assets (excluding off-balance sheet items)	121,963	132,823	107,229	78,800	58,921
10	Total Contingent Liabilities and Commitment	45,433	47,869	34,083	27,665	14,475
11	Profit Earning Assets	100,434	110,420	91,903	67,139	53,132
12	Non-profit Earning Assets	21,529	22,403	15,326	11,661	5,789
<b>B. Operating Result</b>						
1	Investment Income	13,615	15,242	10,108	6,417	5,531
2	Profit Paid on Deposit	10,578	11,170	7,376	4,658	4,200
3	Net Investment Income	3,037	4,072	2,732	1,759	1,331
4	Total Income	15,609	17,439	12,007	9,509	7,117
5	Total Expenditure	12,915	12,992	9,009	5,980	5,076
6	Operating Profit	2,694	4,447	2,998	3,529	2,041
7	Profit before Tax	2,383	3,535	2,387	2,960	1,795
8	Profit after Tax	1,305	1,730	1,168	2,072	1,071
<b>C. Capital Adequacy</b>						
1	Risk Weighted Assets	88,702	89,811	80,527	76,882	38,833
2	Capital Requirement	8,870	8,981	8,053	6,919	3,883
3	Core Capital	10,951	9,646	7,917	6,748	4,676
4	Supplementary Capital	1,189	1,409	1,266	999	754
5	Total Equity (Core & Supplementary)	12,140	11,055	9,183	7,747	5,430
6	Capital Surplus	3,270	2,074	1,131	827	1,547
7	Tier I Capital Ratio (%)	12.35	10.74	9.83	8.78	12.04
8	Tier II Capital Ratio (%)	1.34	1.57	1.57	1.30	1.94
9	Total Capital Adequacy Ratio (Basel-I) (%)	-	-	-	-	13.98
10	Total Capital Adequacy Ratio (Basel-II) (%)	12.56	12.31	11.40	10.08	-
<b>D. Investment (Loans &amp; Advances) Quality</b>						
1	Volume of Non-performing Investment	5,543	2,842	1,523	1,173	413
2	Amount of Provision against classified Investment	1,512	1,073	423	268	118
3	Amount of Provision against unclassified Investment	734	968	925	720	480
4	Amount of Provision against Off Balance Sheets Exposures	454	441	341	278	148
5	Classified Investment as % of Total Investment	6.47	2.96	1.89	1.91	0.94
<b>E. Foreign Exchange Business</b>						
1	Import Business	81,926	111,837	82,341	60,066	39,543
2	Export Business	84,809	110,789	79,225	48,857	29,434
3	Inward Foreign Remittance	2,583	2,927	5,340	6,156	10,473

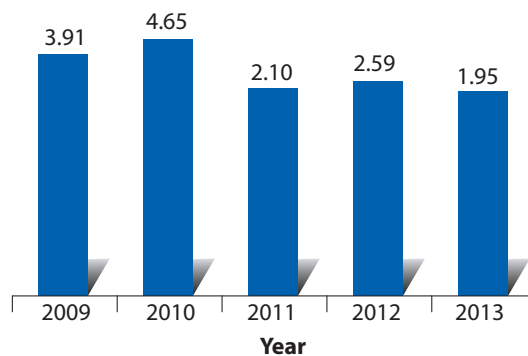
SL	Items	2013	2012	2011	2010	2009
<b>F. Profitability, Performance and Liquidity Ratio</b>						
1	Net Asset Value per Share (Taka)	16.40	17.33	17.78	19.70	17.07
2	Investment to Total Deposit Ratio (%)	88.88	89.64	93.00	96.34	92.62
3	Return on Equity (%)	11.25	17.01	13.80	30.71	25.10
4	Return on Assets (ROA) (%)	1.02	1.44	1.26	3.01	2.08
5	Operating Income Ratio (%)	17.26	25.50	24.97	37.11	28.68
6	Gross Income Ratio (%)	32.23	35.95	38.57	51.01	40.99
7	Net Income Ratio (%)	8.36	9.92	9.73	21.79	15.04
8	Cost of Deposit (%)	9.66	10.27	9.15	7.91	9.13
9	Cost of Fund (%)	11.65	11.88	10.98	10.15	11.07
10	Return on General Investment (%)	14.32	15.23	13.53	11.90	13.46
11	Net operating Cash flow per Share (Taka)	9.84	9.22	7.32	25.59	140.94
12	Profit Per Employee	1.24	2.38	1.85	2.11	1.57
<b>G. Dividend</b>						
1	Cash Dividend	-	-	-	-	-
2	Bonus Dividend	*10%	20%	25%	30%	25%
3	Dividend Coverage Ratio (Times)	1.24	1.00	1.05	1.55	1.56
4	Market capitalization	11,200	15,863	14,471	27,161	10,481
*Proposed by the Board of Directors						
<b>H. Shareholders Information</b>						
1	No. of Share Outstanding (million share)	667.90	556.58	445.3	342.5	27.40
2	Earnings Per Share (Taka)	1.95	2.59	2.10	4.65	3.91
3	Number of Shareholders	85,944	75,515	78,104	54,549	36,675
4	Market Value Per Share-before Split (Taka)			-	-	478.22
5	Market Value Per Share-after Split (Taka)	16.77	28.50	32.44	79.24	-
6	Price Earning Ratio	8.60	11.01	12.38	17.04	12.24
<b>I. Other Information</b>						
1	Number of Branches	92	84	73	63	51
2	Number of Brokerage House	8	8	8	8	5
3	Number of SME Center	6	6	6	6	7
4	Number of Employees	2,173	1,881	1,624	1,521	1,299
5	Number of foreign Correspondents	397	415	377	337	310

# Key Performance Indicators

**Net Asset Value Per Share (Taka)**



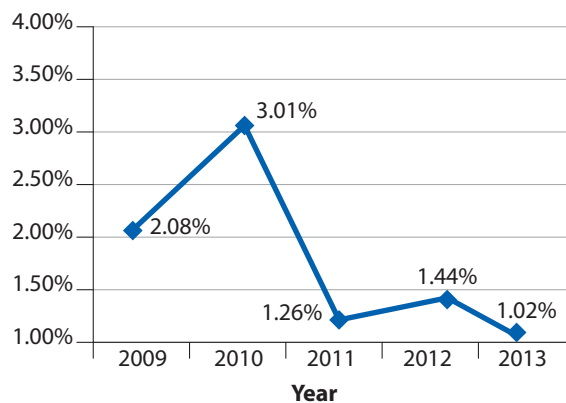
**Earning Per Share (Taka)**



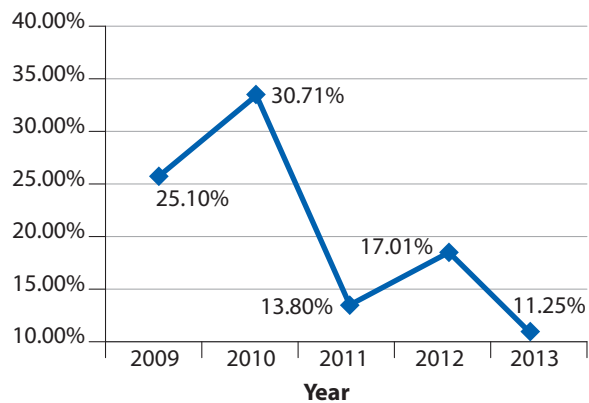
**Trend of Operating Profit (Million Tk.)**



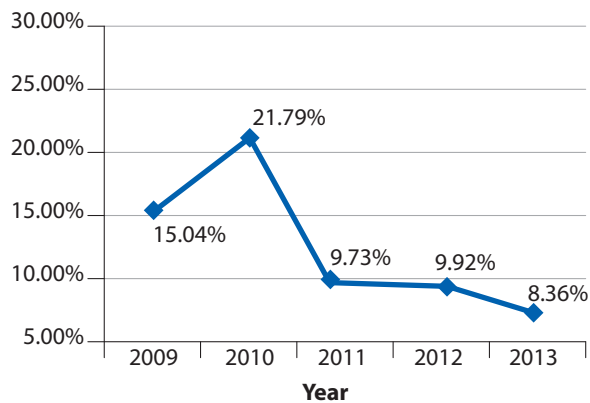
**Return on Assets (ROA) (%)**

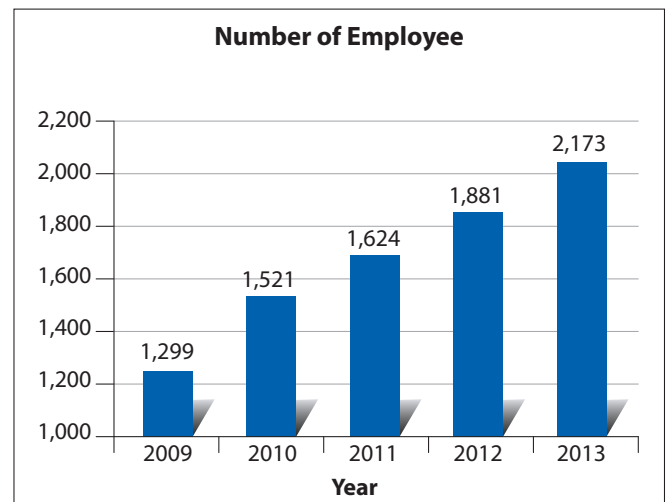
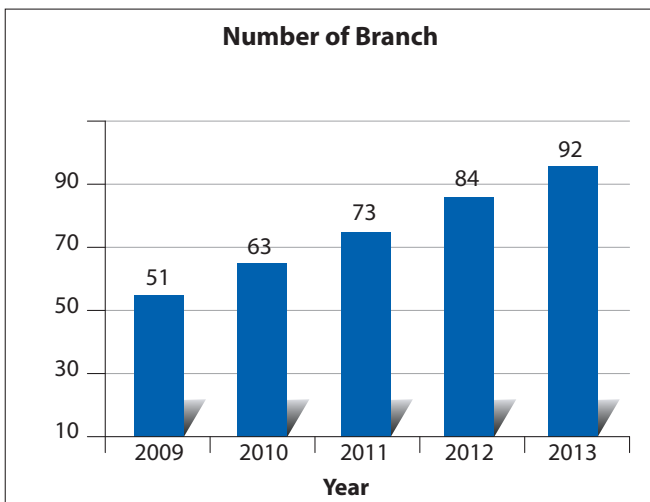
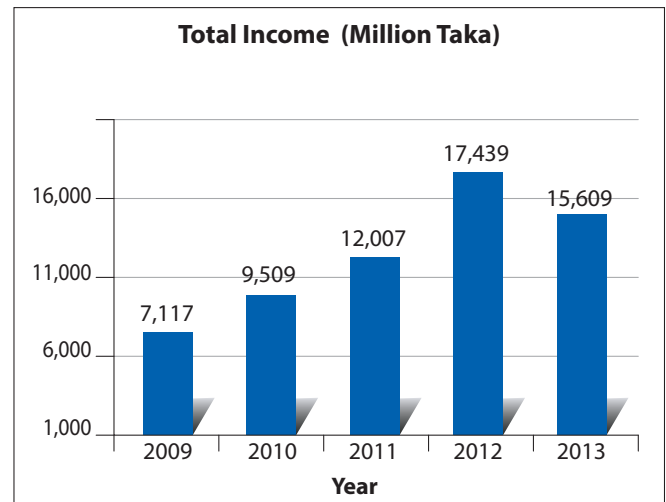
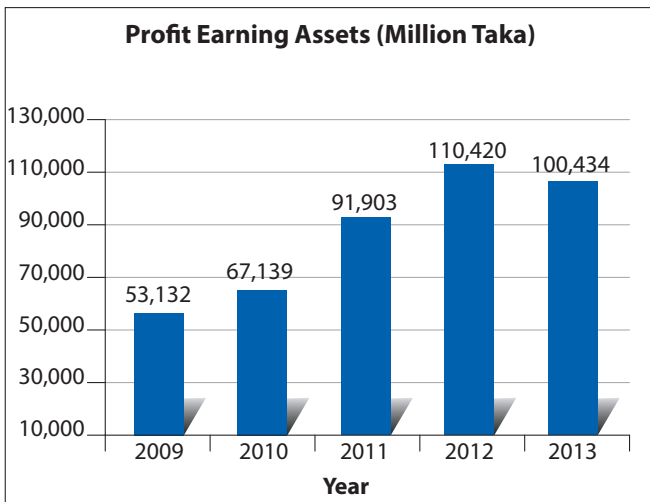
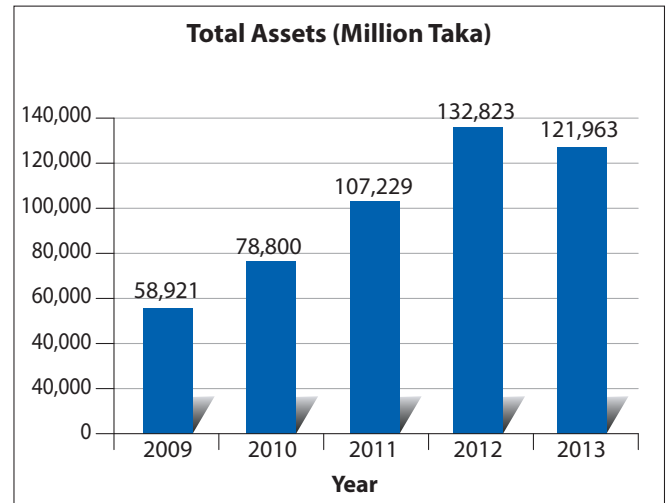
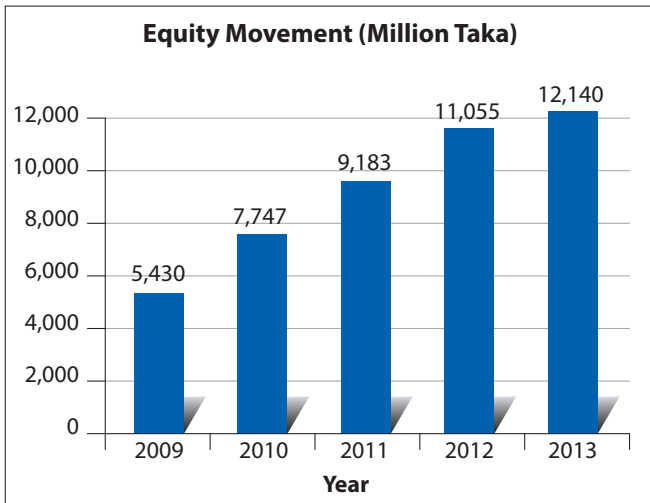


**Return on Equity (%)**



**Net Income Ratio (%)**





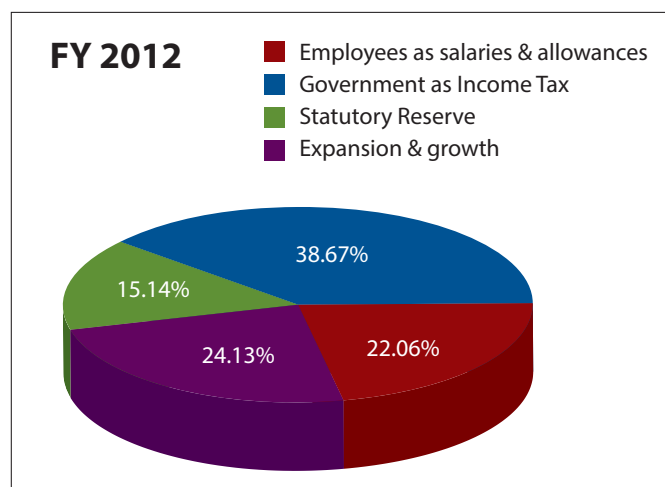
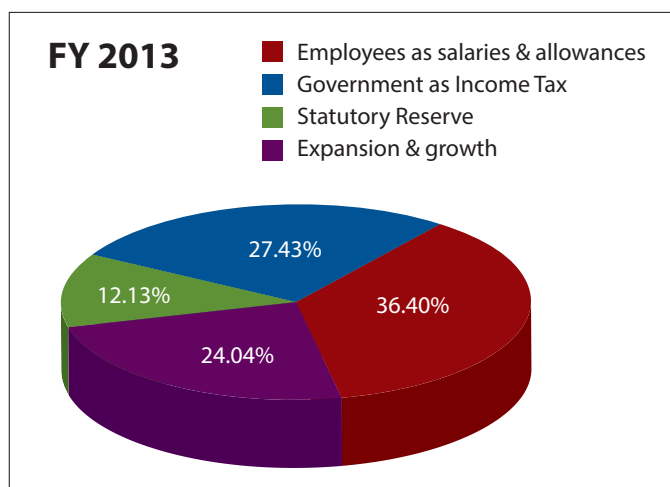
# Value Added Statement

for the year ended 31 December 2013

The value added statement for the Bank shows how the value is created and distributed among different stakeholders of the Bank

Particulars	2013 Taka	%	2012 Taka	%
Income from Banking Services	15,608,956,672		17,438,809,697	
Less: Cost of services & supplies	11,368,875,435		11,857,779,881	
Value added by the Banking services	4,240,081,237		5,581,029,816	
Non-banking income	-		-	
Loan & Other Provisions	(311,000,000)		(912,500,000)	
<b>Total value added</b>	<b>3,929,081,237</b>		<b>4,668,529,816</b>	
<b>Distribution of added value</b>				
To Employees as salaries & allowances	1,430,058,136	36.40%	1,030,043,611	22.06%
To Government as Income Tax	1,077,864,592	27.43%	1,805,051,477	38.67%
To Statutory Reserve	476,565,288	12.13%	706,916,191	15.14%
To expansion & growth	944,593,221	24.04%	1,126,518,536	24.13%
Retained earnings	828,396,560		1,022,613,289	
Depreciation	116,196,661		103,905,247	
	<b>3,929,081,237</b>	<b>100%</b>	<b>4,668,529,816</b>	<b>100%</b>

## Distribution of Added Value



# Economic Value Added Statement

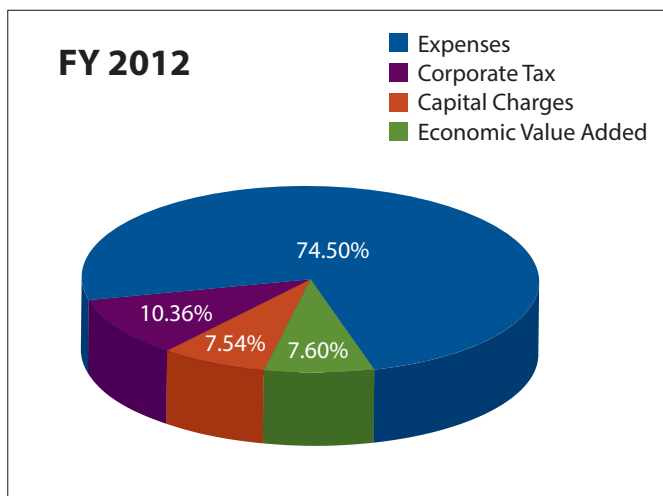
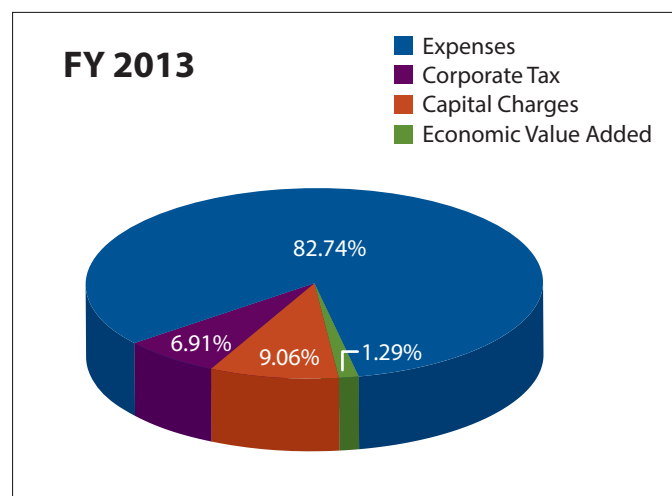
for the year ended 31 December 2013

Economic Value Addition (EVA) indicates the true economic profit of the company. EVA is an estimate of the amount by which earnings exceed or fall short of required minimum return for shareholders at comparable risks.

Taka in Million

Particulars	2013	2012
Total Revenue	15,608.96	17,438.81
Expenses	12,915.13	12,991.73
Corporate Tax	1,077.86	1,805.05
Capital Charges	1,414.31	1,313.37
<b>Economic Value Added</b>	<b>201.66</b>	<b>1,328.66</b>

## Economic Value Addition



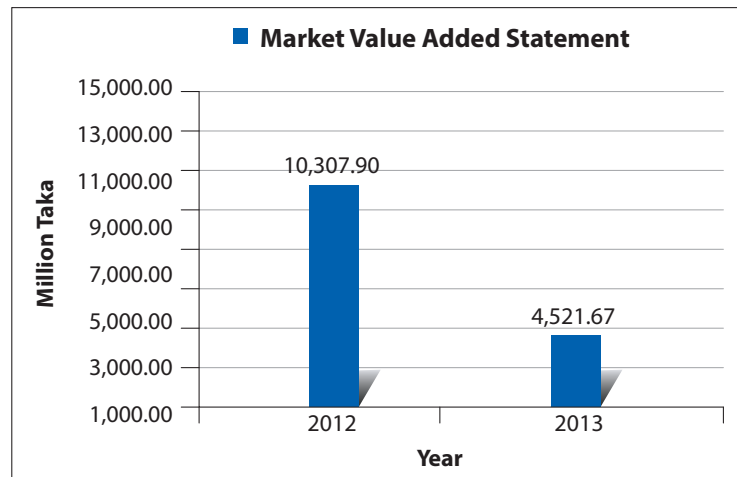
## Market Value Added Statement

for the year ended 31 December 2013

Market Value Added Statement reflects the company's performance evaluated by the market through the share price. This amount is derived from the difference between market capitalization and book value of the shares outstanding. It signifies the enhancement of financial solvency as perceived by the market.

Taka in Million

Particulars	2013	2012
Face value per share (Tk.)	10.00	10.00
Market Value per Share (Tk.)	16.77	28.52
Number of Shares outstanding	667,898,303	556,581,919
Total market capitalization	11,200.65	15,873.72
Book value of paid up capital	6,678.98	5,565.82
<b>Market Value Addition</b>	<b>4,521.67</b>	<b>10,307.90</b>



## Shareholder Information

### Financial Calendar

#### 2013

1st Quarter Results issued on	:	16th May 2013
2nd Quarter Results issued on	:	31st July 2013
3rd Quarter Results issued on	:	30th October 2013
Annual Results issued on	:	17th April 2014
13th Annual General Meeting	:	29th June 2014

#### 2012

1st Quarter Results issued on	:	17th May 2012
2nd Quarter Results issued on	:	31st July 2012
3rd Quarter Results issued on	:	31st October 2012
Annual Results issued on	:	28th April 2013
12th Annual General Meeting	:	4th June 2013

## Dividend Information

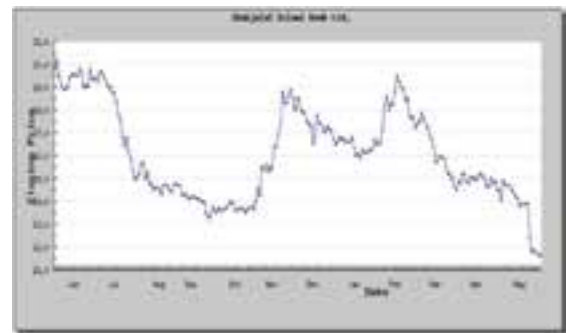
### Distribution of Dividend- 2012

Dividend Rate (Stock)	:	20%
Declaration Date	:	28th April 2013
Record Date	:	9th May 2013
AGM Date	:	4th June 2013
Distribution Date	:	11th June 2013

### Trade Volume of 12 Months of 2013



### Closing price of 12 Months of 2013



*Banning of  
the interest mechanism  
is the corner stone of  
Islamic banking*

**Events**



## Awards...



Mr. Farman R Chowdhury, Managing Director of Shahjalal Islami Bank Limited is receiving the '**ICMAB Best Corporate Award-2013**' secured Second position in the private Commercial Bank for Islamic operation category from the Finance Minister Mr. A.M.A Muhith, MP in a award giving ceremony held on 27th April 2014 organized by The Institute of Cost and Management Accountants of Bangladesh (ICMAB).

Mr. Farman R Chowdhury, Managing Director of Shahjalal Islami Bank Limited is receiving the 'Certificate of Appreciation' in the 13th ICAB National Award for Best Presented Annual Report-2012 from Finance Minister Mr. A.M.A Muhith, MP in a award giving ceremony held on on 21 December 2013 organized by the Institute of Chartered Accountants of Bangladesh.





The then Chairman delivered his speech at 12th AGM



A partial view of Participant Shareholders of 12th AGM



Deputy Company Secretary and Shareholders delivered their Speech at 12th AGM on 4th June 2012 at BRAC-CDM, Rajendrapur, Gazipur

**Meetings**



A meeting of the **Board of Directors**



A meeting of the **Board Audit Committee**



A meeting of the **Executive Committee of the Board of the Directors**



Managers' Conference 2014



Business Conference 2013



Business Planning 2013

## Agreements



Shahjalal Islami Bank Ltd. signed a Memorandum of Understanding regarding e-GP (Electronic Government Procurement) system with the Central Procurement Technical Unit (CPTU), Implementation Monitoring and Evaluation Division (IMED) Ministry of Planning on 10th October 2013

A Memorandum of Understanding (MOU) was signed between Shahjalal Islami Bank Limited (SJIBL) and Hajj Agencies Association of Bangladesh (HAAB) at a Hotel in the capital on 06th March 2014



## Workshop



Shahjalal Islami Bank Ltd. organized a day long workshop on "Non-Performing Investment (NPI) Management & Early Alert Process" at a Convention Centre.

A meeting of the Risk Management Committee (RMC) of the Board of Directors.



Shahjalal Islami Bank Ltd. organized a seminar on "Development of awareness on Green Banking among the Clients" with the assistance of Bangladesh Bank in a local hotel in the capital on 28th September, 2013.

## Corporate Social Responsibility



The then Chairman of Shahjalal Islami Bank Ltd. Mr. Anwer Hossain Khan hands over a cheque for Tk. 2 crore to the Hon'ble Prime Minister Sheikh Hasina to assist the victim's family of Saver tragedy.

The Chairman of the Bank Mr. A. K. Azad handing over cheques to the Hon'ble Prime Minister Sheikh Hasina for the help of BDR mutiny victims at pilkhana, Dhaka.



The Chairman of Shahjalal Islami Bank Limited Mr. A. K. Azad handed over a Cheque worth Tk. 1 Crore to the honorable Prime Minister Sheikh Hasina at Ganabhaban on 14th March 2014 for financial assistance of 3 Lakh voice national anthem program "Lakho Konthe Sonar Bangla"



Former Managing Director of Shahjalal Islami Bank Limited Mr. Abdur Rahman Sarker handed over the cheque to Bangladesh Olympic Association for organizing Bangladesh Games.



Shahjalal Islami Bank Limited awarded scholarship among the brilliant and poor students of the country on 16th November 2013 at the Banghabandhu International Conference Centre. Mr. A.K. Azad Chairman of Shahjalal Islami Bank Limited and Governor of Bangladesh Bank Dr. Atiur Rahman were seen on the Occasion.

Mr. A. K. Azad, Chairman of Shahjalal Islami Bank Limited inaugurated three days long debating program "6th Polli Kabi Inter Club Debating Competition-2014" at Kabi Jasim Uddin Hall, University of Dhaka.



## Branch Opening



Branch opened at **Chapainawabgonj**



Branch opened at **Nagarpur**



Branch opened at **Bandura**



Branch opened at **Elephant Road**



Branch opened at **Pahartali**



Branch opened at **Manikgonj**

## ATM Opening



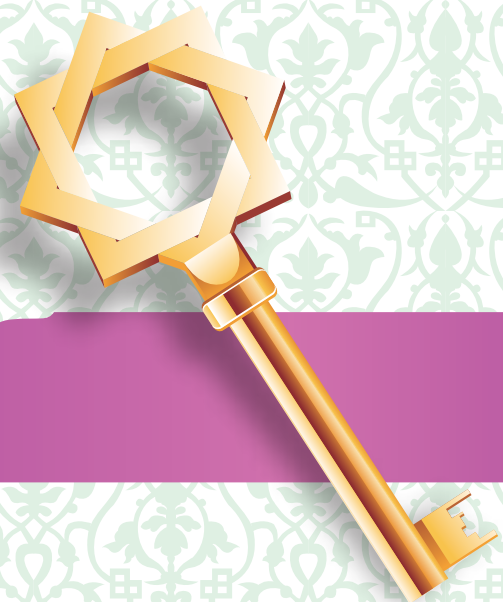
ATM Opened at  
Shikarpur Nimtola



Collection Booth Opened at Dhanmondi

*Business is halal  
while riba is haram  
in Islam*

**Project Financed by SJIBL**





Knitting Project



Spinning Mill Project



Denim Fabrics Manufacturing Project



Poultry & Hatchery Feed Manufacturing Project



A Garments Factory



A Garments Factory



## Message from the Chairman

Bismillahir Rahmanir Rahim  
Dear shareholders,  
Assalamu Alaikum.

In this auspicious moment, I feel highly honoured to bid you heartiest welcome to the 13th Annual General Meeting of Shahjalal Islami Bank Limited. At the same time, I, on behalf of my fellow colleagues of the Board of Directors of the Bank, would like to take this grand opportunity to present before you the report of the Board of Directors and the audited financial statements for the year 2013. I also express our sincere thanks and profound gratitude to all concerned for their active support and co-operation which has helped the bank to achieve commendable success. I also acknowledge your kind patronage and support in achieving continued success in all areas of operation of your Bank, a brief picture of which is presented hereunder for kind information of the honourable shareholders.

I am happy to inform you that our Bank has been able to keep up the healthy position in all key areas like capital adequacy, good asset quality, sound management, steady earning and strong liquidity. The Bank is also regarded as one of the leading financial institutions with higher esteem.

### **Financial Environment**

The financial sector passed a critical year surfing through an adverse business climate both at home and abroad in 2013. The global economy is still yet to come out of the economic recession. A serious political turmoil in the second part of the year hit the Bangladesh economy in 2013. Besides the political crisis, one of the major disasters was "Rana Plaza Tragedy", which pulled out back the country both socially & economically and raised serious concerns among the European and North American buyers about the poor state of compliance in Bangladesh garment factories. Banking Sector in Bangladesh experienced a lot of challenges and faced hurdles in the year 2013 due to low demand of investment, rising of Non Performing Assets, weak governance, low profitability, surplus liquidity etc. Despite sluggish economic scenario, our Bank has been able to keep its steady growth having gone through all the shadows of uncertainty towards the light of success because of the seamless teamwork, efficient management embodied with the prudent guidance of the Board of Directors of the Bank.

### **Bank's performance**

Despite the challenges of 2013, total deposit of the Bank as on 31st December, 2013 stood at Tk. 96,481 million, while total amount of Investment of the Bank stood at Tk. 85,707 million. During the year import volume stood at Tk. 81,926 million and Export business was Tk. 84,809 million. Foreign Remittance of the Bank stood at Tk. 2,584 million as on December 31, 2013.

Net profit after tax of the Bank in 2013 stood at Tk.1,305 million and Net asset value (NAV) stood at Tk.10,951 million, which is Tk. 1,305 million higher than the financial year 2012. Earnings per share (EPS) stood at Tk.1.95.

### **Capital Structure**

Bank started business having Authorized Capital of Tk. 800 million and initial Paid up Capital of Tk.205 million subscribed by the sponsors in the year 2001. The Capital and Reserve of the Bank as on 31st December 2013 stood at Tk. 12,140 million including Paid up capital of Tk. 6,679 million. The Capital Adequacy Ratio (CAR) as of 31 December 2013 stood at 12.56% (Tier-1 capital 11.22% and Tier-2 capital 1.34%) that was well above minimum requirement of 10% set by Bangladesh Bank under revised Basel-II guidelines.

The framework of Capital Management has been designed so prudently which ensures that Bank maintains sufficient Capital consistent with the Bank's risk profile, all regulatory requirements and credit rating considerations. The Capital Management process is being reviewed regularly by the senior Management of the Bank as well as by the Board and appropriate decisions is adopted from time to time to strengthen our Capital base.

### **Customer Services**

Bank pays utmost attention and gives great value to its customers by providing a wide range of products and services. The bank is always competitive in offering services to the customers and continuously redesigning its products to meet the customers' demand and satisfaction. As a part of customer care & services, awareness building program, various campaigns and fairs are arranged from time to time. We provide a full range of banking & financial services to different segments of clients including individuals, small and medium sized companies/entrepreneurs and corporate bodies etc.

### **Branch Network**

We are continuously expanding our service network both in urban and rural areas. With the opening of 8 new branches in the last year, the Bank is presently provided banking service to its customers with a network of total 92 branches all over the country. We have also obtained permission from Bangladesh Bank for opening 6 more branches in the current year, 2014. The branches will be opened in different strategic business locations of the country with the approval of Bangladesh Bank. The Bank has already installed 39 own ATM Booths in different parts of the country and installation works of 4 ATM Booths is going on, which will be started functioning very soon. We have also planned to set-up additional 20 own ATM Booths across the country in the year, 2014 for meeting the growing demand of 24 hours banking/transaction facilities to our valued customers. Besides, there are arrangements for our customers to get services using the Q-Cash, OMNIBUS and Visa Networks having more than 4000 ATM Outlets. Remittance arrangements at present with various companies like Western Union Global; Zenj Exchange, Bahrain; Arabian Exchange, Qatar; Money Exchange, Spain; Money Gram, Global; Xpress Money, Global; Wall Street Finance, USA and Al Ahalia, UAE has strengthened our business network in the global financial market with the significant increase of foreign remittance flow in the country.

### **Good Governance**

Good Governance is prerequisite for efficient management and effective business operation for sustainable growth and long-term stability of an organization. The Corporate Governance system in Shahjalal Islami Bank Limited is designed to ensure transparency and accountability at all levels of operations. Duties and Responsibilities between the Board and Management are appropriately segregated to provide sufficient check and balance and flexibility for smooth operations. The Board formulates policy guidelines provides business direction to the management, while the Management implements the same towards meeting the business targets. The Audit Committee of the Board reviews the internal control and compliance process, the internal audit reports and related compliances of the Bangladesh Bank. The Statutory Auditors were given absolute freedom in the process of audit and verify the compliance, risk management and preparation of Financial Statements as per

International as well as Bangladesh Accounting Standards (IAS and BAS). The Bank is also very careful and attentive to comply with the rules, regulations, guidelines of The Bangladesh Securities & Exchange Commission, Bangladesh Bank and other regulatory authorities.

The Corporate Governance system is also reviewed from time to time.

### **Corporate Social Responsibility**

Shahjalal Islami Bank Limited is always committed to serve the causes of humanities as one of the principles of Islamic Shariah. As the part of CSR, we extend our hands of cooperation to the destitute people, who are largely affected by natural disaster & calamities. The bank also provides Scholarship to the poor but meritorious students with outstanding result in Secondary School Certificate (SSC) and Higher Secondary Certificate (HSC) Examinations for pursuing their higher studies every year. We are also providing ongoing financial support to the families affected under BDR tragedy. The Bank has donated funds for rehabilitation of the employees affected in Rana Plaza Tragedy. Besides, we take part in many socio-economic activities, cultural & sports events as the part of CSR.

Further, Bank has a plan to establish a Hospital and an International standard School & College under CSR.

### **Our Action Plan**

We expect higher growth of business in 2014. The growth is predicted to be generated from the diversified Corporate Sector financing, Retail Banking, SME Financing, Treasury Operations, Syndication & Structured Financing, Agri Investment and financing in Export/Import business. We have already introduced SJIBL School Banking, Shahjalal Mudaraba Money Spinning Account, SMS/Push Pull Service, Visa Debit Card, Money Transfer, Off-Shore Banking facilities to serve the customers with highest satisfaction. We have also taken initiative to introduce Mobile Banking services and to digitalise all our operational activities to ensure faster services with accuracy establishing integrity at all levels within the institution. Further, Green Banking initiatives is also included in our action plan. We are committed to upgrade, co-ordinate and integrate the above-mentioned products, services and initiatives to register excellent growth of business in 2014 aiming to add more value for our shareholders, customers, employees and the community as well.

### **Our Appreciation**

Honourable Shareholders are the source of inspiration and success of this institution. I would like to express my heartfelt gratitude to all our honourable shareholders for their continued support. I also express thanks and gratitude to the valued customers of Shahjalal Islami Bank Limited for the confidence reposed on us and their patronization. Special thanks to the Statutory Auditors for their very professional cooperation. We are indebted and grateful to the Ministry of Finance, Bangladesh Bank, Bangladesh Securities & Exchange Commission, Dhaka and Chittagong Stock Exchanges Limited, Registrar of Joint Stock Companies & Firms, National Board of Revenue for their continuous support and guidance. We also look forward to obtain their continuous support and co-operation and we also renew our promise to remain disciplined and compliant.

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

Allah Hafez  
With warmest regards,



**A. K. Azad**  
Chairman



## Report of the Managing Director

Bismillahir Rahmanir Rahim

By the grace of Almighty Allah, Shahjalal Islami Bank Limited has completed another year of its operation. I would like to express my heartfelt thanks & gratitude to our respectable shareholders, valued clients, distinguished patrons and well-wishers whose co-operation and continuous support has helped us to move forward.

It gives me great pleasure to brief my observation on the performance of the year under review i.e. 2013. Year 2013 was distinct with prolonged political deadlock and stagnation in normal functionality of almost all drivers of economy. The country had to experience slow growth in export and decline in import and foreign remittance, erosion of confidence of investors and rise in cost of doing business. All of these impacted our economy negatively. Financial sector of the country experienced many external challenges namely: lower growth in investment (credit) to private sector, adverse impact on the manufacturers from external environment, challenges in apparel sector as a consequence of collapse of Rana Plaza and destructive fire at Tazreen Fashion and suspension of GSP facility by U.S.A. As a result, banking industry had been burdened with surplus liquidity in absence of investment friendly environment. All these factors impacted the industry from the viewpoint of profitability and stability. These factors necessarily reflected in our business activities. We tried to overcome all the challenges.

Despite major challenges, the Bank could manage to expand its network by opening 8 new branches in 2013 aiming to reach to different economic groups manifesting its products & services with proper disclosures.

Despite all the challenges, the Bank has maintained a strong position in all key areas of operations. Deposits of the Bank stood at Tk. 96,481 million and total assets stood at Tk.121,963 million as on 31 December 2013. Total investment portfolio was Tk. 85,707 million. The classified Investment has increased to 6.47% at the end of 2013 due to prolonged political unrest towards the end of 2013. However the NPI position is below in the industry average. Bank earned operating profit of Tk.2,694 million in the year 2013. Total Foreign Trade Business volume was Tk.169,319 million in the year 2013. Capital Adequacy of the Bank remains satisfactory at 12.56% which is 2.56% above the required rate of 10.00% as per revised Risk Based Capital Adequacy (RBCA) guidelines. During the

year, Bank continued to focus on improving risk management which we consider to be one of the essentials for sustainable position in today's banking business. The risk management function has been strengthened in line with the risk management guidelines prescribed by the Central Bank.

Credit Rating Agency of Bangladesh Limited (CRAB) rated the Bank AA<sub>3</sub> for the long term & ST-2 for short term based on the financials as on December 31, 2013.

Competent and quality work force is a pre-condition for continuous growth and success of the Bank and we took the endeavors to improve the skill, knowledge and productivity of the employees. The employees of the Bank attended training programs/ seminars, workshops both at home and abroad. The training centre of the Bank arranged various courses, workshops and seminars on every aspects of Banking throughout the year on regular intervals. To keep the employees motivated and retained, incentives, performance rewards, promotion and accelerated promotion etc. are given on a regular basis.

Information and Communication Technology has become the inevitable part of today's modern business and its operation. The ultimate aim of the Bank is to enable our respected and valued clients to shop under the same roof. In the year 2013, the Bank successfully up graded its IT platform and installed the core banking software **BankUltimus** and currently all Branches of Shahjalal Islami Bank Limited are running under core banking solutions enabling them to provide real-time on line banking services to its clients.

Maintaining adequate liquidity is our top most priority. The bank was able to maintain a sufficient liquidity profile. We have undertaken strategic initiatives of building a core deposit base through attracting retail depositors to adequately fund its business expansion.

The Bank has undertaken the long-term strategy to expand the scale and scope of fee based revenue for sustainable profit growth. Another key strategy to maintain profitability growth in an environment of intense competition and continued narrowing of net profit margin is to improve operational efficiency by enhancing productivity. Among the initiatives taken in this direction is to enhance the use of alternative delivery channels through increasing the number of self-service machines and motivating customers towards e-banking, SMS banking etc.

Corporate Governance policies and practices of the Bank are focused on ensuring fairness, transparency and accountability in the organization as a whole. The functionaries of the Bank is structured and organized aligned with accepted Corporate Governance practices in line with guidelines of Bangladesh Bank and the Securities & Exchange Commission in this regard. The Bank has also a Shariah Council consisting of prominent Fuquah, Economists and Bankers to advise and guide the Bank operating strictly on Shariah principles. Under the guidance of the Board of Directors, Executive Committee, Audit Committee and Shariah Council, the Management Team has been able to ensure best corporate Governance practices and risk management process in the bank.

Shahjalal Islami Bank Limited is quite conscious of its social responsibility. Shahjalal Islami Bank Limited Foundation is serving the Humanity through different welfare activities giving emphasis on Health, Habitat & Education. The Bank evaluates the environmental effects of projects in investment process and no projects are approved which are detrimental to the environment. More and more welfare activities and Institutional Development Programs will be drawn in future, Insha-Allah to the cause of serving the communities and the country as a whole.

#### **Business outlook for 2014**

Shahjalal Islami Bank Limited is quite capable to overcome the challenges in the year 2014 by adopting technology platform, product re-engineering, consistent development of business scale based on asset quality, innovation, integration of rural clientele, re- enforced capacity building etc.

Shahjalal Islami Bank Limited has projected its business development plan for the year 2014 fixing-up targets of all counts of business variables. The Bank has adopted appropriate strategies for its different business and set clear

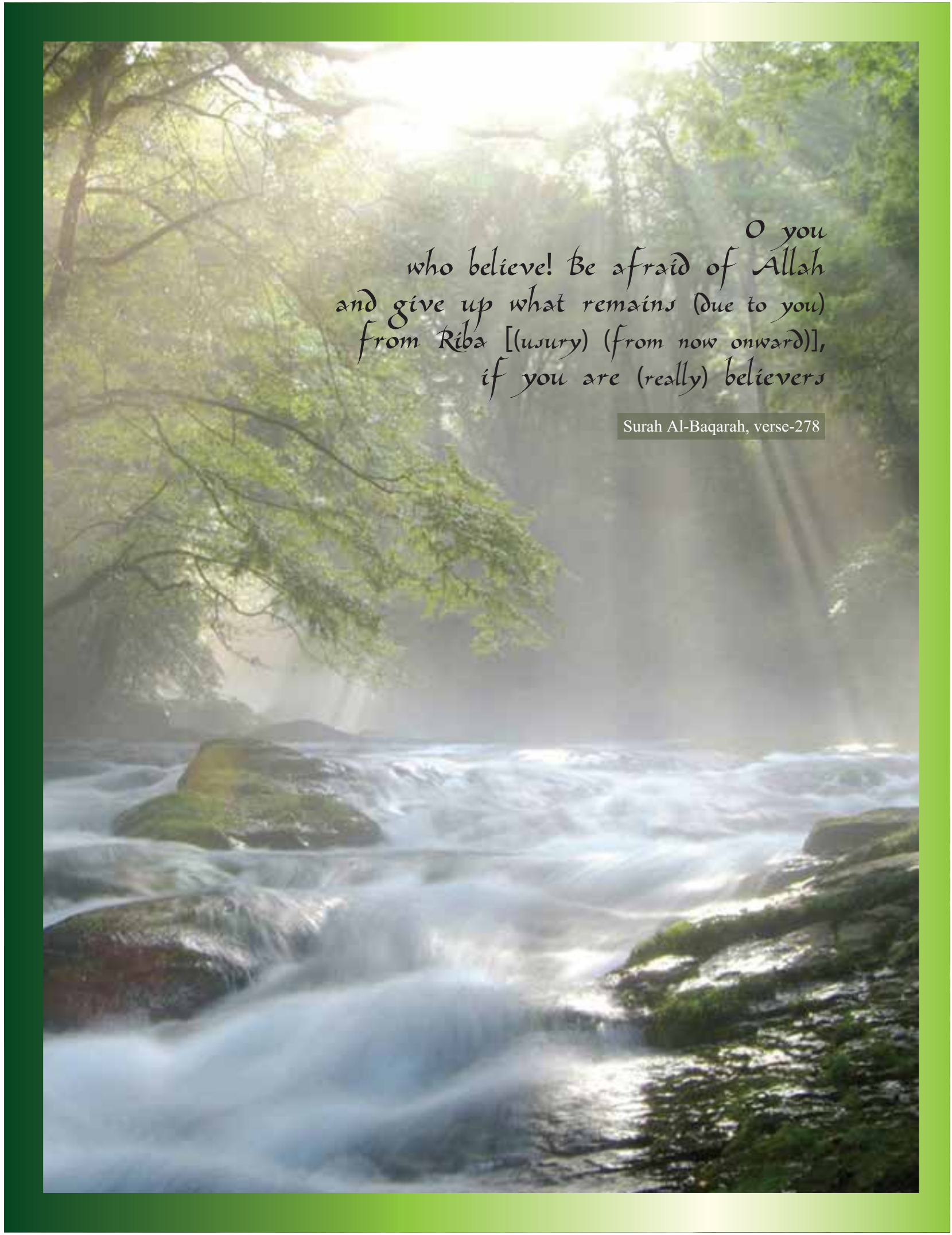
and concise targets considering the external business environment and realities. We will continue to work hard to attain the business targets as well as achieve our corporate objectives. We believe that we have the capacity and ability to take the risk and challenges for gaining the opportunity in the year 2014 having a commendable performance.

On behalf of the management team I most humbly submit to the greatness of Almighty Allah soliciting His mercy to pave the journey towards glorious success of the Bank in the days to come. Besides, I seek sincere cooperation, continuous support and confidence of the Board of Directors, Shareholders, valued clients, well-wisher, patrons as well as the regulatory bodies i.e. Bangladesh Bank, Bangladesh Securities and Exchange Commission, Stock Exchanges, National Board of Revenue for the steady growth of the bank.

Aameen.



**Farman R. Chowdhury**  
Managing Director



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

Surah Al-Baqarah, verse-278

*Islamic banking  
is a form of banking that is  
harmonious with  
the goodness of humanity*

## Reports



**Report of the Board of Directors**  
**Corporate Social Responsibility Report**  
**Report on Risk Management**  
**Report of the Audit Committee**  
**Report of the Shariah Supervisory Committee**

# Report of the Board of Directors

## পরিচালনা পর্ষদের প্রতিবেদন

In the name of Allah

The Most Gracious, the Most Merciful

Dear Shareholders

**Assalamu Alaikum Wa-Rahmatullah.**

It is a great pleasure to present before you the Directors' Report and audited Financial Statements together with Auditors' Report for the year ended 31 December 2013. We have also provided a brief description of the performance and affairs of the Bank for the same year as well as various aspects of the world market trend with highlights of the performance of Bangladesh economy.

### World Economy:

The global economy has been grappling with the impact of the financial crisis and global recession since 2008. Despite improved global financial conditions and reduced short-term risks, the world economy continues to expand at a subdued pace. The global economic activity is expected to slowly gain momentum in the second half of 2013. Most world regions are likely to see a moderate strengthening, but growth will still remain below potential. Emerging and developing economies appear to be growing at a fairly robust pace. Countries such as the United States and Japan appear to be on the path to growth. However, countries in the Euro Area are still not fully on the road to recovery. In the baseline outlook, global growth has been revised slightly downward from the forecasts presented in the World Economic Situation and Prospects 2013. Several key risks and uncertainties remain, and, if not mitigated, could derail global growth again, as in the past few years.

In this regard, the rate of growth of World output is anticipated to marginally increase from 3.2 percent in 2012 to 3.3 percent in 2013. Growth in the United States continues to be slow but positive at 1.9 percent in 2013 down from 2.2 percent in 2012. In the United Kingdom growth is expected to marginally increase from 0.2 percent in 2012 to 0.7 percent in 2013. Growth in Emerging and Developing Asia is projected to be robust at 7.1 percent in 2013 up from 6.6 percent in 2012. This can be attributed to recovering external demand and continued growth in domestic demand. The Chinese and Indian economies are to grow at an accelerated rate of 8.0 percent and 5.7 percent respectively in 2013.

In response to policy actions of the European Union, financial pressures in the Euro Area have weakened. However, growth in the Euro Area continues to be weak with real GDP for 2013 expected improve marginally from the -0.6 percent contraction recorded in 2012. Growth in 2013 is anticipated to be positive in Germany and Ireland, however, Spain, Portugal and Greece are expected to experience negative growth rates.

মহান আল্লাহ তা'আলার নামে

যিনি পরম করুণাময় ও অসীম দয়ালু।

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আসসালামু আলাইকুম ওয়া রাহ্মাতুল্লাহ্।

আমাদের জন্য এটি অত্যন্ত আনন্দের বিষয় যে ২০১৩ সালের ৩১ শে ডিসেম্বর তারিখে সমাপ্ত বছরের নিরীক্ষিত আর্থিক হিসাব বিবরণী, নিরীক্ষা প্রতিবেদন ও পরিচালনা পর্ষদের প্রতিবেদন আপনাদের সামনে উপস্থাপন করছি। পাশাপাশি ব্যাংকের উক্ত বছরের উল্লেখযোগ্য কার্যক্রম ও বিভিন্ন কর্মতৎপরতা সহ বাংলাদেশ ও বিশ্ব অর্থনীতির বিভিন্ন উল্লেখযোগ্য দিকগুলোও সংক্ষিপ্তভাবে এই প্রতিবেদনের মাধ্যমে আপনাদের নিকট উপস্থাপন করছি।

### বিশ্ব অর্থনীতি

বিশ্ব অর্থনীতি ২০০৮ সাল থেকেই আর্থিক সংকট ও বিশ্ব মন্দার প্রভাবে আবদ্ধ রয়েছে। বিশ্ব আর্থিক পরিস্থিতির উন্নতি এবং স্বল্পমেয়াদী ঝুঁকি হ্রাস সত্ত্বেও বিশ্ব অর্থনীতি ধীর গতিতে প্রসারিত হচ্ছে। ধারণা করা হচ্ছে ২০১৩ সালের দ্বিতীয়ার্ধে বৈশ্বিক অর্থনৈতিক কার্যকলাপ আরও ধীর গতিতে অগ্রসর হবে। বিশ্বের অধিকাংশ অঞ্চলে মোটামুটি সুদৃঢ় অবস্থা দৃশ্যমান হলেও প্রবৃদ্ধি হবে সম্ভাবনার চেয়ে কম। উদীয়মান ও উন্নয়নশীল অর্থনীতি মোটামুটি ক্রমবর্ধমান প্রবৃদ্ধি অর্জনে সমর্থ হবে। দেশগুলো তথা মার্কিন যুক্তরাষ্ট্র এবং জাপান প্রবৃদ্ধির পথে আছে বলে মনে হচ্ছে। তবে, ইউরো এলাকার দেশগুলো পুরোপুরিভাবে এখনো পুনরুদ্ধারের রাস্তায় আসতে পারে নি। বিশ্ব অর্থনৈতিক অবস্থান ও সম্ভাবনা ২০১৩ এর ভূমিকায় বলা হয়েছে বিশ্ব প্রবৃদ্ধি পূর্বাভাস হতে কিছুটা নিম্নগামী হবে। বেশ কিছু ঝুঁকি ও অনিশ্চয়তা দূরীভূত করা না হলে গত কয়েক বছরের মত বৈশ্বিক প্রবৃদ্ধি পরাভূত হতে পারে।

এই ক্ষেত্রে আশা করা যাচ্ছে যে, বিশ্ব প্রবৃদ্ধি ২০১২ সালের ৩.২ শতাংশ হতে সামান্য বেড়ে ২০১৩ সালে ৩.৩ শতাংশ হতে পারে। ২০১৩ সালে মার্কিন যুক্তরাষ্ট্রের প্রবৃদ্ধির ধারা মছুর হলেও ঋণাত্মক ১.৯ শতাংশ হবে যা ২০১২ সালের ২.২ শতাংশ হতে কম। যুক্তরাজ্যের প্রবৃদ্ধি ২০১২ সালের ০.২ শতাংশ হতে সামান্য বেড়ে ২০১৩ সালে ০.৭ শতাংশ হতে পারে। উদীয়মান ও উন্নয়নশীল এশিয়ার প্রবৃদ্ধি ২০১২ সালের ৬.৬ শতাংশ হতে বেড়ে ২০১৩ সালে ৭.১ শতাংশে উন্নীত হতে পারে। এটি সম্ভব হতে পারে বাহ্যিক চাহিদার পুনরুদ্ধার ও অব্যাহত দেশীয় চাহিদার প্রবৃদ্ধির কারণে। ২০১৩ সালে চীনা ও ভারতীয় অর্থনীতির প্রবৃদ্ধি ত্বরিত হারে যথাক্রমে ৮.০ শতাংশ ও ৫.৭ শতাংশ হারে বাড়তে পারে।

ইউরোপীয় ইউনিয়নের নীতির ফলে ইউরো এলাকায় আর্থিক চাপ দুর্বল হচ্ছে। তবে, প্রকৃত জিডিপিতে ইউরো এলাকার প্রবৃদ্ধির দুর্বল ধারাবাহিকতা অব্যাহত থাকবে যদিও তা ২০১২ সালের ঋণাত্মক ০.৬ শতাংশ হতে কিছুটা বাড়বে বলে আশা করা হচ্ছে। ২০১৩ সালে জার্মানী এবং আয়ারল্যান্ডে ইতিবাচক প্রবৃদ্ধি আশা করা যায়; তবে স্পেন, পর্তুগাল ও গ্রীসে নেতিবাচক প্রবৃদ্ধি প্রত্যাশা করা যাচ্ছে।

Global inflation is expected to fall marginally from 3.9 percent in 2012 to 3.8 percent in 2013, which is reflected in the Advanced Economies, the Euro Zone and Advanced Asia. While inflation is expected to remain relatively high in the Middle East and North Africa (MENA), it fell from 10.7 percent to 9.6 percent in 2013. Inflation in Emerging and Developing Asia, Latin America and the CIS is expected to marginally increase.

Despite global growth projected to recover from slightly below 3.0 percent in 2013 to 3.6 percent in 2014, the overall balance of risks to near and medium global growth outlook is still dominated by downside risks. Although near term tail risks in advanced economies have diminished, key advanced economies should maintain a supportive macroeconomic policy mix, anchored by credible plans for medium term public debt sustainability. The main downside risks are related to the possibility of a longer growth slowdown in emerging market economies, specially given risks of lower potential growth, slowing credit and weak external conditions.

## Economy of Asia

GDP growth is projected in Emerging and Developing Asia increased to 7.1 percent in 2013 from 6.6 percent in 2012. This can be attributed to recovering external demand and continued growth in domestic demand. China is expected to experience accelerated growth in real GDP from 7.8 percent in 2012 to 8.0 percent in 2013 on account of strong domestic demand in both consumption and investment as well as renewed external demand. The Indian economy is also expected to expand by 5.7 percent in 2013, up from 4.0 percent in 2012. This expansion can be attributed to increased external demand as well as recently implemented reform measures. One of the main reforms implemented allowed for greater foreign direct investment in areas such as supermarkets and other retail sectors in the Indian economy.

Inflation in Emerging and Developing Asia is expected to rise from 4.5 percent in 2012 to 5.0 percent in 2013, reflecting anticipated economic growth and a stable outlook for global food and commodity prices. It is estimated that inflation in China will increase to 3.0 percent in 2013 from 2.6 percent in 2012. Inflation in India is forecasted to remain relatively high, increasing from 9.3 percent in 2012 to 10.8 percent in 2013. It is anticipated that China will continue to run a fiscal deficit in 2013 of 2.1 percent of GDP, while India will also continue to run a fiscal deficit of 8.3 percent of GDP in 2013.

## Bangladesh Economy

Macroeconomic situation in Bangladesh has been quite stable for a considerable period of time in recent years and proved resilient to global financial crisis posting GDP growth rate averaging 6.2 percent during the past five years. Using the 1995-96 base year the Bangladesh economy achieved GDP growth of 6.0 percent in FY13, and 6.2 percent using the 2005-06 base. Substantial remittance inflows and export activities helped to achieve this solid economic growth rate.

বিশ্ব মুদ্রাস্ফীতি ২০১২ সালের ৩.৯ শতাংশ হতে সামান্য কমে ২০১৩ সালে ৩.৮ শতাংশ হতে পারে যা উন্নত অর্থনীতি, ইউরো অঞ্চল ও উন্নত এশিয়ায় পরিলক্ষিত হবে। অন্যদিকে মধ্যপ্রাচ্য এবং উত্তর আফ্রিকায় মুদ্রাস্ফীতি অপেক্ষাকৃত অধিক থাকবে যা ২০১৩ সালে ১০.৭ শতাংশ হতে কমে ৯.৬ শতাংশ হতে পারে। উদীয়মান ও উন্নয়নশীল এশিয়া, ল্যাটিন আমেরিকা এবং সিআইএসভুক্ত দেশসমূহে মুদ্রাস্ফীতি কিছুটা বাড়তে পারে।

বৈশ্বিক প্রবৃদ্ধি ২০১৩ সালে ৩.০ শতাংশের কিছুটা কম যা ২০১৪ সালে ৩.৬ শতাংশে পুনরুদ্ধারের আশা করা সত্ত্বেও সার্বিক বিশ্ব প্রবৃদ্ধি আসন্ন ঝুঁকি এবং মধ্য মেয়াদে এখনও নিম্নমুখী ঝুঁকির সম্মুখীন। যদিও উন্নত অর্থনীতিতে বর্ধিত ঝুঁকি কমবে তথাপি একটি সহায়ক অর্থনৈতিক পরিকল্পনা থাকা উচিত যাতে মাঝারী মেয়াদে পাবলিক ঋণের ধারণক্ষমতা বিশ্বাসযোগ্য করা যায়। উদীয়মান বাজার অর্থনীতির প্রলম্বিত নিম্নমুখী বৃদ্ধির প্রধানতম ঝুঁকি হচ্ছে প্রত্যাশিত প্রবৃদ্ধি না হওয়া, ঋণের ধীর গতি ও দুর্বল পারিপার্শ্বিক অবস্থা।

## এশিয়ার অর্থনীতি

উদীয়মান ও উন্নয়নশীল এশিয়ায় জিডিপি প্রবৃদ্ধি ২০১২ সালের ৬.৬ শতাংশ হতে বেড়ে ২০১৩ সালে ৭.১ শতাংশে উন্নীত হবে বলে আশা করা হচ্ছে। এটা সম্ভব হবে অব্যাহত বাহ্যিক চাহিদা এবং দেশীয় চাহিদার কারণে। চীন শক্তিশালী দেশীয় চাহিদা ও বিনিয়োগের পাশাপাশি বাহ্যিক চাহিদা মেটাতে সক্ষম হওয়ার কারণে ২০১২ সালের ৭.৮ শতাংশ জিডিপি হতে ২০১৩ সালে ৮.০ শতাংশ জিডিপি প্রবৃদ্ধি করতে পারবে বলে আশা করা হচ্ছে। ভারতীয় প্রবৃদ্ধি ২০১২ সালের ৪.০ শতাংশ হতে ২০১৩ সালে ৫.৭ শতাংশ হবে বলে আশা করা হচ্ছে। এটা সম্ভব হবে বাহ্যিক চাহিদা এবং সাম্প্রতিক সংস্কার ব্যবস্থা বাস্তবায়নের ফলে। প্রধান সংস্কারগুলোর মধ্যে অন্যতম সংস্কার বাস্তবায়ন হচ্ছে ভারতীয় অর্থনীতিতে সুপার মার্কেট ও খুচরা সেক্টরে সরাসরি বিদেশী বিনিয়োগের অনুমতি প্রদান করা।

অর্থনৈতিক প্রবৃদ্ধি এবং বিশ্বব্যাপী খাদ্য ও পণ্যমূল্যের স্থিতিশীলতা বিবেচনায় রেখে উদীয়মান ও উন্নয়নশীল এশিয়ায় মুদ্রাস্ফীতি ২০১২ সালের ৪.৫ শতাংশ থেকে ২০১৩ সালে ৫.০ শতাংশ হবে বলে আশা করা হচ্ছে। এটা প্রত্যাশা করা হচ্ছে চীনে ২০১৩ সালে মুদ্রাস্ফীতি ২০১২ সালের ২.৬ শতাংশ হতে বেড়ে ৩.০ শতাংশে দাঁড়াবে। অন্যদিকে ভারতে মুদ্রাস্ফীতি তুলনামূলকভাবে বেশি থাকবে বলে মনে করা হচ্ছে যা ২০১২ সালের ৯.৩ শতাংশ হতে বেড়ে ২০১৩ সালে ১০.৮ শতাংশ হবে। আশংকা করা হচ্ছে চীনে ২০১৩ সালে জিডিপির ২.১ শতাংশ রাজস্ব ঘাটতি থাকবে; অন্যদিকে ভারতে ২০১৩ সালে জিডিপির ৮.৩ শতাংশ রাজস্ব ঘাটতি থাকতে পারে।

## বাংলাদেশ অর্থনীতি

বিশ্ব অর্থনৈতিক সংকট সত্ত্বেও বিগত পাঁচ বছরে বাংলাদেশের অর্থনীতি মোটামুটি স্থিতিশীলতা বজায় রেখে প্রবৃদ্ধির ধারা অব্যাহত রেখেছে এবং জিডিপির প্রবৃদ্ধি হয়েছে গড়ে ৬.২%। ১৯৯৫-৯৬ বছরকে ভিত্তি ধরে বাংলাদেশের অর্থনীতি ২০১৩ অর্থবছরে জিডিপি অর্জন করেছে ৬.০% আর ২০০৫-২০০৬ অর্থ বছরকে ভিত্তি ধরলে তা হবে ৬.২%। প্রচুর পরিমাণ রেমিটেন্স এবং রপ্তানীমুখী কর্মকাণ্ড এই আশাব্যঞ্জক অর্থনৈতিক অর্জনে প্রভূত সহায়তা করেছে।

Inflation decreased sharply to 6.8 percent (using the new 2005-06 base) at the end of FY13 driven by a gradual decline both in food and non-food inflation. Broad money (M2) registered 16.7 percent growth in FY13 due mainly to growth in net foreign assets; however, broad money growth was lower than the targeted growth of 17.7 percent and 17.4 percent actual growth in FY12. Total domestic credit declined from 19.2 percent in FY12 to 10.9 percent in FY13. The growth rate of credit to private sector declined from 19.7 percent in FY12 to 10.8 percent in FY13. This decline, however, was compensated partly by newly introduced overseas financing by Bangladeshi corporates.

Other than European Union and US, export diversification to the newly discovered markets improved earnings from exports to record a satisfactory growth of 10.7 percent in FY13 as against 6.2 percent in FY12. The growth of imports decreased from 2.4 percent in FY12 to 0.8 percent in FY13 due mainly to major reduction in imports of food grain, some consumer goods and capital machinery. A lower trade deficit and higher growth of workers' remittances led the current account balance to a significant surplus of USD 2525 million in FY13. The overall balance also showed a huge surplus of USD 5128 million in FY13 with substantial contributions from current account balance, capital account and financial account.

## Agriculture

The performance of the agriculture sector which is about 19 percent of GDP is critical for the livelihoods of many poor households as well as for national food security. As such government policies have continued to provide support to boost the growth of the agriculture sector. However the growth of agriculture fell from 3.1 percent in FY12 to 2.2 percent in FY13. This may be due mainly to the base effect of two consecutive years of record growth and lower output due to the falling price of paddy. Specifically, the key factor behind this growth deceleration in agriculture is the decline in crop and horticulture growth from 2.0 percent in FY12 to 0.2 percent in FY13.

## Industry

Industry sector grew slightly more at 9.0 percent in FY13 compared to 8.9 percent in FY12 driven in large part by faster growth in mining and quarrying, construction and small scale industries. Mining and quarrying sub-sectors grew strongly by 11.1 percent in FY13 compared with 7.8 percent in FY12. Power, gas and water supply subsector demonstrated a lower growth of 8.6 percent in FY13 compared with 12.0 percent in FY12; however, the growth in FY13 remained above the long run trend.

## Services

Services sector growth decreased to 5.7 percent in FY13 from 6.0 percent in FY12 affected mainly by lower growth of wholesale and retail trade sub-sector. Wholesale and retail trade sub-sector, the major services sub-sector, declined to 4.7 percent in FY13 from 5.6 percent in FY12 reflecting weaker domestic demand. Growth rates of hotel and restaurants, transport, storage and communication, real estate, renting and other business activities, community, social and personal services subsectors increased slightly in FY13. On the

ক্রমহ্রাসমানহারে খাদ্য ও খাদ্য বহির্ভূত খাতে মুদ্রাস্ফীতি কমে যাওয়ায় সার্বিক মুদ্রাস্ফীতি ২০১৩ সাল শেষে ব্যাপক কমে দাঁড়িয়েছে ৫.৮%। মূলত নীট বৈদেশিক সম্পদ বৃদ্ধির কারণে ব্রড মানি (M2) বৃদ্ধি পেয়েছে ১৬.৭%; যদিও তার লক্ষ্যমাত্রা ১৭.৭% এবং ২০১২ সালে অর্জন ১৭.৪% হতে কম। দেশীয় ঋণ ২০১২ সালের ১৯.২% থেকে কমে ২০১৩ তে হয়েছে ১০.৯%। বেসরকারী সেক্টরে ঋণ ২০১২ তে ছিল ১৯.৭% যা ২০১৩ তে হ্রাস পেয়ে হয়েছে ১০.৮%। নতুনভাবে চালুকৃত ওভারসীজ অর্থায়নের মাধ্যমে এই হ্রাস কিছুটা কমানো হয়েছে।

অন্যদিকে ইউরোপ এবং আমেরিকা ছাড়াও রপ্তানীমুখীকরণের মাধ্যমে নতুন নতুন বাজার সৃষ্টির দ্বারা রপ্তানী আয় একটি সন্তোষজনক পর্যায়ে পৌঁছেছে যা ২০১৩ তে ২০১২ সালের ৬.২% এর বিপরীতে ছিল ১০.৭%। মূলত খাদ্যশস্য, কিছু ভোগ্যপণ্য ও মূলধনী যন্ত্রপাতি কম আমদানী হওয়ায় আমদানী প্রবৃদ্ধি ২০১২ সালের ২.৪% এর তুলনায় ২০১৩ সালে কমে হয়েছে ০.৮%। নিম্ন বণিজ্য ঘাটতি ও প্রবাসী কর্মীদের রেমিটেন্সের উচ্চ প্রবৃদ্ধি চলতি হিসাবের ব্যালেন্সে উদ্ধৃত রাখতে বড় ভূমিকা রেখেছে যার পরিমাণ ২,৫২৫ মিলিয়ন ডলার। চলতি হিসাবে উদ্বৃত্ত, মূলধন হিসাব এবং আর্থিক হিসাব এর উল্লেখযোগ্য অবদানের কারণে ২০১৩ সালে ৫,১২৮ মিলিয়ন ডলারের একটি ব্যাপক উদ্বৃত্তের সৃষ্টি হয়েছে।

## কৃষি

জিডিপিতে কৃষিখাতের অবদান জিডিপির ১৯%, যা অনেক দরিদ্র পরিবারের জীবিকা এবং জাতীয় খাদ্য নিরাপত্তার জন্য অত্যন্ত গুরুত্বপূর্ণ। কৃষিখাতের প্রবৃদ্ধির জন্য সরকারী নীতি অব্যাহত রয়েছে। এ খাতের প্রবৃদ্ধি ২০১২ সালের ৩.১% থেকে কমে ২০১৩ তে ২.২% হয়েছে। উৎপাদন কমানোর একটা বড় কারণ বিগত দুই বছরে রেকর্ড পরিমাণ ধান উৎপাদন কিন্তু সে অনুযায়ী কৃষকের নায্যমূল্য না পাওয়া। সুনির্দিষ্টভাবে বলতে গেলে কৃষি উৎপাদনের গতি হ্রাসের প্রধান কারণ হচ্ছে খাদ্যশস্য উৎপাদন ২০১২ সালের ২% হতে কমে ২০১৩ সালে মাত্র ০.২% হয়েছে।

## শিল্প

শিল্প খাতের প্রবৃদ্ধি ২০১২ সালের ৮.৯% হতে সামান্য বেড়ে ৯% হয়েছে যাতে মূল ভূমিকা রয়েছে খনি ও খনিজ সম্পদ, নির্মাণখাত এবং ক্ষুদ্রশিল্পের দ্রুত প্রবৃদ্ধি। খনি এবং খনিজ জাতীয় খাতের বৃদ্ধি সুদৃঢ় হওয়ায় ২০১৩ সালে প্রবৃদ্ধি হয়েছে ১১.১% যা ২০১২ সালে ছিল ৭.৮%। ২০১৩ সালে বিদ্যুৎ, গ্যাস ও পানি সরবরাহ উপখাতের প্রবৃদ্ধি ছিল ২০১২ সালের প্রবৃদ্ধি ১২% হতে কম অর্থাৎ ৮.৬%।

## সেবা খাত

পাইকারী ও খুচরা পর্যায়ে ব্যবসা কমে যাওয়ায় সেবা খাতের প্রবৃদ্ধি কমে ২০১৩ তে হয়েছে ৫.৭% যা ২০১২ সালে ৬.০% ছিল। সেবা খাতের অন্যতম উপখাত পাইকারী ও খুচরা ব্যবসার প্রবৃদ্ধি ২০১২ এর ৫.৬% হতে কমে ২০১৩ তে দেশীয় চাহিদা হ্রাসের ফলে হয়েছে ৪.৭%। তবে ২০১৩ সালে হোটেল ও রেস্টুরেন্ট ব্যবসা, পরিবহন ব্যবসা, গুদামজাতকরণ, যোগাযোগ, আবাসন, ভাড়া এবং অন্যান্য ব্যবসায়িক কর্মকাণ্ড, কমিউনিটি, সামাজিক ও ব্যক্তিগত সেবার উপখাতে কিছুটা প্রবৃদ্ধি হয়েছে।

other hand, growth rates of financial intermediation, public administration defense, health and socialworks sub-sectors edged down during the period. Education subsector grew strongly from 7.2 percent in FY12 to 9.7 percent in FY13.

## Saving and Investment Situation

Investment gathered increased pace as it reached to 26.8 percent of GDP (19 percent for private investment and 7.9 percent for public investment) in FY13, up from 26.5 percent in the previous fiscal year. The reasons for such acceleration are the government initiative to improve infrastructure including electricity, improvement of business environment, rebound of the slow growth of private sector credit and reduction of expenditure in business. With a strong growth of inflow in inward remittances, gross national savings in FY13 raise to 29.50 percent of GDP from 29.20 percent in FY12.

## Fiscal situation

The fiscal stance was expansionary during the year, with the spending-to-GDP ratio rising to 18.37%, from 17.7% in FY13. Revenue collection was buoyant at 13.5% of GDP, up from 12.6% in FY13. Robust economic activity and better tax administration helped. Higher revenue and a shortfall in planned spending by the annual development program combined to limit the fiscal deficit to 4.8% of GDP, below the budget target of 5.0%.

## Inflation

The average inflation rate, using the FY06 new base, moderated to 6.8 percent at the end of FY13 from 8.7 percent at the end of FY12. Over this period, food and non-food inflation both decreased from 7.7 to 5.2 percent and from 10.2 to 9.2 percent respectively. The decrease in average inflation during FY13 was driven mainly by a gradual fall of food inflation until January 2013 when food inflation bottomed out at 3.2 percent. A steady decline in non-food inflation during the second half of FY13 also contributed to fall in average inflation. Though average inflation went down, point-to-point inflation increased to 8.1 percent in FY13 from 5.6 percent in FY12

## Foreign trade situation

### Export

The overall export in FY13 registered an increase of 11.22 percentages to US\$ 27,027 million, over the corresponding period of FY12 despite the economic crisis in EU & USA and political unrest in the country. Considering the domestic political turbulence, financial meltdown in major export destinations and series of tragic incidents that hit the country's RMG sector, export growth is satisfactory. Of the major products, Bangladesh exported knitwear worth US\$ 10,476 million and woven products worth US\$ 11,040 million in FY13, a 10.43 percent and 14.96 percent year on year rise, respectively. Diversification of products and markets, especially in Japan, China, Russia, Latin America and Africa, played the major role behind the growth of export during the fiscal.

অন্য দিকে একই সময়ে, আর্থিক প্রতিষ্ঠান, জনপ্রশাসন, নিরাপত্তা, স্বাস্থ্য ও সমাজ কল্যাণ উপখাতে নিম্ন প্রবৃদ্ধি দেখা গেছে। তবে শিক্ষাখাতে ২০১২ সালের ৭.২% এর তুলনায় ২০১৩ সালে উচ্চ প্রবৃদ্ধি হয়েছে ৯.৭%।

## সঞ্চয় ও বিনিয়োগের অবস্থা

২০১৩ অর্থবছরে বিনিয়োগ প্রবৃদ্ধি অব্যাহত রয়েছে, যা জিডিপি'র ২৬.৮০% (বেসরকারি বিনিয়োগের ১৯% এবং সরকারি বিনিয়োগের ৭.৯%) যেটি পূর্ববর্তী অর্থবছরের ২৬.৫% চেয়ে বেশী। এ প্রবৃদ্ধির কারণ বিদ্যুতের মত অবকাঠামো খাতে সরকারের উদ্যোগ, ব্যবসার পরিবেশের উন্নতি, ব্যক্তি পর্যায়ে ঋণ প্রবাহের ধীরগতির অবসান এবং ব্যবসায় ব্যয় হ্রাস। রেমিটেন্স-এর আন্তঃপ্রবাহের উচ্চ প্রবৃদ্ধির ফলে ২০১৩ অর্থ বছরে মোট জাতীয় সঞ্চয় ২০১২ অর্থ বছরের জিডিপি'র ২৯.২০% থেকে জিডিপি'র ২৯.৫০% এ বৃদ্ধি পেয়েছে।

## আর্থিক অবস্থা

পুরো অর্থবছর জুড়েই অর্থনৈতিক গতিপ্রবাহ ছিল অত্যন্ত সচল, ফলে ২০১৩ অর্থবছরে ব্যয় ও জিডিপি'র অনুপাত ১৭.৭০% থেকে বৃদ্ধি পেয়ে ১৮.৩৭% হয়। রাজস্ব সংগ্রহ ছিল উৎসাহব্যঞ্জক যা জিডিপি'র ১৩.৫% ও ২০১২ অর্থবছরের ১২.৬% এর চেয়ে বেশী। ব্যাপক অর্থনৈতিক কর্মকাণ্ড এবং সঠিক কর ব্যবস্থাপনা এ ক্ষেত্রে সহায়তা করেছে। অধিক রাজস্ব আদায় ও বার্ষিক উন্নয়ন কর্মসূচীতে পরিকল্পনার তুলনায় ব্যয় কম হওয়ায় বাজেট ঘাটতি জিডিপি'র ৪.৮% হয়েছে যার লক্ষ্যমাত্রা ছিল ৫.০%।

## মূল্যস্ফীতি

২০০৬ সালকে নতুন ভিত্তি ধরে, ২০১৩ অর্থবছরে বার্ষিক গড় মূল্যস্ফীতি ছিল ৬.৮% যা ২০১২ তে ছিল ৮.৭%। এই সময়ে খাদ্য ও খাদ্য বর্হিভূত মূল্যস্ফীতি কমেছে যথাক্রমে ৭.৭% থেকে ৫.২% এবং ১০.২% থেকে ৯.২%। মূলত ক্রমাগতভাবে খাদ্য মূল্যস্ফীতি কমে থাকায় গড় মূল্যস্ফীতি যথেষ্ট কমে জানুয়ারী ২০১৩ সালে ৩.২% হয়। এ ছাড়াও ২০১৩ অর্থবছরের দ্বিতীয়ার্ধে ধারাবাহিকভাবে খাদ্য বর্হিভূত মূল্যস্ফীতি কমে থাকায় গড় মূল্যস্ফীতি কমে যায়। গড় মূল্যস্ফীতি কমেও পয়েন্ট টু পয়েন্ট ভিত্তিক মূল্যস্ফীতি ২০১২ সালের ৫.৬% এর তুলনায় বৃদ্ধি পেয়ে ২০১৩ তে ৮.১% এ উপনীত হয়।

## বৈদেশিক বাণিজ্য

### রপ্তানী

ইউরোপ এবং মার্কিন যুক্তরাষ্ট্রে অর্থনৈতিক মন্দা এবং দেশের রাজনৈতিক অস্থিরতা সত্ত্বেও সার্বিক রপ্তানী প্রবৃদ্ধি গত অর্থ বছরের একই সময়ের তুলনায় ১১.২২% বৃদ্ধি পেয়ে ২৭,০২৭ মিলিয়ন মার্কিন ডলারে দাঁড়িয়েছে। অভ্যন্তরীণ রাজনৈতিক অস্থিরতা এবং প্রধান রপ্তানী কারক দেশের অস্থিতিশীল অর্থনৈতিক অবস্থা এবং দেশের রেডিমেট গার্মেন্টসে ধারাবাহিক বিপর্যয়কর ঘটনা আঘাত করা সত্ত্বেও দেশের রপ্তানী প্রবৃদ্ধি সন্তোষজনক। উল্লেখযোগ্য পণ্যের মধ্যে বাংলাদেশ ২০১৩ সালে নীটওয়্যার পণ্য রপ্তানী করে ১০,৪৭৬ মিলিয়ন মার্কিন ডলার এবং ওভেন পণ্য রপ্তানী করে ১১,০৪০ মিলিয়ন মার্কিন ডলার যা গত বছরের তুলনায় যথাক্রমে ১০.৪৩ এবং ১৪.৯৬ শতাংশ বেশী। এই অর্থবছরে রপ্তানী প্রবৃদ্ধির পেছনে পণ্য এবং বাজারের বৈচিত্রতার মাধ্যমে বিশেষ করে জাপান, চীন, রাশিয়া, ল্যাটিন আমেরিকা এবং আফ্রিকায় রপ্তানীকরণ গুরুত্বপূর্ণ ভূমিকা রেখেছে।

## Import

Due to lower demand for the most of the importable items, import payment in FY13 fell by 4.32 percent to US\$33,981 million from US\$ 35,516 million in the previous fiscal. The import of essential commodities and capital machinery fell significantly in FY13 as political turmoil gripped the country. In June 2013, import stood 13.98 percent higher at US\$2,927 million, compared to US\$2,568 million in June 2012. The settlement of import Letters of Credit (LCs) witnessed a negative growth of 7.06 percent during the FY13 compared to the previous fiscal.

## Expatriate Remittances

Remittance inflows to Bangladesh crossed US\$ 14 billion for the first time in FY13. Increase in manpower export in 2013, was a major factor behind the rise in remittance. In FY13 remittance inflows to Bangladesh increased by 12.60 percent to US\$ 14,338 million from US\$12,734 million of the previous fiscal. The inward remittance has increased in FY13 due to Bangladesh Bank had organized a number of remittance fairs in different countries in a bid to encourage the expatriates to send more remittance through the banking channel.

## Balance of Payments

The country's trade deficit declined to US\$ 7.01 billion in FY13 from US\$9.32 billion in the previous fiscal year mainly due to lower imports by the private sector. In particular, the import of industrial raw materials, capital machinery and intermediate goods declined significantly in FY13. The trade deficit went down by 24.79 percent in FY13 compared to a 20.41 percent increase in FY12. Besides, the trade deficit was the lowest in the last three years, as the deficit was US\$7.74 billion in FY11.

## Gross Foreign Exchange Reserves

Gross foreign exchange reserves of Bangladesh Bank stood at a record high of US\$ 15.315 billion as of end June, 2013. The reserves were US\$ 14.531 billion at the end of May, 2013. The reserves increased mainly due to the rise in inward remittances and foreign aid as well as lower import pressure.

## Broad Money (M2)

The Broad money recorded a 16.71 percent increase at the end of June 2013 compared to the increase of 17.39 percent at the end of June 2012. The growth in broad money was mainly due to the growth in net foreign assets. The growth in net foreign assets was 50.3 percent in FY13 against the targeted 21.0 percent growth under the programme due to robust growth in remittance and satisfactory export growth along with sluggish import growth.

## Domestic Credit

Domestic credit recorded an increase of 13.49 percent at the end of June 2013 against the increase of 19.56 percent in corresponding time last year. Credit to private sector registered a growth of 11.04 percent during the FY13, which was lower than the much higher growth of 19.72 percent recorded in the same period of FY12. Private sector credit growth slowed

## আমদানী

বেশীরভাগ আমদানীযোগ্য পণ্যের চাহিদা কমাতে আমদানী ব্যয় ২০১৩ অর্থবছরে ৪.৩২ শতাংশ কমে ৩৩,৯৮১ মিলিয়ন মার্কিন ডলারে দাঁড়ায় যা গত অর্থবছরে ছিল ৩৫,৫১৬ মিলিয়ন মার্কিন ডলার। দেশের রাজনৈতিক টানা পোড়নের কারণে ২০১৩ অর্থবছরে অত্যাবশ্যকীয় পণ্য এবং মূলধন যন্ত্রপাতির আমদানী উল্লেখযোগ্যভাবে হ্রাস পেয়েছে। জুন ২০১৩ সালে আমদানী গত বছরের তুলনায় ১৩.৯৮% বেড়ে দাঁড়ায় ২,৯২৭ মিলিয়ন মার্কিন ডলার যা জুন ২০১২ সালে ছিল ২,৫৬৮ মিলিয়ন মার্কিন ডলার। ২০১৩ অর্থবছরে আমদানী এলসির বিপরীতে নিস্পত্তির প্রবৃদ্ধি গত অর্থবছরের তুলনায় ৭.০৬% ঋণাত্মক।

## বৈদেশিক রেমিটেন্স

বাংলাদেশে প্রথমবারের মত ২০১৩ অর্থবছরে রেমিটেন্সের প্রবাহ ১৪ বিলিয়ন মার্কিন ডলার ছাড়িয়েছে। ২০১৩ সালে জনশক্তি রপ্তানী বৃদ্ধি রেমিটেন্সের এই প্রবৃদ্ধির পেছনে ভূমিকা রেখেছে। ২০১৩ অর্থবছরে বাংলাদেশে রেমিটেন্সের আন্তঃপ্রবাহ গত বছরের তুলনায় ১২.৬০ শতাংশ বেড়ে ১৪,৩৩৮ মিলিয়ন মার্কিন ডলারে দাঁড়িয়েছে যা গত অর্থবছরে ছিল ১২,৭৩৪ মিলিয়ন মার্কিন ডলার। বাংলাদেশ ব্যাংক বিভিন্ন দেশে রেমিটেন্স মেলায় আয়োজন এবং প্রবাসীদেরকে ব্যাংকিং চ্যানেলের মাধ্যমে দেশে রেমিটেন্স পাঠাতে উদ্বুদ্ধকরণের মাধ্যমে অভ্যন্তরীণ রেমিটেন্স প্রবৃদ্ধিতে সহায়ক ভূমিকা পালন করেছে।

## লেনদেনের ভারসাম্য

প্রাইভেট খাতে আমদানী কমে যাওয়ার কারণে ২০১৩ অর্থবছরে দেশের বাণিজ্য ঘাটতি কমে দাঁড়িয়েছে ৭.০১ বিলিয়ন মার্কিন ডলার যা গত অর্থ বছরে ছিল ৯.৩২ বিলিয়ন মার্কিন ডলার। নির্দিষ্টভাবে ২০১৩ অর্থবছরে শিল্পের কাঁচামাল, মূলধন যন্ত্রপাতি এবং শিল্প সহায়ক পণ্যের আমদানী উল্লেখযোগ্য ভাবে কমেছে। বাণিজ্য ঘাটতি ২০১৩ অর্থবছরে কমেছে ২৪.৭৯ শতাংশ যা ২০১২ অর্থবছরে বেড়ে ছিল ২০.৪১ শতাংশ। বাণিজ্য ঘাটতির পরিমাণ গত তিন বছরের মধ্যে ছিল সর্বনিম্ন অবস্থানে, যা ২০১১ অর্থবছরে ছিল ৭.৭৪ বিলিয়ন মার্কিন ডলার।

## মোট বৈদেশিক মুদ্রার রিজার্ভ

বাংলাদেশ ব্যাংকের মোট বৈদেশিক মুদ্রার রিজার্ভের পরিমাণ ২০১৩ সালের জুনে ছিল সর্বোচ্চ অর্থাৎ ১৫.৩১ বিলিয়ন মার্কিন ডলার। ২০১৩ সালের মে মাসে রিজার্ভের পরিমাণ ছিল ১৪.৫৩১ বিলিয়ন মার্কিন ডলার। বৈদেশিক মুদ্রার রিজার্ভ বৃদ্ধির মূল কারণ হচ্ছে অভ্যন্তরীণ রেমিটেন্সের প্রবাহ, বৈদেশিক সহায়তা এবং আমদানী হ্রাস পাওয়া।

## ব্রডমানি

ব্রডমানি জুন ২০১২-এর প্রবৃদ্ধি ১৭.৩৯% এর বিপরীতে জুন ২০১৩-এর প্রবৃদ্ধি ছিল ১৬.৭১%। নীট বৈদেশিক সম্পদের পরিমাণ বৃদ্ধিই ব্রড মানি বৃদ্ধির মূল কারণ। ২০১৩ সালে উৎসাহব্যঞ্জক রেমিটেন্স বৃদ্ধি এবং সন্তোষজনক রপ্তানী বৃদ্ধির মাধ্যমে নীট বৈদেশিক সম্পদ বৃদ্ধি পায় ৫০.৩০% যেখানে লক্ষ্যমাত্রা ছিল ২১%।

## অভ্যন্তরীণ ঋণ

জুন ২০১৩ শেষে অভ্যন্তরীণ ঋণের পরিমাণ বৃদ্ধি পায় ১৩.৪৯% যা গত বছর বেড়েছিল ১৯.৫৬%। ২০১৩ অর্থ বছরে প্রাইভেট সেক্টরে ঋণের প্রবৃদ্ধি ছিল ১১.০৪% যা ২০১২ সালের একই সময়ের প্রবৃদ্ধি ১৯.৭২% থেকে কম। বেসরকারী খাতে ঋণের প্রবৃদ্ধি কমে যাওয়ার মূল কারণ হল বিশ্বব্যাপী আমদানী প্রবৃদ্ধির হ্রাসের পাশাপাশি অভ্যন্তরীণ প্রতিকূল

during the year mainly because of the slowdown in import growth emanating from uncomfortable global as well as domestic situation. The growth in domestic credit declined due mainly to the significant decline in private sector credit for general investor faced uncertainty ahead of the national general election along with more stringent lending practices by domestic banks.

## Capital Market Development

In Dhaka stock exchange (DSE), market capitalisation inclusive of new issues increased by 1.5 percent to Taka 2530.2 billion or 24.4 percent of GDP at the end of FY13 from Taka 2491.6 billion at the end of FY12. In Chittagong Stock Exchange (CSE), it grew by 2.6 percent to Taka 1919.9 billion or 18.5 percent of GDP at the end of FY13. The Dhaka Stock Exchange Limited launched its new two indices, which are known as the DSE Broad Index ("DSEX") and DSE 30 Index ("DS30") designed & developed by S&P Dow Jones on 28 January 2013.

## Monetary Policy

Monetary targets for FY13 are on track establishing the credibility of the stance taken in the previous Monetary Policy Statements. In FY13 the economy faced a different set of challenges. Robust foreign remittance and export growth along with sluggish import growth led to a sharp growth of Net Foreign Assets (NFA) which needed to be sterilized. Moreover declining inflation and concerns over a slowdown in growth created space for a 50 basis point rate cut by BB in January 2013 influencing bank lending rates downwards. At the same time the January 2013 MPS set out a monetary program consistent with bringing average inflation down to the targeted 7.5% level and in June 2013 it reached 7.70%. Reserve money growth and growth of net domestic assets of Bangladesh Bank remained within program targets. Broad money growth was also close to program targets. The introduction of new foreign currency borrowing facilities by BB partially compensated to general investor as some consumers switched to lower cost overseas financing with overall private sector credit growth, from both local and foreign sources, amounting to 13.6% in May 2013.

## Prospect in 2014

The outlook for the Bangladesh economy is favourable over the medium term in light of a growing working age population and likely continued global demand for Bangladeshi products. Faster growth of beyond 7 percent will require sustained investments in infrastructure specially in the energy sector. BB's projections suggest that the GDP growth outlook for FY14 is unlikely to deviate significantly from the last 10 years' average of 6.2 percent. This is based on current and projected trends of a number of variables including global growth, exports, investments, imports, remittances etc.

The monetary stance of BB in FY14 will target a monetary growth path which aims to bring average inflation down to 7 percent while ensuring that credit growth is sufficient to stimulate inclusive growth. Further reductions in inflation will be targeted in

পরিস্থিতি। ব্যক্তিখাতের সাধারণ বিনিয়োগকারীদের অভ্যন্তরীণ ঋণ প্রবৃদ্ধি কমে যাওয়ার প্রধান কারণ হচ্ছে জাতীয় নির্বাচনের অনিশ্চয়তা এবং বেসরকারী বাণিজ্যিক ব্যাংকের কঠোর ঋণ প্রদান নীতি।

## ক্যাপিটাল মার্কেট উন্নয়ন

২০১৩ সালের শেষে ঢাকা শেয়ার বাজারের নতুন বিষয় বাজার মূলধনীকরণের কারণে সূচক ১.৫% বৃদ্ধি পেয়ে ২,৫৩০.২ বিলিয়ন টাকা বা জিডিপি ২৪.৪০% হয়েছে যা ২০১২ সালের একই সময়ে ছিল ২,৪৯১.৬ বিলিয়ন টাকা। চট্টগ্রাম শেয়ার বাজারে ২০১৩ অর্থ বছর শেষে সূচক ২.৬% বৃদ্ধি পেয়ে ১,৯১৯.৯ বিলিয়ন টাকা বা জিডিপি ১৮.৫%। গত ২৮ শে জানুয়ারী ২০১৩ তারিখে ঢাকা স্টক এক্সচেঞ্জ লিমিটেড ডিএসই ব্রড ইন্ডেক্স ("DSEX") ও ডিএসই ৩০ ইন্ডেক্স ("DS30") নামের নতুন দুটি সূচক চালু করেছে, যার ডিজাইন করেছে এস এন্ড পি ডব্লিউ জেনস।

## মুদ্রানীতি

অর্থবছর ২০১৩ তে মুদ্রানীতির লক্ষ্য সঠিক পথেই ছিল যেটি বিগত মুদ্রানীতির দৃষ্টিভঙ্গির বিশ্বাসযোগ্যতা প্রতিষ্ঠা করেছে। ২০১৩ সালে অর্থনীতি ছিল নানা রকম চ্যালেঞ্জের সম্মুখীন, বলিষ্ঠ বৈদেশিক রেমিটেন্স এবং রপ্তানী বৃদ্ধির পাশাপাশি আমদানীর কম প্রবৃদ্ধি নীট বৈদেশিক সম্পদ বৃদ্ধিতে বলিষ্ঠ ভূমিকা রাখে। তাছাড়া মুদ্রাস্ফীতি হ্রাসের জন্য এবং ধীর প্রবৃদ্ধি উত্তরণে বাংলাদেশ ব্যাংক রিপোর্টে ৫০ বেসিস পয়েন্ট কমাতে যা ব্যাংকের বিনিয়োগের মুনাফা কমাতে প্রভাব বিস্তার করে। একই সাথে আর্থিক নীতি অনুসারে ২০১৩ সালের জুনের মধ্যে মুদ্রাস্ফীতি ৭.৫% নামিয়ে আনার কর্ম পরিকল্পনা নির্ধারণ করে যা প্রকৃতপক্ষে ৭.৭০% হয়। রিজার্ভ ও নীট অভ্যন্তরীণ সম্পদের বৃদ্ধি বাংলাদেশ ব্যাংকের কর্মসূচীর লক্ষ্যমাত্রা ছিল। ব্রড মানির প্রবৃদ্ধিও এই কর্মপরিকল্পনার সাথে সম্পৃক্ত ছিল। বাংলাদেশ ব্যাংকের নতুন বৈদেশিক মুদ্রায় ঋণ সুবিধা প্রবর্তনের নীতি সাধারণ বিনিয়োগকারীদের কম খরচে কিছু বিদেশী অর্থায়নের সুবিধা দিয়েছে, যার ফলে স্থানীয় ও বৈদেশিক উৎস হতে অর্থায়ন নিয়ে বেসরকারী খাতের ঋণের প্রবৃদ্ধি হয়েছে মে ২০১৩ সালে ১৩.৬%।

## ২০১৪ সালের সম্ভাবনা

বাংলাদেশী পণ্যের বৈদেশিক চাহিদা এবং কর্মক্ষম জনগোষ্ঠী বৃদ্ধির কারণে মধ্য মেয়াদে বাংলাদেশের অর্থনীতি অনুকূলে ছিল। দ্রুত অর্থনৈতিক প্রবৃদ্ধি তথা ৭% এর বেশি প্রবৃদ্ধির জন্য অবকাঠামোগত খাতে বিশেষ করে বিদ্যুৎখাতে ধারাবাহিক বিনিয়োগ প্রয়োজন। বাংলাদেশ ব্যাংক বিশ্লেষণে গত ১০ বছরের গড় জিডিপি ৬.২% এর তুলনায় ২০১৪ সালে অনাকাঙ্ক্ষিত কারণে হ্রাসের আশংকা করা হচ্ছে যা বিভিন্ন বিষয় বিশেষ করে বৈশ্বিক প্রবৃদ্ধি, রপ্তানী, বিনিয়োগ, আমদানি এবং রেমিটেন্স ইত্যাদির বর্তমান এবং সম্ভাব্য অবস্থার উপর নির্ভরশীল।

বাংলাদেশ ব্যাংকের অর্থনৈতিক দৃষ্টিভঙ্গি থেকে ২০১৪ সালে মুদ্রাস্ফীতির হার ৭% এর মধ্যে রাখার দিক নির্দেশনা রয়েছে; যেখানে সুমম প্রবৃদ্ধির জন্য বিনিয়োগ বৃদ্ধি নিশ্চিত করতে হবে। পরবর্তী বছরগুলোতে

subsequent years. External factors such as export, import, remittances, and foreign aid have always played important roles to Bangladesh's economy.

The projections are subject to various downside risks. The global economic slowdown may be more severe than expected, Export performance may weaken because of weaknesses in its key market, the euro zone, which is in a prolonged period of adjustment to its debt crisis, while policy tightening could be compromised by political considerations. Agricultural growth projection will be affected by rising irrigation costs (reelecting higher fuel and electricity prices) and Industrial growth be slow than expected due to falling export demand, higher interest rates, political instability and labor costs as well as the expected increases in fuel and electricity prices.

However, combine effort of people of Bangladesh with Government of Bangladesh, will overcome all the hindrance of Economy and be a middle income country very soon.

## Our Bank

### Overview of the Bank

Shahjalal Islami Bank Limited a Shariah Based Commercial Bank in Bangladesh was incorporated as a Public limited company on 1st April, 2001 under Companies Act 1994.

The Bank commenced commercial operation on 10th May 2001 by opening its 1st branch, i.e. Dhaka Main Branch at 58, Dilkusha, Dhaka obtaining the license from Bangladesh Bank, the Central Bank of Bangladesh. Its Head Office is situated at Uday Sanz, 2/B Gulshan South Avenue, Gulshan-1, Dhaka 1212, Bangladesh. The Bank opened 8 Branches in 2013 and total number of branches stood at 92. The bank is working to expand its business by opening more 6 branches in Dhaka and some other important business location of the country in the year 2014 subject to approval of Bangladesh Bank.

### Principal Activities

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

### Strategic Plan for Future Growth

The Banking industry experienced intensification of competitive pressure as the national and international banks operating in Bangladesh strongly pursued the banking and financing needs of the Corporate, Retail, SME sector customers through diversification of products and services and extending automated banking service with ATM, Debit card facilities and Internet Banking. Besides, rates of profit became very competitive for deposit and lending; Customers are demanding higher rate of return against their deposits. On the other hand, demanding to reduce their lending rates.

মুদ্রাস্ফীতি আরও হ্রাসের জন্য লক্ষ্য নির্ধারণ করতে হবে। বাংলাদেশের অর্থনীতিতে রপ্তানী, আমদানি, রেমিটেন্স এবং বৈদেশিক সহায়তার মত বাহ্যিক উপাদানসমূহ গুরুত্বপূর্ণ ভূমিকা রাখে।

এই অনুমানগুলো কতগুলো নিম্নমুখী ঝুঁকির সাথে সম্পৃক্ত। বিশ্ব অর্থনীতির মন্দা ধারণার চেয়ে অনেক বেশী হতে পারে, বিশেষত রপ্তানীর প্রধান বাজার ইউরো জোনে প্রলম্বিত ঋণ সমস্যার কারণে রপ্তানীর পরিমাণ কমতে পারে, অন্যদিকে রাজনৈতিক বিবেচনায় আর্থিক নীতিমালা পরিবর্তিত হয়ে শ্লথ গতি ধারণ করতে পারে। জ্বালানী ও বিদ্যুৎ এর মূল্য পুনরায় বৃদ্ধির ফলে চাষাবাদের খরচ বাড়বে, যা কৃষি প্রবৃদ্ধিকে বাধা প্রদান করবে। রপ্তানীর চাহিদা হ্রাস, অধিক সুদের হার, শ্রম মূল্য বৃদ্ধি এবং জ্বালানী ও বিদ্যুৎ এর মূল্য বৃদ্ধির কারণে শিল্প খাতে প্রত্যাশা থেকে কম প্রবৃদ্ধি হতে পারে।

আশা করা যায়, সরকারের সাথে সাথে জনগণের সম্মিলিত প্রচেষ্টায় সকল অর্থনৈতিক বাধা পেরিয়ে অচিরেই বাংলাদেশ একটি মধ্যম আয়ের দেশে পরিণত হবে ইনশাআল্লাহ।

## আমাদের ব্যাংক

### ব্যাংকের সামগ্রিক অবস্থা

শাহজালাল ইসলামী ব্যাংক লিমিটেড একটি শরীয়াহভিত্তিক বাণিজ্যিক ব্যাংক হিসেবে কোম্পানী আইন ১৯৯৪-এর আওতায় পাবলিক লিমিটেড কোম্পানী হিসেবে ২০০১ সালের ১লা এপ্রিল প্রতিষ্ঠিত হয়।

দেশের কেন্দ্রীয় ব্যাংক, বাংলাদেশ ব্যাংকের অনুমোদন সাপেক্ষে ২০০১ সালের ১০ই মে ঢাকার ৫৮ দিলকুশায় 'ঢাকা মেইন শাখা' নামে প্রথম শাখা খোলার মাধ্যমে ব্যবসায়িক কার্যক্রম শুরু করে। এর প্রধান কার্যালয়- উদয় সানজ ২/বি গুলশান সাউথ এভিনিউ, গুলশান-১, ঢাকা-১২১২, বাংলাদেশে অবস্থিত। ২০১৩ সালে আরও ৮ টি শাখা চালু করার মাধ্যমে এ পর্যন্ত ব্যাংকের মোট শাখার সংখ্যা দাঁড়িয়েছে ৯২ টিতে। এছাড়াও বাংলাদেশ ব্যাংকের অনুমোদন সাপেক্ষে ২০১৪ সালে ঢাকা ও বাণিজ্যিকভাবে গুরুত্বপূর্ণ দেশের বিভিন্ন এলাকায় ৬ টি শাখা খোলার উদ্যোগ নেয়া হয়েছে।

### প্রধান কার্যবলী

বাণিজ্যিক ব্যাংক হিসাবে ব্যাংকের প্রধান কার্যবলী হল— গ্রাহকদেরকে সকল ধরনের ব্যাংকিং সেবা প্রদান করা, যার মধ্যে আমানত গ্রহণ, নগদ উত্তোলন, কর্পোরেট প্রতিষ্ঠানে বিনিয়োগ, খুচরা কারবারে বিনিয়োগ, এসএমই খাতে বিনিয়োগ, বাণিজ্যিক খাতে অর্থায়ন, প্রজেক্টে অর্থায়ন, চলতি মূলধনে অর্থায়ন, লীজ ও হায়ার পারচেজে অর্থায়ন, ডেবিট কার্ড ইস্যু প্রভৃতি খাত উল্লেখযোগ্য। এর লক্ষ্য হচ্ছে দক্ষতা, মূলধন পর্যাণ্ডতা, সম্পদের গুণগত মান, সঠিক ব্যবস্থাপনা এবং মুনাফা অর্জনের বিষয়টি নিশ্চিত করার মাধ্যমে বাংলাদেশের অন্যতম ভাল বেসরকারী বাণিজ্যিক ব্যাংক হিসেবে প্রতিষ্ঠিত হওয়া।

### ভবিষ্যৎ প্রবৃদ্ধি অর্জনে কৌশলগত পরিকল্পনা

ব্যাংকিং সেক্টর তথা দেশী ও বিদেশী ব্যাংক যারাই বাংলাদেশে তাদের ব্যাংকিং কার্যক্রম পরিচালনা করছে সবারই তীব্র প্রতিযোগিতার সম্মুখীন হতে হয়, ফলে সবাই দৃঢ়ভাবে প্রচেষ্টা চালাচ্ছে ব্যাংকিং সেবা বিকেন্দ্রীকরণের মাধ্যমে কর্পোরেট, রিটেল, ক্ষুদ্র ও মাঝারি শিল্পের গ্রাহকের ব্যাংকিং ও অর্থায়নের চাহিদা পূরণে এবং এটিএম, ডেবিট কার্ড ও ইন্টারনেট ব্যাংকিং-এর মাধ্যমে স্বয়ংক্রিয় ব্যাংকিং সেবার প্রসার ঘটাতে। এ ছাড়া, আমানত ও বিনিয়োগের মুনাফার হারে উচ্চ প্রতিযোগিতা বিদ্যমান, গ্রাহকরা তাদের আমানতের উপর বেশী মুনাফা চাচ্ছে, অন্যদিকে বিনিয়োগের মুনাফার হার কমানোর চেষ্টা করছে।

Considering the overall scenario, SJIBL continues to focus on its delivery channel, technology, Human Resource and its brands along with branch network, Business promotion, and Corporate Social Responsibility and product diversification.

Strategies are means to achieve goals. Aligned with the vision and mission statements of SJIBL, 14 strategies have been identified to address the development and changes we need. It is envisaged that this strategic plan will cascade effectively the vision-mission into concrete action on priority basis and transform SJIBL into a dynamic, effective, and forward looking modern Islamic bank in Bangladesh.

SL No.	Strategies Listed for Adoption
1	Revisit the existing deposit products to introduce new deposit products and redesigned the existing deposit products
2	Re-examine existing investment products to introduce new investment products and redesigned the existing investment products
3	Strengthen Debit Card and introduction of Shariah Based Credit Card facility to expanded card business
4	Established subsidiary for exchange house in abroad to capture Foreign Remittance Business
5	Strengthen and make effective of offshore Banking unit
6	Formation of new subsidiary for Merchant banking operation
7	Expand non-funded business to increase non-funded income
8	Formation of integrated treasury function to increase profit from treasure operation
9	Strengthen risk-based internal audit (including Shariah audit) to add value to the risk management process in SJIBL
10	Strengthen Marketing division to ensure success of new deposit and investment product
11	Strengthen MIS to ensure accurate, timely information
12	Attract, retain and develop people (staff) ensuring sound organizational development
13	Develop a governance manual to ensure proper office administration and Corporate governance
14	Create a 'Strategic Planning / Research & Development Unit'.

### Shariah Supervisory Committee of the Bank

As per Article 30.0 of the Articles of Association of the Bank, Shariah Supervisory Committee of the Bank has been constituted. The Shariah Supervisory Committee of the Bank consists of prominent Ulema, Bankers, Lawyers and Economists to advice and guide on the implementation of Islamic Shariah in business activities. The Committee enjoys a special status in the structure of the Bank and playing a vital role to make the bank as Shariah compliant. In the year 2013, the total number of meetings of the Shariah Supervisory Committee of the Bank was 02.

সার্বিক বিষয় বিবেচনায়, শাহজালাল ইসলামী ব্যাংক ধারাবাহিকভাবে প্রাধান্য দিচ্ছে পণ্য ও সেবা বিতরণ কার্যক্রমে, প্রযুক্তি, মানব সম্পদ এবং এর ব্রান্ডসহ শাখার নেটওয়ার্ক, ব্যবসা সম্প্রসারণ, সামাজিক দায়বদ্ধতা এবং পণ্যের বৈচিত্র্যকরণ আনয়নের বিষয়ে।

কৌশল হচ্ছে লক্ষ্য অর্জনের মাধ্যম। শাহজালাল ইসলামী ব্যাংক-এর দূরদৃষ্টি ও লক্ষ্যের সাথে সঙ্গতি রেখে, আমাদের যে উন্নয়ন ও পরিবর্তন দরকার তার জন্য আমরা ১৪টি কৌশল ঠিক করেছি। আমরা মনে করছি যে, এ কৌশলগত পরিকল্পনা অধিকারের ভিত্তিতে ব্যাংকের দূরদৃষ্টি ও লক্ষ্যের বাস্তব রূপ দিবে এবং শাহজালাল ইসলামী ব্যাংককে প্রতিষ্ঠিত করবে একটি গতিশীল, কার্যকর ও দূরদর্শী সম্পন্ন আধুনিক ইসলামী ব্যাংক হিসাবে। ব্যাংকের কৌশলগত পরিকল্পনাগুলো হচ্ছে :

ক্রমিক নং	কৌশলগত পরিকল্পনা
১	চলমান আমানত প্রকল্পগুলো নতুনভাবে সাজানো এবং নতুন নতুন আমানত প্রকল্প চালু
২	চলমান বিনিয়োগ প্রকল্পগুলো নতুনভাবে সাজানো এবং নতুন নতুন বিনিয়োগ প্রকল্প চালু
৩	কার্ড ব্যবসাকে সম্প্রসারণের জন্য ডেবিট কার্ডকে উন্নয়ন করা এবং শরীয়াহ ভিত্তিক ক্রেডিট কার্ড প্রচলন
৪	রেমিটেন্স প্রবাহ বৃদ্ধি করতে বিদেশে নিজস্ব এক্সচেঞ্জ হাউজ প্রতিষ্ঠা করা
৫	অফশোর ব্যাংকিং কার্যক্রম গতিশীল করা
৬	সাবসিডিয়ারী কোম্পানী প্রতিষ্ঠার মাধ্যমে মার্চেন্ট ব্যাংকিং কার্যক্রম পরিচালনা করা
৭	বিনিয়োগ বহির্ভূত আয় বৃদ্ধিকল্পে বিনিয়োগ বহির্ভূত ব্যবসার প্রসার ঘটানো
৮	মুনাফা বৃদ্ধির জন্য ট্রেজারী ইউনিটকে শক্তিশালী করা
৯	ঝুঁকিভিত্তিক অভ্যন্তরীণ নিরীক্ষা (শরীয়াহ নিরীক্ষাসহ) কার্যক্রম জোরদার করে ঝুঁকি ব্যবস্থাপনা কার্যকর করা
১০	নতুন আমানত ও বিনিয়োগ পণ্যের সফলতার জন্য বিপণন বিভাগকে শক্তিশালী করা
১১	সঠিক ও সময়মত তথ্য নিশ্চিত করার জন্য এমআইএস শক্তিশালী করা
১২	মানব সম্পদের দক্ষতা বৃদ্ধির মাধ্যমে প্রতিষ্ঠানের উৎকর্ষ সাধন করা
১৩	দক্ষ অফিস ব্যবস্থাপনা ও সুশাসন নিশ্চিতকল্পে ম্যানুয়াল প্রণয়ন
১৪	কৌশলগত পরিকল্পনা/গবেষণা ও উন্নয়ন ইউনিট প্রতিষ্ঠা করা।

### ব্যাংকের শরীয়াহ সুপারভাইজারী কমিটি

ব্যাংকের আর্টিকেলস অব এসোসিয়েশনের ৩০.০ ধারা অনুযায়ী ব্যাংকের একটি শরীয়াহ সুপারভাইজারী কমিটি রয়েছে। দেশের প্রখ্যাত উলামা, ব্যাংকার, আইনজীবী এবং অর্থনীতিবিদগণের সমন্বয়ে এ কমিটি গঠিত। বিজ্ঞ কমিটির পরামর্শে শরীয়াহ নীতিমালার ভিত্তিতে ব্যাংক তার সার্বিক ব্যবসায়িক কার্যক্রম পরিচালনা করে। কমিটিকে ব্যাংক ব্যবস্থাপনায় বিশেষ গুরুত্ব প্রদান করা হয় এবং ব্যাংক যাতে পরিপূর্ণভাবে ইসলামী নীতিমালার অনুসারী হয়, তা নিশ্চিতকল্পে কমিটি গুরুত্বপূর্ণ ভূমিকা পালন করে। ২০১৩ সালে ব্যাংকের শরীয়াহ সুপারভাইজারী কমিটির দু'টি সভা অনুষ্ঠিত হয়।

## Review of the Performance

During the year under review, the bank maintained the progress of business through its ninety two branches. The operating profit before tax stood at Tk.2,382.83 million. Net profit attributable to shareholders reached to Tk.1,304.96 million, return on average equity is 11.25 percent and Earning per Share (EPS) stood at Tk. 1.95. Non- performing investments (NPI) ratio is 6.47 percent. Capital adequacy of the Bank is 12.56 percent maximum comprise under Tier-I, which is above the stipulated rate of 10 percent. Out of deposit of Tk. 96,481.35 million, the bank has deployed Tk. 85,706.61 million in investment as on 31.12.2013. The Bank handled total Foreign exchange business of Tk. 169,319 million in the year 2013.

## Balance Sheet Analysis

Particulars	Horizontal Analysis					Vertical Analysis					
	Taka in Millions			Variance		Taka in Millions			Composition		
	2013	2012	2011	2013/ 2012	2012/ 2011	2013	2012	2011	2013	2012	2011
<b>Assets</b>											
Cash	10,207	12,803	9,499	-20%	35%	10,207	12,803	9,499	8%	10%	9%
Balance with other Banks and Financial Institutions	3,526	1,316	1,440	168%	-9%	3,526	1,316	1,440	3%	1%	1%
Placement with other Banks & Financial Institutions	7,783	9,254	6,836	-16%	35%	7,783	9,254	6,836	6%	7%	6%
Investments in Shares & Securities	7,221	5,163	5,292	40%	-2%	7,221	5,163	5,292	6%	4%	5%
Investments	85,707	96,185	80,592	-11%	19%	85,707	96,185	80,592	70%	72%	75%
Fixed Assets Including Premises	2,955	2,898	1,525	2%	90%	2,955	2,898	1,525	2%	2%	1%
Other Assets	4,564	5,204	2,045	-12%	154%	4,564	5,204	2,045	4%	4%	2%
<b>Total Assets</b>	<b>121,963</b>	<b>132,823</b>	<b>107,229</b>	<b>-8%</b>	<b>24%</b>	<b>121,963</b>	<b>132,823</b>	<b>107,229</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Liabilities</b>											
Placement from other Banks & Financial Institutions	8,300	14,500	10,770	-43%	35%	8,300	14,500	10,770	7%	12%	11%
Deposits and Other Accounts	96,481	102,177	83,350	-6%	23%	96,481	102,177	83,350	87%	83%	84%
Other Liabilities	6,093	6,374	5,085	-4%	25%	6,093	6,374	5,085	5%	5%	5%
Deffered Tax Liabilities	138	126	107	9%	18%	138	126	107	0%	0%	0%
<b>Total Liabilities</b>	<b>111,012</b>	<b>123,177</b>	<b>99,312</b>	<b>-10%</b>	<b>24%</b>	<b>111,012</b>	<b>123,177</b>	<b>99,312</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Net Assets	10,951	9,646	7,917	14%	22%	10,951	9,646	7,917	10%	7%	7%
Paid-up Capital	6,679	5,566	4,453	20%	25%	6,679	5,566	4,453	61%	58%	56%
Statutory Reserve	3,436	2,959	2,252	16%	31%	3,436	2,959	2,252	31%	31%	28%
Retained Earnings	837	1,121	1,212	-25%	-8%	837	1,121	1,212	8%	12%	15%
<b>Total Shareholders' Equity</b>	<b>10,951</b>	<b>9,646</b>	<b>7,917</b>	<b>14%</b>	<b>22%</b>	<b>10,951</b>	<b>9,646</b>	<b>7,917</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## কর্মতৎপরতা পর্যালোচনা

আলোচ্য বছরে ব্যাংক তার ৯২টি শাখার মাধ্যমে ব্যবসার সবক'টি দিকেই উন্নতি করেছে। আয়কর প্রদানের পূর্বে ব্যাংকটির অপারেটিং মুনাফা দাঁড়ায় ২,৩৮২.৮৩ মিলিয়ন টাকা। শেয়ারহোল্ডারদের জন্য অর্জিত নীট মুনাফা দাঁড়ায় ১,৩০৪.৯৬ মিলিয়ন টাকা, রিটার্ন অন ইকুইটি শতকরা ১১.২৫ ভাগ এবং শেয়ারপ্রতি আয় (ইপিএস) দাঁড়ায় ১.৯৫ টাকা। **W&P M K&J A] 5MjN \_N?]j \*"(+ ZjAp Y]g k] [AU WjSN \_N?]j %&)\*** ভাগ যা বেশিরভাগই টায়ার-১ এর অন্তর্ভুক্ত এবং যা আবশ্যিকীয় মূলধনের শতকরা ১০ ভাগের বেশী। ৩১.১২.২০১৩ ইং পর্যন্ত ব্যাংক ৯৬,৪৮১ মিলিয়ন টাকা আমানতের বিপরীতে ৮৫,৭০৭ মিলিয়ন টাকা বিনিয়োগ করেছে। ২০১৩ সালে ব্যাংক মোট ১৬৯,৩১৯ মিলিয়ন টাকার বৈদেশিক ব্যবসা পরিচালনা করে।

## Profit and Loss Analysis

Particulars	Horizontal Analysis					Vertical Analysis					
	Taka in Millions			Variance		Taka in Millions			Composition		
	2013	2012	2011	2013/ 2012	2012/ 2011	2013	2012	2011	2013	2012	2011
Investment Income	13,614.54	15,242.00	10,108.00	-11%	51%	13,614.54	15,242.00	10,108.00	100%	100%	100%
Less: Profit paid on Deposits	10,577.54	11,170.00	7,376.00	-5%	51%	10,577.54	11,170.00	7,376.00	78%	73%	73%
<b>Net Investment Income</b>	<b>3,037.00</b>	<b>4,072.00</b>	<b>2,732.00</b>	<b>-25%</b>	<b>49%</b>	<b>3,037.00</b>	<b>4,072.00</b>	<b>2,732.00</b>	<b>22%</b>	<b>27%</b>	<b>27%</b>
Income from Investment in Shares/securities	229.92	133.00	113.00	73%	18%	229.92	133.00	113.00	2%	1%	1%
Commission, Exchange and Brokerage	1,364.70	1,642.00	1,473.00	-17%	11%	1,364.70	1,642.00	1,473.00	10%	11%	15%
Other Operating Income	399.80	421.00	313.00	-5%	35%	399.80	421.00	313.00	3%	3%	3%
	1,994.42	2,197.00	1,899.00	-9%	16%	1,994.42	2,197.00	1,899.00	15%	14%	19%
<b>Total Operating Income</b>	<b>5,031.42</b>	<b>6,269.00</b>	<b>4,631.00</b>	<b>-20%</b>	<b>35%</b>	<b>5,031.42</b>	<b>6,269.00</b>	<b>4,631.00</b>	<b>37%</b>	<b>41%</b>	<b>46%</b>
Salaries and Allowances	1,415.30	1,016.00	944.00	39%	8%	1,415.30	1,016.00	944.00	10%	7%	9%
Rent, Taxes, Insurances, Electricity etc.	319.54	264.00	212.00	21%	25%	319.54	264.00	212.00	2%	2%	2%
Legal Expenses	0.79	1.00	1.00	-21%	-	0.79	1.00	1.00	0%	0%	0%
Postage, Stamps, Telecommunication etc.	29.29	30.00	28.00	-2%	8%	29.29	30.00	28.00	0%	0%	0%
Stationery, Printings, Advertisements etc.	64.93	68.00	40.00	-5%	69%	64.93	68.00	40.00	0%	0%	0%
Chief Executive's Salary & Fees	14.76	14.00	13.00	5%	13%	14.76	14.00	13.00	0%	0%	0%
Directors' Fees & Expenses	6.31	6.00	4.00	5%	34%	6.31	6.00	4.00	0%	0%	0%
Shariah Supervisory Committee's Fees & Expenses	0.46	-	-	100%	-	0.46	-	-	0%	-	-
Auditors' Fees	0.35	-	-	100%	-	0.35	-	-	0%	-	-
Depreciation & Repairs of Bank's Assets	134.70	118.00	114.00	14%	4%	134.70	118.00	114.00	1%	1%	1%
Zakat Expenses	76.56	61.00	59.00	26%	2%	76.56	61.00	59.00	1%	0%	1%
Other Expenses	274.59	244.00	217.00	13%	12%	274.59	244.00	217.00	2%	2%	2%
<b>Total Operating Expenses</b>	<b>2,337.59</b>	<b>1,822.00</b>	<b>1,633.00</b>	<b>28%</b>	<b>12%</b>	<b>2,337.59</b>	<b>1,822.00</b>	<b>1,633.00</b>	<b>17%</b>	<b>12%</b>	<b>16%</b>
<b>Profit before Provision</b>	<b>2,693.83</b>	<b>4,447.00</b>	<b>2,998.00</b>	<b>-39%</b>	<b>48%</b>	<b>2,693.83</b>	<b>4,447.00</b>	<b>2,998.00</b>			
Specific provisions for Classified Investment	(174.06)	(650.00)	(130.00)	-73%	400%	(174.06)	(650.00)	(130.00)	1%	4%	1%
General Provisions for Unclassified Investment	-	(43.00)	(180.00)	-100%	-76%	-	(43.00)	(180.00)	0%	0%	2%
General Provisions for Off-Balance Sheet	(64.34)	(100.00)	(63.00)	-36%	59%	(64.34)	(100.00)	(63.00)	0%	1%	1%
Provisions for deminution in value of Investments in Shares	(72.00)	(120.00)	(238.00)	-40%	-49%	(72.00)	(120.00)	(238.00)	1%	1%	2%
Provisions for Other Assets	(0.60)	-	-	100%	-	(0.60)	-	-	0%	0%	0%
<b>Total Provision</b>	<b>(311.00)</b>	<b>(913.00)</b>	<b>(611.00)</b>	<b>-66%</b>	<b>49%</b>	<b>(311.00)</b>	<b>(913.00)</b>	<b>(611.00)</b>	<b>2%</b>	<b>6%</b>	<b>6%</b>
<b>Total Profit before Provisions for Taxation</b>	<b>2,382.83</b>	<b>3,534.00</b>	<b>2,387.00</b>	<b>-33%</b>	<b>48%</b>	<b>2,382.83</b>	<b>3,534.00</b>	<b>2,387.00</b>	<b>18%</b>	<b>23%</b>	<b>24%</b>
Deferred Tax Expenses	11.53	19.00	31.00	-39%	-39%	11.53	19.00	31.00	0%	0%	0%
Current Tax Expenses	1,066.34	1,786.00	1,188.00	-40%	50%	1,066.34	1,786.00	1,188.00	8%	12%	12%
	1,077.86	1,805.00	1,219.00	-40%	48%	1,077.86	1,805.00	1,219.00	8%	12%	12%
<b>Net Profit after Taxation</b>	<b>1,304.96</b>	<b>1,729.00</b>	<b>1,168.00</b>	<b>-25%</b>	<b>48%</b>	<b>1,304.96</b>	<b>1,729.00</b>	<b>1,168.00</b>	<b>10%</b>	<b>11%</b>	<b>12%</b>
Appropriations											
Statutory Reserve	476.57	706.00	477.00	-33%	48%	476.57	706.00	477.00	4%	5%	5%
Retained Earnings	828.40	1,023.00	691.00	-19%	48%	828.40	1,023.00	691.00	6%	7%	7%
	1,304.96	1,730.00	1,168.00	-25%	48%	1,304.96	1,730.00	1,168.00	10%	11%	12%
<b>Profit available for distribution</b>											
Retained Earnings from previous year	8.32	99.00	521.00	-92%	-81%	8.32	99.00	521.00			
Add: Retained Earnings of Current year	828.40	1,023.00	691.00	-19%	48%	828.40	1,023.00	691.00			
	<b>836.71</b>	<b>1,122.00</b>	<b>1,212.00</b>	<b>-25%</b>	<b>-7%</b>	<b>836.71</b>	<b>1,121.00</b>	<b>1,212.00</b>			
<b>Earning Per Share (EPS)</b>	<b>1.95</b>	<b>2.59</b>	<b>2.10</b>	<b>-25%</b>	<b>23%</b>	<b>1.95</b>	<b>2.59</b>	<b>2.10</b>			

## Equity of the Bank

The Bank's Equity is divided into two parts i.e. Tier-I and Tier-II capital. Tier-I includes Paid-up Capital, Statutory Reserve, and Retained Earnings. Tier-II includes General Provision on unclassified investments & Off-Balance Sheet items. The Authorized Capital of the Bank is Tk. 10,000 million and paid-up capital of the Bank is Tk. 6,679 million as on 31.12.2013. Total equity was Tk 12,140 million as on 31.12.2013. Comparative position of Equity for the year 2013 & 2012 is given below:-

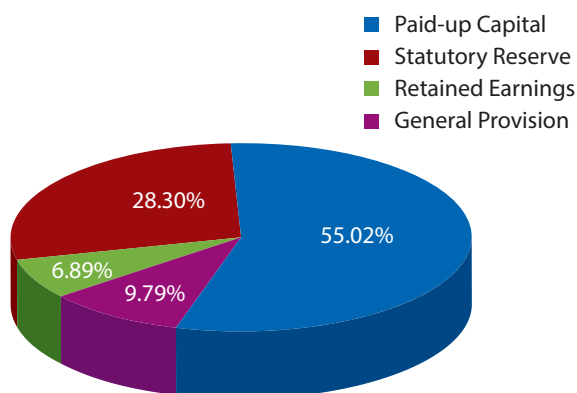
### Tier-I capital (Core Capital):

		(Amount in million Taka)	
SL. No	Particulars	2013	2012
a)	Paid-up capital	6,678.98	5,565.82
b)	Statutory Reserve	3,435.59	2,959.02
c)	Retained Earnings	836.71	1,121.48
<b>Sub total</b>		<b>10,951.28</b>	<b>9,646.32</b>

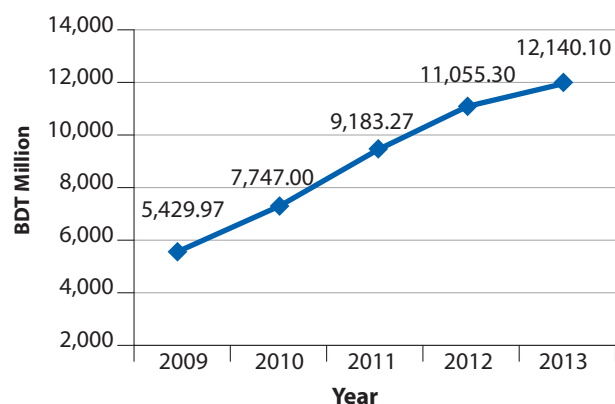
### Tier-II capital (Supplementary):

SL. No	Particulars	2013	2012
a)	General Provision	1,188.82	1,408.98
<b>Sub total</b>		<b>1,188.82</b>	<b>1,408.98</b>
<b>Total Equity</b>		<b>12,140.10</b>	<b>11,055.30</b>

### Equity Composition 2013



### Equity Movement



## Number of Shareholders

A large numbers of shareholders response their trust in our Bank's Shares. In the 2013, Total number of Shareholders stood 85,944 with a growth of 13.81% from previous year. The trend of last three years is given below:

Year	Shareholders	Growth (%)
2013	85,944	13.81%
2012	75,515	-3.31%
2011	78,104	43.18%

## ব্যাংকের ইকুইটি

ব্যাংকের ইকুইটিকে টায়ার-১ এবং টায়ার-২ এ দু'ভাগে ভাগ করা হয়। পরিশোধিত মূলধন, রিজার্ভ ফান্ড এবং অবদিত মুনাফা টায়ার-১-এর অন্তর্ভুক্ত এবং অ-শ্রেণীকৃত বিনিয়োগ এবং অফ ব্যালেন্সশীট-এর উপর সংরক্ষিত সাধারণ সঞ্চিতি টায়ার-২-এর অন্তর্ভুক্ত। ৩১ শে ডিসেম্বর, ২০১৩ তারিখে ব্যাংকের অনুমোদিত মূলধন ছিল ১০,০০০ মিলিয়ন টাকা এবং পরিশোধিত মূলধন ৬,৬৭৯ মিলিয়ন টাকা। ৩১ শে ডিসেম্বর ২০১৩ তারিখে ব্যাংকের মোট ইকুইটির পরিমাণ ছিল ১২,১৪০ মিলিয়ন টাকা। ২০১৩ ও ২০১২ সালের মূলধনের তুলনামূলক অবস্থান নিম্নরূপঃ

## শেয়ারহোল্ডারদের সংখ্যা

আমাদের ব্যাংকের শেয়ারে বিপুলসংখ্যক শেয়ারহোল্ডারদের অংশগ্রহণ-ই ব্যাংকের প্রতি তাঁদের বিশ্বস্ততার পরিচয় মেলে। ২০১৩ সালে সর্বমোট শেয়ারহোল্ডারের সংখ্যা ছিল ৮৫,৯৪৪ যা গত বছরের তুলনায় ১৩.৮১% বেশী। গত ৩ বছরের তুলনামূলক চিত্র নিম্নে প্রদর্শিত হলঃ

## Net Asset Value (NAV)

Our Net Asset Value per Share is always positive which indicates higher assets back up compare to per value. As a result, more investors subscribed to our company and their confidence is become high. The trends of NAV for last five years are given below:

Year	Net Asset Value (NAV) Tk.
2013	16.40
2012	17.33
2011	17.78
2010	19.70
2009	17.07

## Capital Adequacy

Total equity of the Bank as on 31.12.2013 was Tk. 12,140.10 million and the total equity stood to Tk. 11,055.30 million on 31.12.2012, which was 12.56% of the Risk weighted Assets as against the requirement of 10.00%.

The core capital was 11.22% of Risk weighted Assets as on 31st December 2013 as against requirement of 5%.

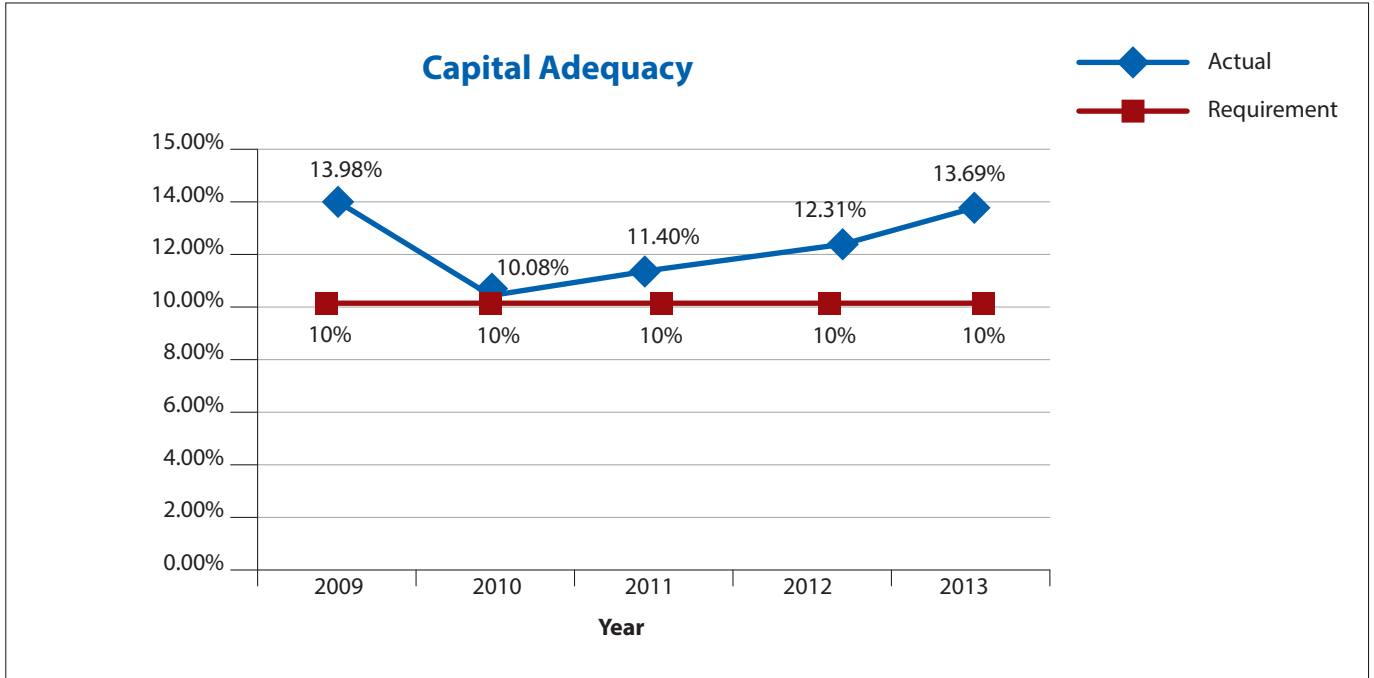
## নেট এ্যাসেট ভ্যালু (এনএভি)

আমাদের শেয়ারপ্রতি নেট এ্যাসেট ভ্যালু সর্বদাই ধনাত্মক ছিল যা দায়ের উপর সম্পদের আধিক্য নির্দেশ করে। যার ফলশ্রুতিতে আমাদের ব্যাংকের শেয়ারে অধিক শেয়ারহোল্ডারবৃন্দ বিনিয়োগ করে এবং ব্যাংকের প্রতি তাদের আস্থা বৃদ্ধি পায়। বিগত ৫ বছরের নেট এ্যাসেট ভ্যালুর গতিধারা নিম্নে দেয়া হল :

## মূলধন পর্যাপ্ততা

ব্যাংকের মোট মূলধন ৩১.১২.২০১৩ ইং এ দাঁড়ায় ১২,১৪০.১০ মিলিয়ন টাকায় যা ৩১.১২.২০১২ সালে ছিল ১১,০৫৫.৩০ মিলিয়ন টাকা। ব্যাংকের মূলধন সংরক্ষণের অনুপাত ঝুঁকি নির্ভর সম্পদের শতকরা %&!) \* ভাগ, যা বিধি মোতাবেক মূলত শতকরা ১০ ভাগ হলেই চলে।

ঝুঁকি নির্ভর সম্পদ-এর শতকরা %&!) শতাংশ রয়েছে কোর ক্যাপিট্যাল; যার ন্যূনতম প্রয়োজনীয়তা শতকরা ৫ শতাংশ।



## “Risk Based Capital Adequacy” for Banks (Basel-II)

The Bank has established Basel-II implementation Unit and conducted some workshops with Executives and officers of the Bank both in Head office and Branch level for its successful implementation. A comparative quantitative feature of Risk Weighted Assets (RWA) and Minimum Capital Requirement (MCR) for December quarter ended-2013 & 2012 under Besel-II is furnished hereunder:

## ঝুঁকিভিত্তিক মূলধন পর্যাপ্ততা (ব্যাসেল-২)

ব্যাংকে ব্যাসেল-২ সাফল্যের সাথে বাস্তবায়নের জন্য ইউনিট স্থাপন করা হয়েছে এবং প্রধান কার্যালয় ও শাখা পর্যায়ে কর্মশালার আয়োজন করা হয়েছে। ডিসেম্বর ২০১৩ এবং ডিসেম্বর ২০১২ ভিত্তিক ব্যাসেল-২ এর ঝুঁকি নির্ভর সম্পদ এবং ন্যূনতম মূলধনের প্রয়োজনীয়তার তুলনামূলক অবস্থান নিম্নে দেয়া হল :

Particulars	2013	2012
	Tk. In Million	Tk. In Million
<b>Eligible Capital:</b>		
1. Tier-1 (Core) Capital	9,951.28	9,646.32
2. Tier-2 (Supplementary) Capital	1,188.82	1,408.98
3. Tier-3 (eligible for market risk only capital)	-	-
<b>Total eligible Capital (1+2+3)</b>	<b>12,140.10</b>	<b>11,055.30</b>
<b>Total Risk Weighted Assets (RWA)</b>	<b>88,701.50</b>	<b>89,811.40</b>
<b>Capital Adequacy Ratio (CAR)</b>	<b>12.56%</b>	<b>12.31%</b>
Core Capital to RWA	11.22%	10.74%
Supplementary Capital to RWA	1.34%	1.57%
<b>Minimum Capital Requirement (MCR)</b>	<b>8,870.15</b>	<b>8,981.14</b>

### Liabilities:

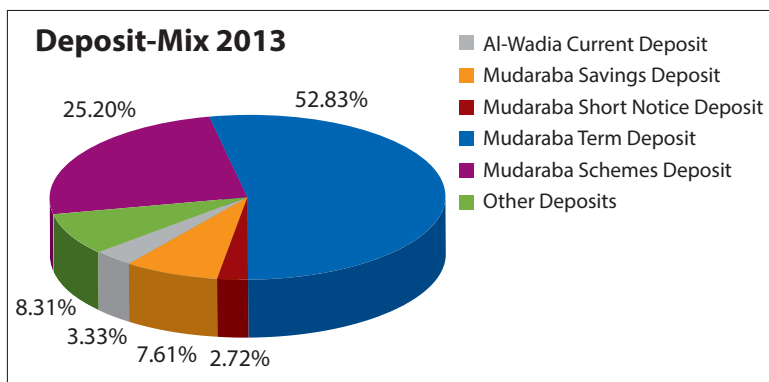
Total liabilities (excluding equity) stood at Tk. 111,012.15 million at the end of year 2013, which was 9.88% less than the previous years' figure. Decrease in liability is mainly due to decrease in deposit from customers.

### Deposit

Total deposit of Shahjalal Islami Bank Limited stood at Tk. 96,481.35 million as on 31.12.2013 whereas Tk. 102,176.87 million of 31.12.2012. Deposit is the 'life-blood' of a Bank. Bank has given utmost importance in mobilization of deposits introducing a few popular and innovative schemes. The bank always tried to give the highest return on the deposits of the customers. The mobilized deposits were ploughed back in economic activities through profitable and safe investments.

The Deposit-mix of the Bank as on 31.12.2013 was as below:-

Sl.No	Nature of Deposit	Taka in million	Percentage of Total Deposit
1	Al-Wadia Current Deposit	3,217.42	3.33%
2	Mudaraba Savings Deposit	7,344.81	7.61%
3	Mudaraba Short Notice Deposit	2,619.19	2.72%
4	Mudaraba Term Deposit	50,965.91	52.83%
5	Mudaraba Schemes Deposit	24,313.46	25.20%
6	Other Deposits	8,020.56	8.31%
<b>Total</b>		<b>96,481.35</b>	<b>100.00%</b>



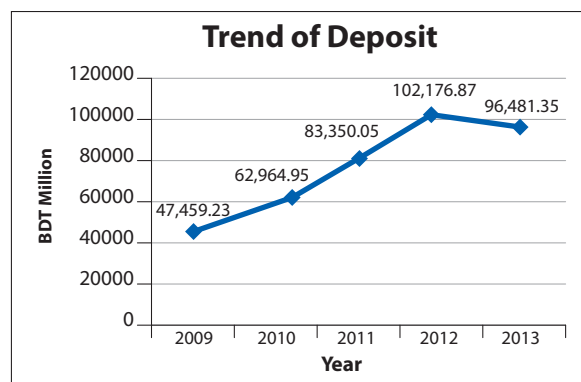
### দায়

২০১৩ সালের শেষে মোট দায় (ইকুইটি বাদে) দাঁড়িয়েছে ১১১,০১২.১৫ মিলিয়ন টাকা যা পূর্ববর্তী বছরের তুলনায় ৯.৮৮% হ্রাস পেয়েছে। আমানত হ্রাসের কারণেই মূলত দায়ের পরিমাণ হ্রাস পেয়েছে।

### আমানত

৩১ শে ডিসেম্বর, ২০১৩ সালে ব্যাংকের মোট আমানত ৯৬,৪৮১.৩৫ মিলিয়ন টাকা যেখানে পূর্ববর্তী বছরের একই সময়ে ছিল ১০২,১৭৬.৮৭ মিলিয়ন টাকা। যেহেতু আমানত হল একটি ব্যাংকের জীবনীশক্তির মূল উৎস, তাই আমাদের ব্যাংক নতুন আমানত প্রকল্প উদ্ভাবন করে আমানত বৃদ্ধিতে সর্বাধিক প্রচেষ্টা গ্রহণ করেছে। ব্যাংক সবসময় গ্রাহকদের আমানতের সর্বোচ্চ মুনাফা দিতে সচেষ্ট। সঞ্চিত আমানত লাভজনক ও নিরাপদ বিনিয়োগ প্রকল্পে খাটিয়ে অর্থনৈতিক গতিশীলতা বৃদ্ধি করা হয়েছে।

৩১-১২-২০১৩ ইং তারিখ ভিত্তিক আমানত সংমিশ্রণের অবস্থা নিম্নরূপ :



## Total Assets

The Bank's total assets as on 31.12.2013 was Tk.121,963 million and as on 31.12.2012 it was Tk. 132,823 million. A major impact to this negative growth was the decrease in investments (loans & advances) which reduced by 10.89% or from Tk. 96,185 million to Tk. 85,707 million.

## Asset quality and non-performing investments (NPI)

The Bank's total investment as on 31.12.2013 stood at Tk. 85,707 against the balance as on 31.12.2012 Tk. 96,185. On the other hand, non-performing investment increased in 2013 is Tk. 2,700 million over the year 2012. The non-performing investment ratio is 6.47%.

## Investment

Total investment of the Bank stood at Tk. 85,707 million as on 31.12.2013 as against Tk. 96,185 million as on 31.12.2012 registering a decrease of Tk. 10,478 million, i.e. 10.89% negative growth. The Bank is careful in deployment of the fund. Mode wise investment portfolio as on 31.12.2013 are given below:

Sl. No	Modes of Investments	Taka in million	Percentage of Total Investment
1	Murabaha	11,835.87	13.81%
2	Bi-Muazzal	41,168.63	48.03%
3	Hire Purchase Shirkatul Meelk (HPSM)	17,156.97	20.02%
4	Ijara	1,190.95	1.39%
5	Bi-Salam	1,089.32	1.28%
6	Quard	952.36	1.11%
7	Bill purchased & discounted	8,006.97	9.34%
8	Others	4,305.54	5.02%
	<b>Total</b>	<b>85,706.61</b>	<b>100.00%</b>

The Bank entertains good investment-clients having credit-worthiness and good track record. The Bank has got a few Investment Schemes to provide financial assistance to comparatively less advantaged group of people.

## মোট সম্পদ

৩১ শে ডিসেম্বর, ২০১৩ সালে ব্যাংকের মোট সম্পদ ১২১,৯৬৩ মিলিয়ন টাকা যেখানে পূর্ববর্তী বছরের একই সময়ে ছিল ১৩২,৮২৩ মিলিয়ন টাকা। এই ঋণাত্মক বৃদ্ধির অন্যতম কারণ হচ্ছে বিনিয়োগ (ঋণ) ১০.৮৯% হ্রাস পেয়ে ৯৬,১৮৫ মিলিয়ন টাকা হতে ৮৫,৭০৭ মিলিয়ন টাকা হওয়া।

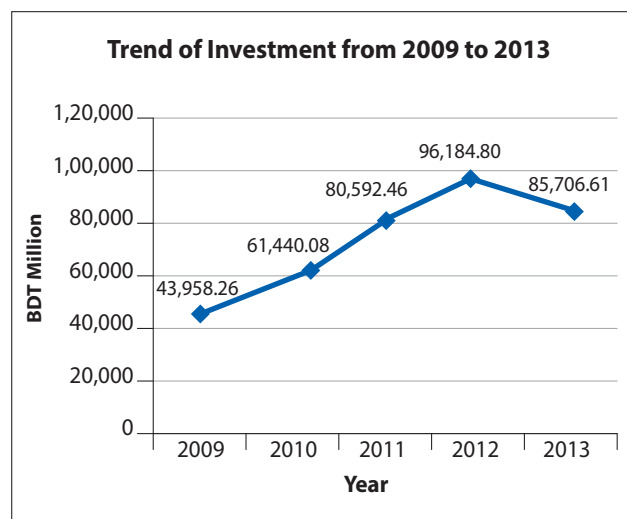
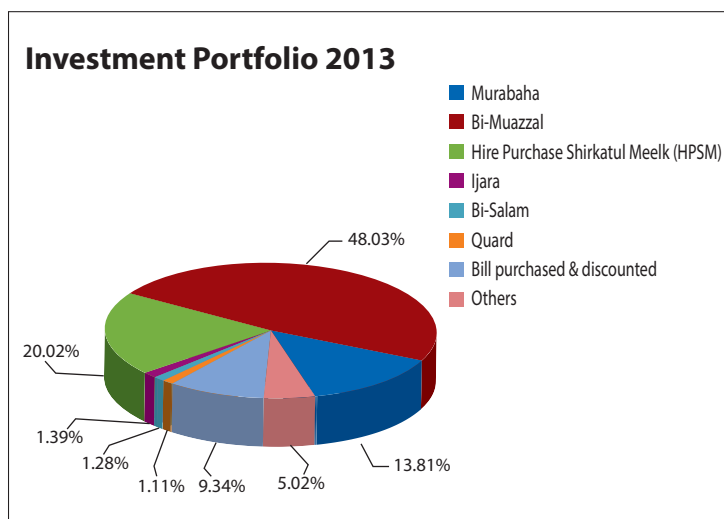
## সম্পদের গুণগতমান এবং শ্রেণীকৃত বিনিয়োগ

৩১ শে ডিসেম্বর, ২০১২ সালে ব্যাংকের মোট বিনিয়োগ ৯৬,১৮৫ মিলিয়ন টাকার বিপরীতে ৩১শে ডিসেম্বর, ২০১৩ সালে ব্যাংকের মোট বিনিয়োগের পরিমাণ দাঁড়ায় ৮৫,৭০৭ মিলিয়ন টাকা। অন্যদিকে ২০১৩ সালে শ্রেণীকৃত বিনিয়োগের পরিমাণ ২০১২ সালের চেয়ে ২,৭০০ মিলিয়ন টাকা বেড়েছে। শ্রেণীকৃত বিনিয়োগের পরিমাণ শতকরা ৬.৪৭% শতাংশ।

## বিনিয়োগ

৩১ শে ডিসেম্বর, ২০১৩ তারিখে ব্যাংকের মোট বিনিয়োগ পূর্ববর্তী বছরের তুলনায় ১০,৪৭৮ মিলিয়ন টাকা অর্থাৎ শতকরা ১০.৮৯ ভাগ হ্রাস পেয়ে দাঁড়ায় ৮৫,৭০৭ মিলিয়ন টাকায় যা পূর্ববর্তী বছরে ছিল ৯৬,১৮৫ মিলিয়ন টাকা। তহবিল বিনিয়োগে ব্যাংক সদা সচেতন। ৩১শে ডিসেম্বর, ২০১৩ ভিত্তিক বিভিন্ন খাতওয়ারী বিনিয়োগ নিম্নরূপ :

ব্যাংক সর্বদাই ভাল বিনিয়োগ গ্রাহক যাদের আর্থিক স্বচ্ছলতা এবং ইতিবাচক ট্র্যাক রেকর্ড রয়েছে তাদেরকে গুরুত্ব দেয়। ব্যাংক অপেক্ষাকৃত কম সুযোগপ্রাপ্ত মানুষের জন্য কিছু বিনিয়োগ প্রকল্প গ্রহণ করেছে।

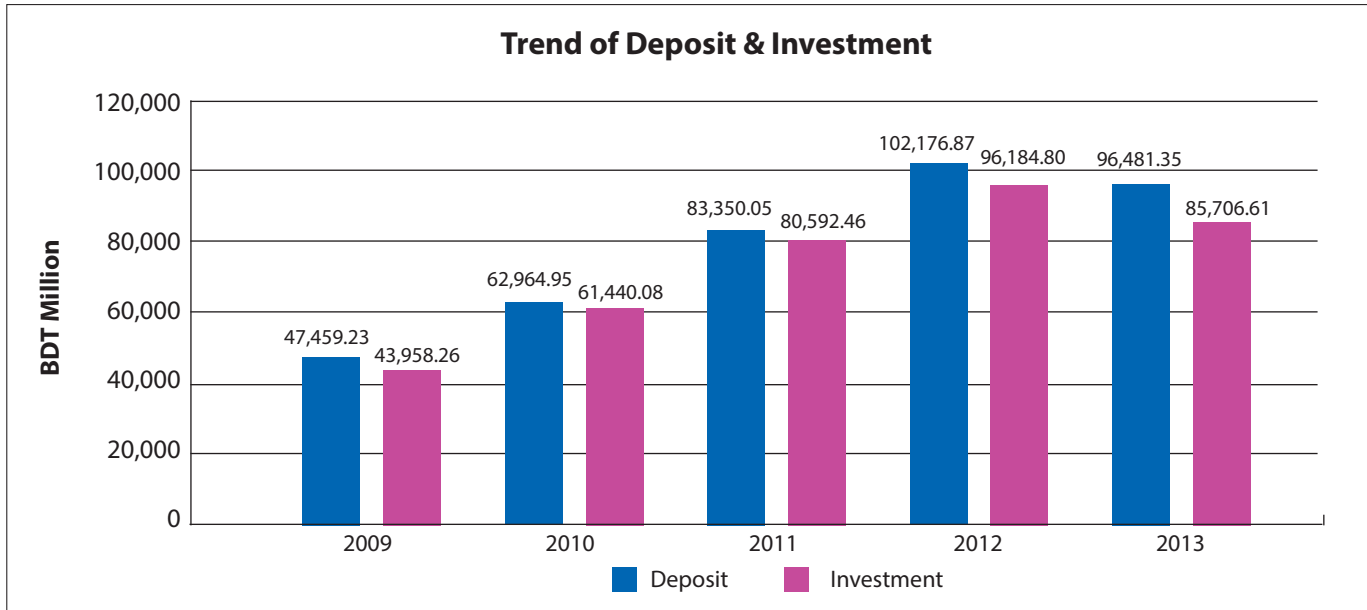


## Division-wise Investment

Divisions	Horizontal Analysis				Vertical Analysis			
	Taka in Millions		Variance		Taka in Millions		Composition	
	2013	2012	2013/2012	2012/2011	2013	2012	2013	2012
Dhaka	67,887	78,842	-13.89%	18.24%	67,887	78,842	79.21%	81.97%
Chittagong	12,155	11,663	4.22%	20.00%	12,155	11,663	14.18%	12.13%
Sylhet	1,200	1,439	-16.61%	12.65%	1,200	1,439	1.40%	1.50%
Rajshahi	948	786	20.61%	23.18%	948	786	1.11%	0.82%
Rangpur	881	787	11.94%	161.57%	881	787	1.03%	0.82%
Khulna	2,482	2,395	3.63%	35.44%	2,482	2,395	2.90%	2.49%
Barisal	153	273	-43.96%	28.86%	153	273	0.18%	0.28%
<b>Total</b>	<b>85,707</b>	<b>96,185</b>	<b>-10.89%</b>	<b>19.35%</b>	<b>85,707</b>	<b>96,185</b>	<b>100.00%</b>	<b>100.00%</b>

## Sector-wise Investment

Sectors	Horizontal Analysis				Vertical Analysis			
	Taka in Millions		Variance		Taka in Millions		Composition	
	2013	2012	2013/2012	2012/2011	2013	2012	2013	2012
Agriculture & Fishing	745	758	-1.72%	109.47%	745	758	0.87%	0.79%
Cotton & Textile	7,361	10,255	-28.22%	-13.39%	7,361	10,255	8.59%	10.66%
Garments	12,516	14,850	-15.72%	20.75%	12,516	14,850	14.60%	15.44%
Cement	455	753	-39.64%	1.32%	455	753	0.53%	0.78%
Pharmaceuticals & Chemicals	1,369	2,712	-49.52%	81.84%	1,369	2,712	1.60%	2.82%
Real Estate	7,593	8,817	-13.88%	4.76%	7,593	8,817	8.86%	9.17%
Transport	1,799	2,266	-20.62%	11.72%	1,799	2,266	2.10%	2.36%
Information Technology	213	186	14.59%	-12.92%	213	186	0.25%	0.19%
Non Banking Financial Institutions	4,889	2,519	94.07%	0.00%	4,889	2,519	5.70%	2.62%
Steel & Engineering	4,116	5,437	-24.30%	77.04%	4,116	5,437	4.80%	5.65%
Paper & Paper Products	1,366	1,752	-22.01%	18.92%	1,366	1,752	1.59%	1.82%
Services Industries	3,187	3,018	5.61%	9.67%	3,187	3,018	3.72%	3.14%
Trading	10,848	13,163	-17.59%	40.35%	10,848	13,163	12.66%	13.68%
Import Financing	4,990	7,545	-33.87%	-16.96%	4,990	7,545	5.82%	7.84%
Consumer Financing	80	180	-55.72%	-26.68%	80	180	0.09%	0.19%
Share business	2,629	3,390	-22.44%	34.13%	2,629	3,390	3.07%	3.52%
Staff Investment	758	596	27.18%	20.73%	758	596	0.88%	0.62%
Others	20,794	17,989	15.59%	54.35%	20,794	17,989	24.26%	18.70%
<b>Total</b>	<b>85,707</b>	<b>96,185</b>	<b>-10.89%</b>	<b>19.35%</b>	<b>85,707</b>	<b>96,185</b>	<b>100.00%</b>	<b>100.00%</b>



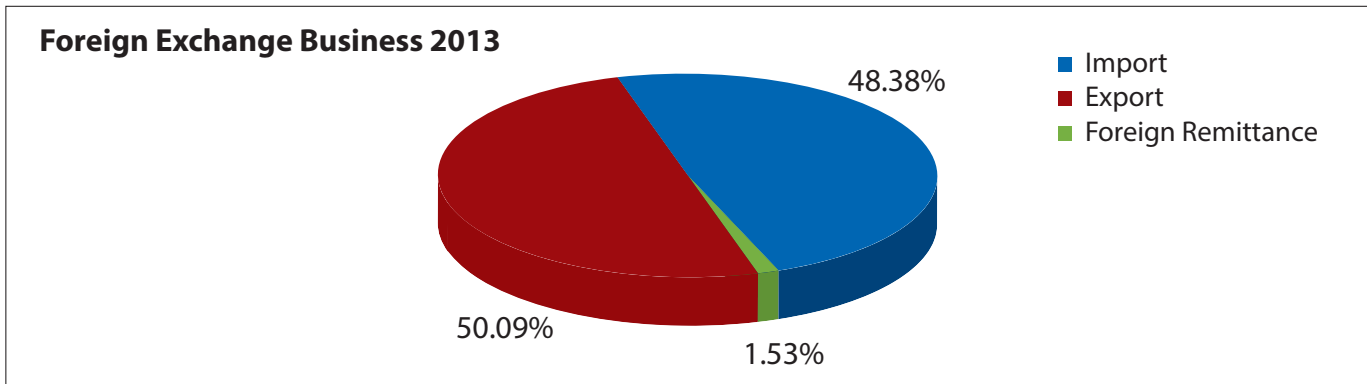
### Foreign Exchange Business

Total Foreign Exchange Business handled during the year 2013 was Tk. 169,318 million as against Tk. 225,553 million of 2012 registering a decrease of Tk. 56,235 million, i.e. 24.93% negative growth. The particulars of Foreign Exchange Business are given below:-

### বৈদেশিক বাণিজ্য

২০১৩ সালের মোট বৈদেশিক বাণিজ্য পূর্ববর্তী বছরের তুলনায় ৫৬,২৩৫ মিলিয়ন টাকা অর্থাৎ শতকরা ২৪.৯৩ ভাগ হ্রাস পেয়ে দাঁড়ায় ১৬৯,৩১৮ মিলিয়ন টাকায়; যা ২০১২ সালে ছিল ২২৫,৫৫৩ মিলিয়ন টাকা। বৈদেশিক বাণিজ্যের বিশদ বর্ণনা নিম্নে দেয়া হল :

Particulars	Amount in Million Taka		Growth		Composition	
	2013	2012	2013	2012	2013	2012
Import	81,926	111,837	26.75%	35.82%	48.38%	49.58%
Export	84,809	110,789	23.45%	39.84%	50.09%	49.12%
Foreign Remittance	2,583	2,927	11.75%	-45.19%	1.53%	1.30%
<b>Total</b>	<b>1,69,318</b>	<b>2,25,553</b>	<b>24.93%</b>	<b>35.14%</b>	<b>100.00%</b>	<b>100.00%</b>



### Operating Result

#### Income:

#### Investment Income:

Total Investment Income of the Bank as at 31st December 2013 was TK. 13,614.54 million as against TK. 15,242.21 million of the preceding year, which was 87.22% of the total income against 87.40% of 2012.

### পরিচালনা ফলাফল

#### আয়

#### বিনিয়োগ আয়

২০১৩ সালে মোট বিনিয়োগ আয়ের পরিমাণ দাঁড়ায় ১৩,৬১৪.৫৪ মিলিয়ন টাকায়, যা ২০১২ সালে ছিল ১৫,২৪২.২১ মিলিয়ন টাকা। এই আয় মোট আয়ের ৮৭.২২ শতাংশ যা ২০১২ সালে ছিল ৮৭.৪০ শতাংশ।

### Non-Investment Income:

Total Non-Investment Income of the Bank as at 31st December 2013 was TK. 1,994.42 million as against TK. 2,196.60 million of the preceding year, which was 12.78% of the total income compared to 12.60% of 2012.

### Expenditure:

#### Profit Paid on Deposits:

Bank distributed Profit of TK. 10,577.54 million among the Mudaraba Depositors in the year 2013 against TK. 11,169.64 million of the year 2012 which being 77.70% of the Investment income earned from deployment of Mudaraba Fund and 81.90% of total Expenditure of 2013 against 85.97% of 2012.

#### Operating Expenses:

Total operating expenses as on 31.12.2013 was TK. 2,337.59 million as against TK. 1,822.08 million of 2012, which was 18.10% of the total Expenditure of the year 2013 against 14.03% of 2012.

#### Operating Profit:

During the year 2013, the Bank earned an amount of Tk. 15,608.96 million and spent an amount of Tk. 12,915.13 million, resulting a total Operating Profit of Tk. 2,693.83 million which decreased by Tk. 1,753.25 million over last year i, e. 31.12.2012. From the operating profit Tk. 174.06 million was kept as provision for investment, Tk. 64.34 million provision was kept for Off-Balance Sheets, Tk. 72.00 million provision was kept for diminution in value of investment in shares, Tk. 0.60 million provision was kept for other assets, and then profit before tax stood total Tk. 2,382.83 million and deducting income taxes of Tk. 1,077.86 million, Net profit after taxation stood at Tk. 1,304.96 million. As appropriation of net profit Tk. 476.57 million was transferred to statutory reserve as per Bank Company Act and Remaining Tk. 828.40 million was transferred to retained earnings.

A summary of operating result of the bank as on December 2013 vis-a-vis the position of December, 2012 is shown below:-

### বিনিয়োগ বহির্ভূত আয়

২০১৩ সালে মোট বিনিয়োগ বহির্ভূত আয় ছিল ১,৯৯৪.৪২ মিলিয়ন টাকা, যা ২০১২ সালে ছিল ২,১৯৬.৬০ মিলিয়ন টাকা। এই আয় মোট আয়ের শতকরা ১২.৭৮ ভাগ, যা ২০১২ সালে ছিল শতকরা ১২.৬০ ভাগ।

### ব্যয়

#### আমানতের উপর লাভ প্রদান

২০১৩ সালে ব্যাংক ১০,৫৭৭.৫৪ মিলিয়ন টাকা মুদারাবা সঞ্চয়কারীদের মধ্যে লাভ হিসেবে বন্টন করে যা ২০১২ সালে ছিল ১১,১৬৯.৬৪ মিলিয়ন টাকা এবং যা ২০১৩ সালে মুদারাবা আমানতকারীদের ফান্ড বিনিয়োগের মাধ্যমে অর্জিত আয়ের শতকরা ৭৭.৭০ ভাগ এবং মোট ব্যয়ের শতকরা ৮১.৯০ ভাগ যা ২০১২ সালে ছিল শতকরা ৮৫.৯৭ ভাগ।

#### পরিচালনা ব্যয়

২০১৩ সালে মোট পরিচালনা ব্যয় ছিল ২,৩৩৭.৫৯ মিলিয়ন টাকা যা ২০১২ সালে ছিল ১,৮২২.০৮ মিলিয়ন টাকা। এই ব্যয় মোট ব্যয়ের শতকরা ১৮.১০ ভাগ, যা ২০১২ সালে ছিল শতকরা ১৪.০৩ ভাগ।

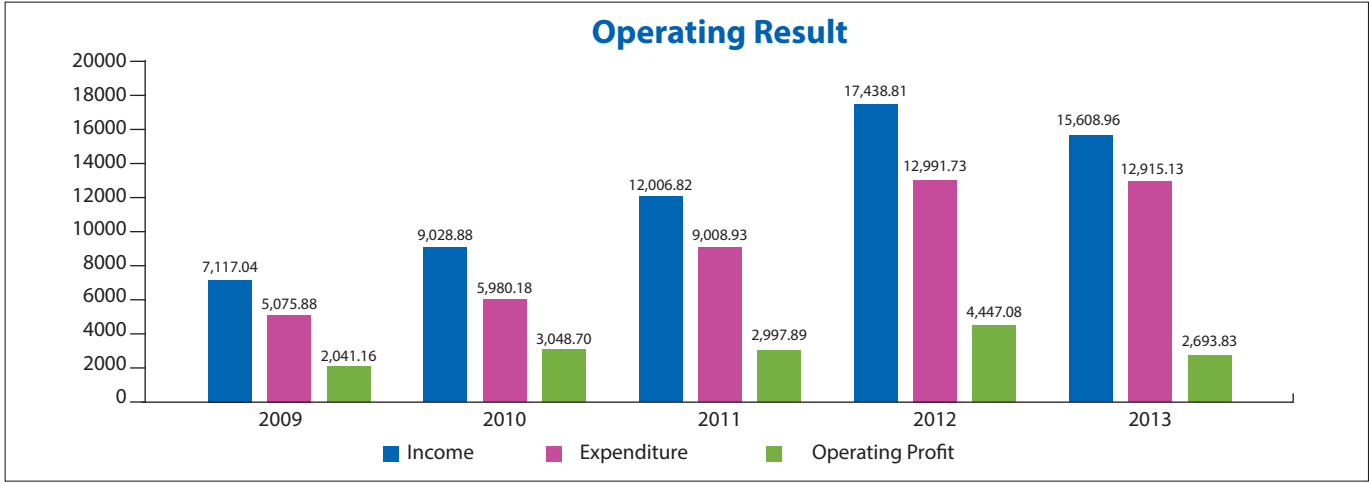
#### পরিচালনা মুনাফা

২০১৩ সালে ব্যাংক ১৫,৬০৮.৯৬ মিলিয়ন টাকা আয় করে এবং ব্যয় করে ১২,৯১৫.১৩ মিলিয়ন টাকা; ফলে পরিচালনা মুনাফা দাঁড়ায় ২,৬৯৩.৮৩ মিলিয়ন টাকায় যা ২০১২ সাল থেকে ১,৭৫৩.২৫ মিলিয়ন টাকা কম। পরিচালনা মুনাফা থেকে ১৭৪.০৬ মিলিয়ন টাকা বিনিয়োগ প্রতিশন, ৬৪.৩৪ মিলিয়ন টাকা অফ ব্যালেন্সশীট প্রতিশন এবং ৭২ মিলিয়ন টাকা শেয়ারের মূল্যহ্রাসের জন্য প্রতিশন এবং ০.৬০ মিলিয়ন টাকা অন্যান্য সম্পদ এর জন্য প্রতিশন করে করপূর্ব লাভ দাঁড়ায় ২,৩৮২.৮৩ মিলিয়ন টাকা যা থেকে ১,০৭৭.৮৬ মিলিয়ন টাকা আয়কর সংস্থানের পর কর-পরবর্তী লাভ দাঁড়ায় ১,৩০৪.৯৬ মিলিয়ন টাকা। অতঃপর ব্যাংক কোম্পানী আইন অনুযায়ী সংবিধিবদ্ধ রিজার্ভে ৪৭৬.৫৭ মিলিয়ন টাকা স্থানান্তরের পর বাকী ৮২৮.৪০ মিলিয়ন টাকা রিটেইন্ড আর্নিং হিসেবে স্থানান্তর করা হয়েছে।

২০১৩ এবং ২০১২ সালের পরিচালনা মুনাফার একটি সংক্ষিপ্ত সার নিম্নে প্রদত্ত হল :

(Amount in Million)

Particulars	2013	2012
Total Income	15,608.96	17,438.81
Less: Total Expenditure	12,915.13	12,991.73
<b>Net Profit before Provision &amp; Taxation</b>	<b>2,693.83</b>	<b>4,447.08</b>
Less: Provision for Investment, Off Balance Sheets, Shares & others	311.00	912.5
<b>Net profit before Taxation</b>	<b>2,382.83</b>	<b>3,534.58</b>
Less: Provision for Taxation	1,077.86	1,805.05
<b>Net Profit</b>	<b>1,304.96</b>	<b>1,729.53</b>
<b>Appropriation:</b>		
Statutory Reserve	476.57	706.92
Retained Earnings	828.40	1,022.61



## Contribution to National Exchequer

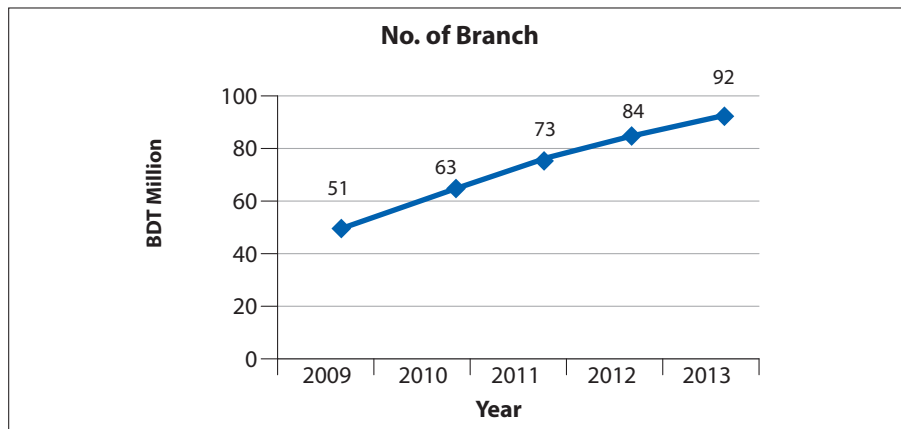
The Bank has made provision of Tk. 1,077.86 million for corporate tax in 2013 against 1,805.05 million in 2012. The bank has also contributed to the economy by generating employment of 2173 full time officials. In the year 2013, Bank has paid Tk. 4,102 million to Government exchequer as source tax, salary tax, VAT, excise duty and other tax & VAT realized against various services. In the intermediation process, the Bank mobilized resources of Tk. 96,481.35 million from the surplus economic unit and deployed Tk. 85,706.61 million in 2013.

## Correspondent Relationship

The Bank has established correspondent relationship across the world with a number of foreign banks. The number of correspondent banks stood at 397 as on December 31, 2013 across 57 countries. Through its correspondent relationship network, SJIBL continues to follow needs and business opportunities of its clients. The bank maintains 31 Nostro accounts in 7 major international currencies with reputed international banks in all the major financial centers around the world, for settlement of cross border trade and all other customer driven transactions denominated in foreign currency. SJIBL also enjoys sufficient credit lines from correspondent banks for add confirmation to Letter of Credits to facilitate international trade.

## Branch Network

The Bank has been operating with a network of 92 branches around the country. In the year 2013 the Bank has opened 8 new branches. The bank is working to expand its business by opening more 6 branches in Dhaka and some other important business location of the country in the year 2014 upon approval of Bangladesh Bank.



## জাতীয় কোষাগারে অবদান

২০১৩ সালের কর্পোরেট আয়করের জন্য ব্যাংক ১,০৭৭.৮৬ মিলিয়ন টাকা প্রভিশন করে যা ২০১২ এ ছিল ১,৮০৫.০৫ মিলিয়ন টাকা। ব্যাংক ২,১৭৩ জন নিয়মিত কর্মকর্তাকে নিয়োগ দানের মাধ্যমে দেশের অর্থনীতিতে অবদান রেখেছে। ২০১৩ সালে ব্যাংক কর্তনকৃত উৎসে কর ও বিভিন্ন ব্যাংকিং সেবার বিপরীতে ভ্যাট আদায়পূর্বক ৪,১০২ মিলিয়ন টাকা সরকারী কোষাগারে প্রদান করেছে। অন্তর্বর্তীকালীন সময়ে ব্যাংক ৯৬,৪৮১.৩৫ মিলিয়ন টাকা আহরণপূর্বক ৮৫,৭০৬.৬১ মিলিয়ন টাকা বিনিয়োগ প্রদান করেছে।

## অনুসঙ্গী সম্পর্ক

ব্যাংকটি বিশ্বজুড়ে অনেকগুলো বিদেশী ব্যাংকের সাথে অনুসঙ্গী সম্পর্ক স্থাপন করেছে। ৩১ শে ডিসেম্বর ২০১৩ ইং অনুযায়ী বিশ্বের ৫৭টি দেশের ৩৯৭টি বিদেশী ব্যাংকের সাথে এর অনুসঙ্গী সম্পর্ক রয়েছে। শাহজালাল ইসলামী ব্যাংক বিস্তৃত অনুসঙ্গী সম্পর্কের মাধ্যমে এর গ্রাহকদের চাহিদা ও ব্যবসায়িক সুযোগ বৃদ্ধিতে কাজ করে আসছে। বৈদেশিক মুদ্রায় যে কোন ধরনের লেনদেন সহ আন্তর্জাতিক বাণিজ্য নিষ্পত্তির লক্ষ্যে ব্যাংকটি বিশ্বের নামকরা আন্তর্জাতিক ব্যাংকের সাথে প্রধান প্রধান ৭টি আন্তর্জাতিক মুদ্রায় ৩১টি নস্ট্রো হিসাব পরিচালনা করছে। বৈদেশিক বাণিজ্য পরিচালনার সুবিধার্থে ঋণপত্রের কনফারমেশন এর জন্য ব্যাংকটি অনুসঙ্গী ব্যাংকগুলোর কাছ থেকে যথেষ্ট পরিমাণে ক্রেডিট লাইন সুবিধা ভোগ করছে।

## শাখা নেটওয়ার্ক

দেশব্যাপী ব্যাংকের ব্যবসা পরিচালনার জন্য ৯২টি শাখার একটি নেটওয়ার্ক রয়েছে। তন্মধ্যে ২০১৩ সালে ব্যাংক ৮টি নূতন শাখা খুলেছে। এছাড়াও বাংলাদেশ ব্যাংকের অনুমোদন সাপেক্ষে ২০১৪ সালে ঢাকা ও বাণিজ্যিকভাবে গুরুত্বপূর্ণ দেশের বিভিন্ন এলাকায় আরও ৬টি শাখা খোলার উদ্যোগ নেয়া হয়েছে।

## Relationship with other Bodies

In the meantime Shahjalal Islami Bank Limited has established relationship with the following National Bodies:

- Bangladesh Institute of Bank Management (BIBM)
- The Institute of Bankers, Bangladesh (IBB)
- The Bangladesh Foreign Exchange Dealers' Association (BAFEDA)
- Bangladesh Association of Banks (BAB)s
- Central Shariah Board for Islamic Banks of Bangladesh;
- Islami Banks Consultative Forum (IBCF)
- Dhaka Chamber of Commerce & Industry (DCCI) and
- Bangladesh Chamber of Industries (BCI).

## Soundness and Efficiency of Internal Control & Compliance:

Banking has a diversified and complex financial activity, which involves high risk in different modes. Consequently, the issues of internal control system has become most significant in banking industry through which bank identifies its weakness and takes appropriate measures to overcome the same.

Shahjalal Islami Bank Limited Ltd has strengthened and segregated its Internal Control and Compliance Division into three separate units based on the relative guidelines framed by Bangladesh Bank:

- Audit and Inspection
- Compliance
- Monitoring

## Internal Control and Compliance Manual:

Shahjalal Islami Bank Limited has an Internal Control and Compliance Manual, which among other includes the following:

- Objective of Internal Control
- Authorities of the Internal Control and Compliance Environment
- Organizational Structure of the Division and
- Policy Guidelines for Internal Risk Recognition & Assessment and Regulatory Compliance.

## Internal Inspection in 2013 and Grading of the Branches:

Internal Inspection is a part of the ongoing monitoring of Shahjalal Islami Bank Limited Internal control system and its internal capital assessment procedure. Internal Inspection provides an independent assessment of the adequacy of and compliance with the Bank's established policies and procedures. As such, the internal inspection function assists the senior management and the Board of Directors in the efficient and effective discharge of their responsibilities.

## অন্যান্য সংস্থাসমূহের সাথে সম্পর্ক

শাহজালাল ইসলামী ব্যাংক লিমিটেড জাতীয় সংস্থাসমূহের সাথে সম্পর্ক স্থাপন করেছে :

- বাংলাদেশ ইনস্টিটিউট অব ব্যাংক ম্যানেজম্যান্ট
- ইনস্টিটিউট অব ব্যাংকার্স বাংলাদেশ
- দ্যা বাংলাদেশ ফরেন এক্সচেঞ্জ ডিলার্স এসোসিয়েশন
- বাংলাদেশ এসোসিয়েশন অব ব্যাংকস
- সেন্ট্রাল শরীয়াহ বোর্ড ফর ইসলামিক ব্যাংকস অব বাংলাদেশ
- ইসলামিক ব্যাংকস কনসালটেন্ট ফোরাম
- ঢাকা চেম্বার অব কমার্স এন্ড ইন্ডাস্ট্রিজ এবং
- বাংলাদেশ চেম্বার অব ইন্ডাস্ট্রিজ ।

## অভ্যন্তরীণ নিয়ন্ত্রণ ও পরিপালন বিভাগের দক্ষতা ও সক্ষমতা

ব্যাকিং হলো বহুমুখী এবং জটিল অর্থনৈতিক কর্মকাণ্ড, যেখানে বিভিন্ন ধরনের উচ্চমাত্রার ঝুঁকি বিদ্যমান। এ প্রেক্ষাপটে ব্যাকিং শিল্পে অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা সবচেয়ে গুরুত্বপূর্ণ বিষয়ে পরিণত হয়েছে যার মাধ্যমে ব্যাংক তার দুর্বলতা চিহ্নিত করে এবং সেগুলো কাটিয়ে উঠতে যথাযথ ব্যবস্থা গ্রহণ করে।

বাংলাদেশ ব্যাংকের নির্দেশনার আলোকে শাহজালাল ইসলামী ব্যাংক লিমিটেড তার অভ্যন্তরীণ নিয়ন্ত্রণ ও পরিপালন বিভাগকে তিনটি পৃথক ইউনিটের মাধ্যমে পরিচালনা করছে :

- নিরীক্ষা ও পরিদর্শন
- পরিপালন ও
- মনিটরিং

## অভ্যন্তরীণ নিয়ন্ত্রণ ও পরিপালন ম্যানুয়াল

শাহজালাল ইসলামী ব্যাংক লিমিটেড একটি অভ্যন্তরীণ নিয়ন্ত্রণ ও পরিপালন ম্যানুয়াল প্রণয়ন করেছে। এই ম্যানুয়ালে অন্যান্য বিষয়ের মধ্যে নিম্নলিখিত বিষয়সমূহ অন্তর্ভুক্ত :

- অভ্যন্তরীণ নিয়ন্ত্রণের উদ্দেশ্য
- অভ্যন্তরীণ নিয়ন্ত্রণ ও পরিপালন সংশ্লিষ্ট কর্তৃপক্ষসমূহ
- বিভাগীয় সাংগঠনিক কাঠামো এবং
- অভ্যন্তরীণ ঝুঁকি চিহ্নিতকরণ, মূল্যায়ন এবং নিয়ন্ত্রণমূলক বিধি-বিধান পরিপালনের নীতিমালা।

## ২০১৩ সালের অভ্যন্তরীণ পরিদর্শন এবং শাখাসমূহের গ্রেডিং

অভ্যন্তরীণ পরিদর্শন হচ্ছে শাহজালাল ইসলামী ব্যাংক লিমিটেডের অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা বিষয়ক চলমান পর্যবেক্ষণ এবং অভ্যন্তরীণ মূলধন মূল্যায়ন পদ্ধতির একটি অংশ। ব্যাংকের প্রতিষ্ঠিত নীতিমালা ও পদ্ধতি পর্যাঙ্ক কিনা এবং তা অনুসরণ করা হয় কিনা সে সম্পর্কে একটি স্বাধীন মূল্যায়ন প্রদান করে অভ্যন্তরীণ পরিদর্শন। এভাবে অভ্যন্তরীণ পরিদর্শন কার্যক্রম উর্দ্ধতন ব্যবস্থাপনা কর্তৃপক্ষ ও পরিচালনা পর্ষদকে তাঁদের দায়িত্বসমূহ দক্ষতার সঙ্গে ও ফলপ্রসূভাবে পালনে সহায়তা করে।

The Division has conducted comprehensive / surprise Inspection on almost all the Branches during 2013. In view of the findings of inspection reports, compliance thereof, performance relating to achievement of deposit and investment targets, maintenance of quality of investment and general impression of the IC&CD, Branches have been graded.

অত্র বিভাগ ২০১৩ সালে প্রায় সব শাখায় সমন্বিত/আকস্মিক পরিদর্শন সম্পাদন করেছে। পরিদর্শন প্রতিবেদনে উদঘাটিত অনিয়মসমূহ, প্রতিবেদনে প্রদত্ত পরামর্শের পরিপালন, আমানত ও বিনিয়োগ লক্ষ্যমাত্রা অর্জনের পরিমাণ, বিনিয়োগের মান সংরক্ষণ এবং অভ্যন্তরীণ নিয়ন্ত্রণ ও পরিপালন বিভাগের সাধারণ অভিমতের আলোকে শাখাসমূহকে গ্রেডিং করা হয়েছে।

## Internal Inspection Statistics of 2013:

SL No.	Nature of Inspection	No. of Branches/Division/Units	Frequency
1.	Comprehensive Inspection	74	Yearly
2.	Surprise/Special Inspection/Investigation	35	Surprise Special
3.	Nostro A/Cs Review	33	Quarterly
4.	Grading of the Branches	74	Yearly

## Compliance:

The compliance unit is responsible for ensuring compliance with all regulatory requirements while conducting bank's business. Its duty is to maintain liaison with the regulators and notify the other division/units/branches regarding regulatory changes & maintain proper records.

This unit works as the point of contact when any regulatory inspection is carried out and ensures that corrective measures are taken and the appropriate responses are made on a timely fashion. If the regulatory authority identifies any major lapses then it notifies to the senior management and/or to the audit committee of the bank.

## Bangladesh Bank Compliance:

Compliance unit received 79 Inspection reports from Bangladesh Bank during 2013 and successfully submitted compliance reports against all reports within prescribed deadlines.

## Bangladesh Bank Inspection:

Bangladesh Bank Inspection teams conducted a total number of 79 inspections in 2013. These include 05 divisions, 49 branches and two times on overall bank. The Bangladesh Bank inspection on overall bank cover six core risk management, Foreign Trade and Foreign Exchange Transactions Inspection etc. It is mentionable that Bangladesh Bank conducted inspections during the year 2013 on some branches in more than one time.

## Monitoring:

The monitoring unit of the Division monitors effectiveness of the Bank's Internal Control System on an ongoing basis through follow up of compliances and regularization of deficiencies that are identified by Audit and Inspection teams throughout the year. It also regularly monitors the operational performances of various Branches by reviewing quarterly operation reports. This unit recommends to the Head of IC&CD for sending special Inspection team to the Branches/ Division of Head Office if major deviations are identified.

## পরিপালন

ব্যাংক ব্যবসা পরিচালনার ক্ষেত্রে নিয়ন্ত্রণকারী বিধিমালা সংশ্লিষ্ট সব প্রয়োজনীয়তার পরিপালন নিশ্চিত করা পরিপালন ইউনিটের দায়িত্ব। নিয়ন্ত্রণকারী সংস্থাসমূহের সাথে যোগাযোগ রক্ষা করা এবং নিয়ন্ত্রণকারী বিধিমালা সংক্রান্ত পরিবর্তনসমূহ অন্যান্য বিভাগ/ইউনিট/শাখাসমূহকে অবহিত করা ও যথাযথভাবে রেকর্ড সংরক্ষণ করা এই ইউনিটের কাজ।

যখন কোন নিয়ন্ত্রক সংস্থার পরিদর্শন পরিচালিত হয় তখন এ ইউনিট যোগাযোগের মাধ্যম হিসেবে কাজ করে এবং পরিদর্শন প্রতিবেদনে সন্নিবেশিত অনিয়ম সংশোধনে সময়মত দ্রুত ও যথাযথ পদক্ষেপ গ্রহণ করে এবং গুরুতর অনিয়ম উদঘাটিত হলে তা ব্যাংকের উর্দ্ধতন ব্যবস্থাপনা কর্তৃপক্ষ অথবা বোর্ড অডিট কমিটিকে অবহিত করে।

## বাংলাদেশ ব্যাংকের পরিদর্শন প্রতিবেদনের পরিপালন

২০১৩ সালে পরিপালন ইউনিট বাংলাদেশ ব্যাংকের নিকট থেকে ৭৯টি প্রতিবেদন/পত্র গ্রহণ করেছে এবং প্রতিটি প্রতিবেদনের পরিপালন পত্র নির্দিষ্ট সময়সীমার মধ্যে প্রেরণ করেছে।

## বাংলাদেশ ব্যাংকের পরিদর্শন

বাংলাদেশ ব্যাংক পরিদর্শন দল ২০১৩ সালে সর্বমোট ৭৯টি পরিদর্শন পরিচালনা করেছে। এসব পরিদর্শনের মধ্যে রয়েছে ০৫ টি বিভাগ, ৪৯ টি শাখা এবং দুইবার সম্পূর্ণ ব্যাংক পরিদর্শন সম্পন্ন করেন। সম্পূর্ণ ব্যাংক পরিদর্শনে ০৬ টি মূল ঝুঁকি ব্যবস্থাপনা, বৈদেশিক বাণিজ্য এবং বিনিয়োগ লেনদেন অন্তর্ভুক্ত। উল্লেখ্য যে, বাংলাদেশ ব্যাংক ২০১৩ সালে কিছু কিছু শাখা একাধিকবার পরিদর্শন করে।

## মনিটরিং

মনিটরিং ইউনিট চলমান প্রক্রিয়ায় ব্যাংকের অভ্যন্তরীণ নিয়ন্ত্রণ পদ্ধতির কার্যকারিতা তদারকী করে। নিরীক্ষা ও পরিদর্শন দলের পরিদর্শন প্রতিবেদনে সন্নিবেশিত অনিয়ম ও সুপারিশসমূহ যথাক্রমে দূরীকরণ ও পরিপালনের বিষয়টি বৎসরব্যাপী পর্যবেক্ষণের মাধ্যমে তদারকী কার্যক্রম চলতে থাকে। বিভিন্ন শাখার ত্রৈমাসিক অপারেশন রিপোর্ট পর্যালোচনার মাধ্যমেও শাখাসমূহের কর্মদক্ষতা পর্যালোচনা করা হয়। যদি গুরুতর অনিয়ম উদঘাটিত হয় তাহলে সংশ্লিষ্ট শাখাসমূহ/প্রধান কার্যালয়ের উক্ত বিভাগে বিশেষ পরিদর্শন দল প্রেরণের জন্য এ ইউনিট অভ্যন্তরীণ নিয়ন্ত্রণ ও পরিপালন বিভাগের প্রধানের নিকট সুপারিশ পেশ করে।

## Independence and Impartiality:

Shahjalal Islami Bank Limited's internal control and Compliance Division is Independent and is given an appropriate standing within the Bank. It carries out its assignments independently with objectivity and impartiality.

## Professional Competence:

Shahjalal Islami Bank Limited has put utmost attention to maintain adequate professional competence of its IC&CD. Management takes appropriate steps to provide with required manpower for proper functioning of the Bank's IC&CD. A good number of experienced officials have newly been recruited for this Division although still it does not fulfill the requirement placed to and approved by the Management. Management always encourages attending trainings and workshop to improve competence level of the Division.

## Inspection Plan:

Shahjalal Islami Bank Limited's IC&CD worked out a plan for 2014 for all the assignments to be performed. The Inspection plan included the timing and frequency of planned Inspection. It was prepared on the basis of comprehensive inspections conducted in the immediate previous year and taking into consideration of the dates of opening of the new Branches.

## Human Resources Development

The bank always laid emphasis on human resource development. The Bank believes in the factor that helps the bank's survive is closely interlinked with the quality of service and satisfaction of the requirements of the client and that directly depends on the qualification and efficiency of the employees.

As our human resources give the organization a significant competitive edge, we continue our policy of recruiting the best professionals and implement programs to develop and retain high quality employees.

## Distribution of Manpower

In the proves of recruiting, inducting and retaining new talents, we are continuing our efforts to offer everyone a proper training that will help them become true professionals, whose skills will be essential for the betterment of their careers.

## স্বাধীনতা ও নিরপেক্ষতা

শাহজালাল ইসলামী ব্যাংক লিমিটেডের অভ্যন্তরীণ নিয়ন্ত্রণ ও পরিপালন বিভাগ স্বাধীন এবং ব্যাংকের মাঝে এ বিভাগকে যথোপযুক্ত অবস্থান প্রদান করা হয়েছে। বিভাগ তার নির্ধারিত কার্যাবলী বস্তুনিষ্ঠ ও নিরপেক্ষতার সাথে স্বাধীনভাবে পরিচালনা করে থাকে।

## পেশাগত যোগ্যতা

শাহজালাল ইসলামী ব্যাংক লিমিটেড তার অভ্যন্তরীণ নিয়ন্ত্রণ ও পরিপালন বিভাগের যথাযথ পেশাগত যোগ্যতা বজায় রাখার জন্য সর্বোচ্চ গুরুত্ব প্রদান করেছে। অভ্যন্তরীণ নিয়ন্ত্রণ ও পরিপালন বিভাগের কার্যক্রম সুষ্ঠুভাবে পরিচালনার উদ্দেশ্যে প্রয়োজনীয় জনবল নিয়োগের জন্য ব্যবস্থাপনা কর্তৃপক্ষ উপযুক্ত পদক্ষেপ গ্রহণ করেছেন। বিভাগে কর্মরত মানব সম্পদের মানোন্নয়নের জন্য প্রশিক্ষণ ও কর্মশালায় অংশগ্রহণকে ব্যবস্থাপনা কর্তৃপক্ষ সর্বদা উৎসাহিত করে চলেছেন।

## পরিদর্শন পরিকল্পনা

শাহজালাল ইসলামী ব্যাংক লিমিটেডের অভ্যন্তরীণ নিয়ন্ত্রণ ও পরিপালন বিভাগ ২০১৪ সালের সর্বপ্রকার কার্যাবলী সম্পাদনের উদ্দেশ্যে একটি কর্মপরিকল্পনা প্রণয়ন করেছে। পরিদর্শন পরিকল্পনায় পরিকল্পিত পরিদর্শনের সময় এবং সংখ্যা নির্ধারণ করা হয়েছে। এই পরিকল্পনা তৈরী করা হয়েছে অব্যবহিত পূর্ববর্তী বৎসরে সম্পাদিত সমন্বিত পরিদর্শনের ভিত্তিতে এবং নতুন শাখাসমূহ উদ্বোধনের তারিখ বিবেচনায় নিয়ে।

## মানব সম্পদ উন্নয়ন

ব্যাংক সব সময়ই মানব সম্পদ উন্নয়নে গুরুত্ব দিয়ে আসছে। ব্যাংক বিশ্বাস করে ব্যাংকটিকে টিকিয়ে রাখতে হলে গুণগত সেবা দিতে ও গ্রাহকদের চাহিদা মেটাতে হবে যা নির্ভর করে কর্মকর্তাদের যোগ্যতা ও দক্ষতার উপর।

যেহেতু আমাদের মানব সম্পদ প্রতিষ্ঠানের উন্নয়নে উল্লেখযোগ্য ভূমিকা রাখছে, তাই আমাদের নীতি হচ্ছে সেবা পেশাদার কর্মী নিয়োগ এবং দক্ষ কর্মীদের ধরে রাখা।

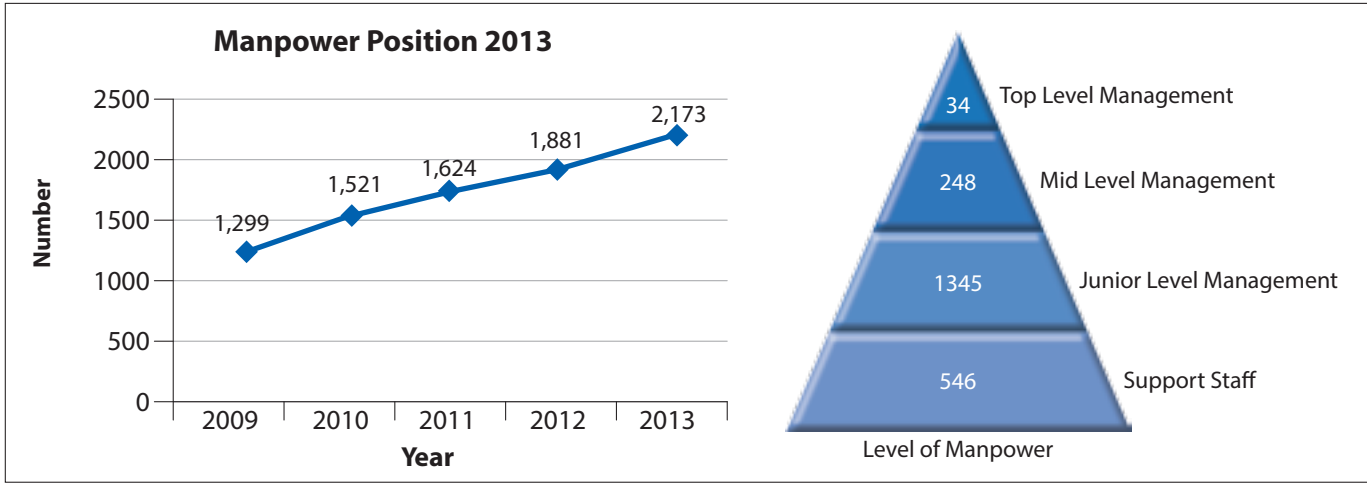
## মানব সম্পদ বিন্যাস

নতুন কর্মী নিয়োগ এবং দক্ষ কর্মীদের ধরে রাখার জন্য আমাদের সর্বদা চেষ্টা থাকে সঠিক প্রশিক্ষণ দেয়া যাতে সত্যিকারে পেশাদার হিসাবে গড়ে উঠে যা তাদের ভবিষ্যতের কর্মক্ষেত্রের সহায়ক।

Manpower	2013 (Number)	2012 (Number)
Officers	1,627	1,370
Sub-staffs	546	511
<b>Total</b>	<b>2,173</b>	<b>1,881</b>

Level of Manpower	2013 (Number)	2012 (Number)
Top Level Management	34	26
Mid Level Management	248	239
Junior Level Management	1,345	1,105
Supporting Staff	546	511
<b>Total</b>	<b>2,173</b>	<b>1,881</b>



## Newly recruited manpower

Shahjalal Islami Bank is preferred place for work for its existing and new manpower. In the year 2013, the bank recruited a total number of 368 new employees.

## Gender Positioning

Shahjalal Islami Bank is very much conscious to provide the equal opportunities in employment, learning & development and career advancement for both genders. Out of the total number of 2,173 employees, 310 employees are female and rest 1,863 employees are male.

## HR Strategy

- As an employer, our aims to attract the most talented personnel.
- We retain competent employees by recognizing, fairly and consistently, the success of professionals working effectively as a team.
- Provide new employees with appropriate training.
- Create a strong management team
- Ensure equal opportunities, with regard to employment, work facilities, assignment, training, job development and salaries.
- The opportunities we give individuals are based on a shared commitment to devote their talents to benefiting the business and to develop their own careers.

## Work Environment & Culture

We are committed to maintain a congenial working environment, free from discrimination based on race, religion, creed, sex, age, or any other category. We do not tolerate any behavior that can be perceived as degrading or threatening. We believe in working in a positive, friendly and respectful environment which permits employees to work to maximum effectiveness and to their full potential. The Bank excels the performance of its member of the staff by creating opportunities through providing proper training, rewards and recognition. To attract and retain qualified and efficient staff, the Bank has formulated a number of well thought policies for the welfare of its employees, in the form of Gratuity

## নতুন নিয়োগকৃত মানব সম্পদ

শাহজালাল ইসলামী ব্যাংক লিমিটেড নতুন এবং বিদ্যমান কর্মীর জন্য কাজের একটি উত্তম জায়গা। ব্যাংক ২০১৩ সালে নতুন ৩৬৮ জন মানব সম্পদ নিয়োগ করে।

## নারী-পুরুষ কর্মীর অবস্থান

শাহজালাল ইসলামী ব্যাংক কর্মী নিয়োগ, প্রশিক্ষণ ও উন্নয়ন, সুযোগ সুবিধা এবং পেশাগত উন্নয়নে সকলের জন্য সমান গুরুত্ব দিয়ে থাকে। ২০১৩ সালে মোট ২,১৭৩ জন কর্মীর মধ্যে ৩১০ জন মহিলা এবং ১,৮৬৩ জন পুরুষ রয়েছে।

## মানব সম্পদ কৌশল

- একজন নিয়োগকর্তা হিসাবে আমাদের উদ্দেশ্য সবচেয়ে মেধাবী কর্মী নিয়োগ।
- আমরা দক্ষ কর্মীদের ধরে রাখার জন্য কাজের স্বীকৃতি দিয়ে থাকি স্বচ্ছ এবং ধারাবাহিকভাবে যাতে একটি টিম হিসাবে কাজ করতে পারে।
- নতুন কর্মীদের যথোপযুক্ত প্রশিক্ষণ দিয়ে থাকি।
- শক্তিশালী ব্যবস্থাপনা কর্তৃপক্ষ গঠন।
- কর্মক্ষেত্রে সমান কাজের সুযোগ, দায়িত্বশীলতা, প্রশিক্ষণ, কর্মউন্নয়ন এবং যথোপযুক্ত বেতনভাতাদি নিশ্চিত করা।
- প্রত্যেক কর্মীকে তার মেধার যথার্থ ব্যবহারের মাধ্যমে কাজের প্রতি দায়িত্বশীল হয়ে প্রতিষ্ঠানের স্বার্থ নিশ্চিত করা এবং নিজের ভবিষ্যত এগিয়ে নেওয়ার সুযোগ প্রদান।

## কাজের পরিবেশ এবং রীতি

আমরা বন্ধুত্বপূর্ণ একটি কাজের পরিবেশ বজায় রাখতে প্রতিশ্রুতিবদ্ধ, যেখানে কোন বিভাজন থাকবে না পারস্পরিক প্রতিযোগিতায়, ধর্ম, লিঙ্গ, বয়স অথবা অন্য কোন বিষয়ের ক্ষেত্রে। হুমকি হিসেবে বিবেচিত হবে, এমন কোন আচরণকে আমরা মেনে নেব না। সহযোগিতামূলক, বন্ধুত্বপূর্ণ এবং শ্রদ্ধাশীল কাজের পরিবেশে আমরা বিশ্বাস করি যা কর্মীদের কাজে সর্বোচ্চ দক্ষতা নিশ্চিত করবে। আমরা ব্যাংকের দক্ষ ও যোগ্য কর্মকর্তাদের ধরে রাখতে তাদের সার্বিক উন্নতির জন্য বেশ কয়েকটি কল্যাণমুখী প্রকল্প হাতে নিয়েছি। যেমন, কন্সল্টেভিউটির অনুমোদিত প্রভিডেন্ট ফান্ড, গ্র্যাচুইটি ফান্ড, স্যোসাল সিকিউরিটি ফান্ড, কর্মকর্তাদের জন্য হাউজ বিল্ডিং

fund, Social Security Fund, Employees House Building Investment Scheme, Employees Car Financing Scheme, Benevolent Fund & Employees House Furniture allowance etc.

Total number of manpower of the Bank stood at 2,173 as on 31st December 2013 as against 1,881 of 31st December 2012.

বিনিয়োগ প্রকল্প, গাড়ী বিনিয়োগ প্রকল্প, বেনোভোলেন্ট ফান্ড ও হাউজ ফার্নিচার সুবিধা ইত্যাদি।

২০১৩ সালের ৩১ শে ডিসেম্বর ব্যাংকের মোট জনশক্তি দাঁড়ায় ২,১৭৩ জন যা ২০১২ সালের ৩১ শে ডিসেম্বরে ছিল ১,৮৮১ জন।

### Shahjalal Islami Bank Continues to maintain a very satisfactory position in terms of people productivity.

Particulars	2013	2012
Total Employees	2,173	1,881
Net income per employee (Tk. in million)	0.60	0.92
Operating revenue per employee (Tk. in million)	1.24	2.36
Assets per employee (Tk. in million)	56.13	70.61

### Training and Development

Significant number of trainings have been provided to employees on various topics like Trade, Investment, Risk Management, Basel II, ALCO, Anti Money Laundering and many more both in home and abroad which is aligned with the philosophy of enabling officers to continuously develop themselves to their fullest potential.

With a view to skill the manpower, Shahjalal Islami Bank Limited established Training center at 2/B, Gulshan South Avenue, Dhaka-1212. From the inception of training center, various subject are taught like Islamic Banking, General Banking, Investment Mechanism, Foreign Exchange, Modern Technology of IT, Asset management, Customer Service etc. Besides this, Foundation Course that is arranged by training center trains newly recruited employees.

Summary of training, workshops and seminars where the employees of the Bank have attended that given below:

### প্রশিক্ষণ ও উন্নয়ন

কর্মকর্তাদের যোগ্য ও দক্ষ্য করার লক্ষ্যে প্রতিনিয়ত দেশে এবং বিদেশে বিভিন্ন বিষয়ের উপর প্রশিক্ষণ যেমন ট্রেড, বিনিয়োগ-স্টক ব্যবস্থাপনা, ব্যাসেল-২, এলকো, মানি লন্ডারিং প্রতিরোধ ইত্যাদি বিষয়ে প্রশিক্ষণ দেয়া হচ্ছে।

দক্ষ জনবল তৈরী করার লক্ষ্যে শাহজালাল ইসলামী ব্যাংক লিমিটেড উদয় সান্জ, ২/বি গুলশান সাউথ এভিনিউ, গুলশান-১ ঢাকায় প্রশিক্ষণ কেন্দ্র স্থাপন করেছে। ট্রেনিং সেন্টার প্রতিষ্ঠার শুরু থেকে বিভিন্ন বিষয়ে যথা : ইসলামিক ব্যাংকিং, সাধারণ ব্যাংকিং, বিনিয়োগ, বৈদেশিক বাণিজ্য, আধুনিক প্রযুক্তি, সম্পদ ব্যবস্থাপনা ও গ্রাহক সেবা ইত্যাদি বিষয়ের উপর প্রশিক্ষণ দেয়া হচ্ছে। এ ছাড়াও ব্যাংকের ট্রেনিং সেন্টারে নতুনভাবে নিয়োগকৃত কর্মকর্তাদের জন্য ফাউন্ডেশন কোর্স করানোর ব্যবস্থা গ্রহণ করা হয়েছে।

কর্মকর্তাদের প্রদত্ত অভ্যন্তরীণ ট্রেনিং, কর্মশালা এবং সেমিনারের সংক্ষিপ্ত বিবরণী নিম্নে দেওয়া হল :

### Training /Workshop organized by Bangladesh Bank during January to December 2013.

Sl no.	Course Title	No. of Participants	Duration
1.	Training course on "Islamic Banking and Finance"	01	March 10-14, 2013
2.	Seminar on "Environmental Risk Management"	02	March 10, 2013
3.	Training course on "Opening of Foreign Currency Account, Operation and Foreign Exchange Related"	04	18-21 March, 2013
4.	Training on "Web-based Agri-credit MIS to submit data to software".	02	April 01, 2013
5.	Training workshop on "Fill up statement regarding Large Loan (Form-L) and submission to BB Web Portal properly"	02	May 09, 2013
6.	Workshop on "CIB: BATCS uploading and Online Reporting"	02	May 29, 2013
7.	Training course on "Foreign Exchange Transactions Reporting"	01	May 19-21, 2013
8.	Workshop on "FC Accounts: Opening and Operational Procedure"	06	June 05, 2013
9.	Workshop on "Environmental and Social Risk Management"	01	June 01, 2013
10.	Training course on "Financial Projection Model (FPM)".	02	June 23, 2013
11.	Training course on "Islamic Banking and Finance"	02	July 07-09, 2013
12.	Seminar on "Prospects and Challenges in Development of Islamic Finance for Bangladesh"	02	23-24 September 2013
13.	Workshop on "Liquidity Risk Management and Stress Testing Standards"	01	25-26 September 2013

SI no.	Course Title	No. of Participants	Duration
14.	Briefing session on "Acceptance and determination of value of torn and spoil notes"	02	September 23, 2013
15.	Workshop on "Targeted Financial Sanctions"	01	25 September 2013
16.	Training course on "Detection, Disposal of Forged and Mutilated Notes"	01	October 07, 2013
17.	Workshop on "CIB BATCH Uploading"	02	October 08, 2013
18.	Workshop on "Online Import Management, Export Management, TM Form, C-Form, Wage Earner's Remittance Reporting System"	02	November 18, 2013
19.	View Exchange Meeting of Bangladesh Bank officials with Shariah based bank branches in Rangpur regiog regarding shariah banking.	08	November 28, 2013
20.	Online Monitoring of Foreign Exchange Market Transactions	02	December 04, 2013
21.	SME Loan Business Process Re- engineering	03	December 07, 2013
22.	FC Accounts: Opening and Operational Procedure	03	December 23, 2013

### Training/Workshop organized by BIBM during January' to December-2013

SI no.	Course Title	No. of Participants	Duration
1.	Workshop on "Green Banking"	02	January 09-10, 2013
2.	Workshop on "Prevention of Money Laundering and Terrorist Financing"	02	January 09-10, 2013
3.	Training course on "Fundamentals of ICT for Banking"	02	January 13-17, 2013
4.	Training course on "Human Resource Management for Branch Excellence"	02	January 13-17, 2013
5.	Training workshop on "Corporate Governance and Corporate Social Responsibility"	01	January 16-17, 2013
6.	Training course on "Financial Analysis for Bankers"	01	January 20-29, 2013
7.	Training workshop on "Credit Risk Grading for Lending Decision"	02	January 22-24, 2013
8.	Training course on "Oracle Database Design and Programming"	01	February 03-12, 2013
9.	training course on "Asset-Liability Management in Banks"	02	February 03-07, 2013
10.	training course on "Branch Management"	02	February 04-12, 2013
11.	raining workshop on "Stress Management and Counseling for job Performance"	01	February 13-14, 2013
12.	training course on "Islamic Banking and Finance"	02	February 10-14, 2013
13.	Outreach Training Course on "International Trade Payment and Finance"	01	10-14 February, 2013
14.	training course on "Prevention of Malpractices in Banks"	02	February 17-20, 2013
15.	training course on "Foreign Exchange and Money Market Products"	01	February 24-28, 2013
16.	training course on "Foreign Exchange and Money Market Products"	01	February 24-28, 2013
17.	training course on "IT Security and Fraud Prevention in Banks"	01	March 03-07, 2013
18.	training course on "SME Product Development and Marketing"	01	March 03-07, 2013
19.	training course on "Risk Management and Capital Adequacy"	02	March 10-14, 2013
20.	participation in the Outreach Training Course on "Financing Agro-based Business"	01	10-14 March, 2013
21.	training course on "Appraisal and Management of Working Capital Financing"	02	March 19-21, 2013
22.	training workshop on "ICC Guidelines for Trade Facilitation"	01	March 19-21, 2013
23.	Training course on "Leadership, Team Building and Negotiation Skills for Branch Managers".	02	April 07-11, 2013

Sl no.	Course Title	No. of Participants	Duration
24.	Training course on "Micro and Small Enterprise Financing".	02	April 15-18, 2013
25.	Workshop on "Factoring, Leasing and Venture Financing".	01	April 16-18, 2013
26.	Training course on "IT Application for Branch Managers".	02	April 21-25, 2013
27.	Training workshop on "Negotiation Skills in Banking".	02	April 24-25, 2013
28.	The training course on "Computer Spreadsheet Analysis in Banking Operation"	02	May 12-16, 2013
29.	Training workshop on "Integrated Treasury Management"	02	May 15-16, 2013
30.	Training course on "Internal Control Mechanism And Bank Supervision"	02	May 19-22, 2013
31.	Review Workshop on "Internal Control and Compliance of Banks"	02	May 16, 2013
32.	Seminar on "Role of IT in 21st Century Banking"	02	May 25, 2013
33.	Review Workshop on "Credit Operations of Banks.	02	June 06, 2013
34.	Review workshop on "IT Operations of Banks"	01	June 11, 2013
35.	Review Workshop on "Credit Operations of Banks"	02	June 06, 2013
36.	Seminar on "Growing Public Awareness on Prevention of Fake Note"	02	June 13, 2013
37.	Review Workshop on "Treasury Operations of Banks"	02	July 08, 2013
38.	Training course on "Branch Management"	02	August 19 – 27, 2013
39.	Training workshop on "UCP-600 and Related ICC Guidelines"	02	25 August 2013
40.	Workshop on "Monetary Policy Statement (July December, 2013)"	03	August 21, 2013
41.	Training workshop on "UCP-600 and Related ICC Guidelines"	02	25 August 2013
42.	Training course on "Bank Management for Senior Executives"	02	01-12 September, 2013
43.	Training course on "Entrepreneurship Development and SME Business"	02	September 01-05, 2013
44.	Training course on "Risk Management in Banks"	02	01-05 September, 2013
45.	Workshop on "Development of Green Banking in Bangladesh: Status and Prospects"	01	08 September, 2013
46.	Training course on "ICT for Banking Business Enhancement"	02	September 15-19, 2013
47.	Training workshop on "Securities analysis and portfolio management"	01	18-19 September, 2013
48.	Training course on "SME Credit Risk Management: Garments and Leather Goods"	01	06-09 October, 2013
49.	Seminar on "Increase public awareness regarding to protect the fake notes"	02	2 October, 2013
50.	Workshop on "Operation Risk Management in Banks: Issues and Implications"	02	06 October, 2013
51.	Training course on "Credit Appraisal and Management"	02	27-31 October, 2013
52.	Training course on Entrepreneurship Development and SME Business"	02	18-21 November, 2013
53.	Meeting on "Proposed Academic Calendar 2014".	01	November 11, 2013
54.	"Annual Banking Conference-2013"	12	24-25 November, 2013
55.	Training workshop on "Strategic Human Resource Management Practices in Bank Branches".	02	20-21 November, 2013
56.	Outreach Training Course on "Financing Agro-based Business".	02	17-21 November, 2013

**The Training Center of SJIBL has organized the following Training Courses & Workshops during the period January to December 2013:**

Sl no.	Course Title	Course Duration	No. of Participant
1.	Foundation Training Course	11	35
2.	Foundation Training Course	17	40
3.	Foundation Training Course	18	40
4.	Foundation Training Course	18	34
5.	Foundation Training Course	17	38
6.	Foundation Training Course	12	34
7.	Foundation Training Course	11	37
8.	Foundation Training Course	11	36
9.	Foundation Training Course	11	38
10.	Bangladesh Electronic Fund Transfer Network (BEFTN) & Bangladesh Automated Cheque Processing System (BACPS)	1	32
11.	Rationalized Input Templates (RIT)	1	46
12.	Prevention of Money Laundering` & ``Combating Terrorist Financing	1	42
13.	Prevention of Money Laundering` & ``Combating Terrorist Financing	1	40
14.	Online Agent Information Management System	1	33
15.	Online Foreign Exchange Transaction Reporting	1	43
16.	Core Risk Management	1	35
17.	Anti-Money Laundering & Combating Financing of Terrorism	1	40
18.	Revised Process Documents for SRP-SREP Dialogue on ICAAP (Special emphasis on Documentation under Residual Risk) and Portfolio VaR Analysis & Stress Testing	1	35

## Dividend

The Board of Directors of the Bank has recommended dividend @ 10% i.e. to issue 10 bonus shares as against existing shares 100 to its shareholder for the year 2013. Record date for the issuance of such dividend has already been fixed on 08.05.2014. Over the last years, Board of Directors declared dividends out of profit to shareholders at good rates. The rates of dividend declared by Bank since 2009 are shown below:

Year	Stock Dividend (%)
2013	10
2012	20
2011	25
2010	30
2009	25

## SJIBL automation

Competition in the financial services sector has become intense, as bank compete with each other in providing better services and superior banking products to their customers. Faced with the challenges of threatened profit margins, higher customer expectations and competition, bank are driven towards distinguishing their services from that of their competitors.

## লভ্যাংশ

ব্যাংকের পরিচালনা পর্ষদ ২০১৩ সালের জন্য শেয়ারহোল্ডারবৃন্দকে ১০ শতাংশ হারে স্টক ডিভিডেন্ড অর্থাৎ প্রতি ১০০টি শেয়ারের বিপরীতে ১০টি বোনাস শেয়ার ইস্যু করার সুপারিশ করেছেন বোনাস শেয়ার পাওয়ার জন্য ইতোমধ্যে ০৮.০৫.২০১৪ তারিখকে রেকর্ড ডেট হিসেবে স্থির করা হয়েছে। বিগত বছরগুলোতে পরিচালনা পর্ষদ শেয়ারহোল্ডারবৃন্দের জন্য মুনাফা হতে ভালো হারে লভ্যাংশ ঘোষণা করেছে। ২০০৯ সাল হতে লভ্যাংশ ঘোষণার হার নিম্নরূপ :

## এসজেআইবিএল অটোমেশন

গ্রাহকদের আন্তরিক এবং সর্বোৎকৃষ্ট ব্যাংকিং সেবা প্রদানের লক্ষ্যে ব্যাংকগুলো পরস্পরের মধ্যে প্রতিযোগিতা শুরু করেছে আর এই প্রতিযোগিতা আর্থিক সেবাদানকারী প্রতিষ্ঠানগুলোর মধ্যে আরো তীব্র হয়ে উঠেছে। আর্থিক সেবা প্রদানকারী প্রতিষ্ঠানগুলো মুনাফা অর্জনের পাশাপাশি তাদের সম্মানিত গ্রাহকদেরকে সর্বোত্তম প্রত্যাশা পূরণের লক্ষ্যে

To meet the challenging market and customer needs, we need to strike a balance between customer service and management of business risks.

For Shahjalal Islami Bank Ltd., the key to success in such a demanding market situation is to be equipped with a proven and versatile IT solution, which has the capability of defining new products and services, coupled with the ability to access and manage information on a continuous real time basis. In view of the above, Shahjalal Islami Bank has implemented real time 24/7 Core Banking Solution called BankUltimus an Integrated Islamic Banking Solution.

In line with the Core Banking Solution, Shahjalal Islami Bank Ltd. has successfully implemented Bangladesh Automated Cheque Processing System (BACPS) as well as Bangladesh Electronic Fund Transfer Network (BEFTN) as per Bangladesh Bank Guideline. For betterment of Customers' services, Bank has expressed and deployed different channels like ATM, POS, Debit Cards, e-GP and WASA bill collection etc. services. To make the Banking operation faster, easier, more efficient and even more effective to serve its valued customers on 24 hours a day, 365 days a year, Bank will provide the Internet and Mobile Banking facilities very soon.

Information and Communication Technology (ICT) encompasses the broad areas of data or information processing, transmission and communications by means of Information Technology and these modern tools are being increasingly used for banking information processing in the International Standard Data Centre. For smooth functioning of our Banking Operation, Bank has established a very strong and secured network system to ensure the consistency, Integrity and availability of Data. For better and quick communication among the employees as well as customers, Bank has established their own mailing corresponding system.

Nowadays, in financial sector, especially in the banking sector security is one of the main concerns to protect from any kind of intrusion for both internal and external threats. In order to meet this objective, we have prepared an IT Security Policy as per Central Bank guideline which is used by the bank to accelerate in terms of information generation, utilization and applications.

## SJIBL VISA Card product

To consider technological development Card is a new dimension in the banking age. SJIBL is providing VISA Electron Debit Card and VISA Pre-paid Card as a member of Visa Worldwide Pte Ltd. The different Card products of SJIBL are:

### SJIBL VISA Electron Debit Card (Local)

- Visa Electron General Primary Card
- Visa Electron General Supplementary Card
- Visa Electron Priority card
- Visa Electron School Banking Card
- Visa Electron Money Spinning Card
- Visa Electron Staff Primary Card
- Visa Electron Staff Supplementary Card

স্বকীয়তা প্রমাণের প্রতিদ্বন্দ্বিতায় নিজেরাই পরস্পরের সাথে প্রতিযোগিতা করে আসছে। এমতাবস্থায়, প্রতিদ্বন্দ্বিতাপূর্ণ বাজারে গ্রাহকদের চাহিদা এবং ব্যবসায়িক ঝুঁকি পর্যালোচনা করে ব্যাংক ব্যবস্থাপনাকে সঠিক সিদ্ধান্তের মাধ্যমে সমন্বয়ের চ্যালেঞ্জ গ্রহণ করতে হয়।

এমন প্রতিযোগিতাপূর্ণ বাজারে শাহজালাল ইসলামী ব্যাংক লিঃ এর জন্য সাফল্যের চাবিকাঠি হল একটি পরীক্ষিত এবং বহুমুখী তথ্যপ্রযুক্তি ব্যবস্থায় সজ্জিত হওয়া, যা শুধু নতুন প্রডাক্ট ও সেবা প্রদান করারই নয়, উপরন্তু নিরবিচ্ছিন্নভাবে তথ্যের আদান প্রদান এবং ব্যবস্থাপনা নিশ্চিত করার সামর্থ্য রাখে। এজন্যই শাহজালাল ইসলামী ব্যাংক “ব্যাংক আল্টিমাস” নামে একটি বাস্তবসম্মত অনলাইন এবং ইসলামিক মতাদর্শ ভিত্তিক কেন্দ্রীয় ব্যাংকিং সেবা প্রতিষ্ঠা করেছে।

কোর ব্যাংকিং সেবার সাথে সমন্বয় রেখে এবং বাংলাদেশ ব্যাংকের বিধিমালা অনুসরণ করে শাহজালাল ইসলামী ব্যাংক লিঃ সফলতার সাথে “বাংলাদেশ অটোমেটেড চেক প্রসেসিং সিস্টেম (বিএসপিএস)” এবং “বাংলাদেশ ইলেক্ট্রনিক ফান্ড ট্রান্সফার নেটওয়ার্ক (বিইএফটিএন)” পদ্ধতি বাস্তবায়ন করেছে। উত্তম গ্রাহক সেবা নিশ্চিত করার লক্ষ্যে শাহজালাল ইসলামী ব্যাংক এটিএম, পিওএস, ডেবিট কার্ড, ই-জিপি এবং পানি বিল জমা ইত্যাদির মত আরো অনেক প্রযুক্তি সেবা চালু করেছে। সম্মানিত গ্রাহকদের আরো উন্নত, সহজ এবং নির্ভরযোগ্য একটি নিরবিচ্ছিন্ন সার্বক্ষণিক ব্যাংকিং সেবা প্রদানের লক্ষ্যে ইন্টারনেট ব্যাংকিং এবং মোবাইল ব্যাংকিং এর সেবা অতি দ্রুত চালু করা হবে।

ব্যাংকের তথ্য উপাত্ত প্রক্রিয়াকরণে যে সমস্ত ডাটা, তথ্য এবং যোগাযোগ প্রযুক্তি ব্যবহৃত হচ্ছে তা আসলে তথ্য যোগাযোগ প্রযুক্তিরই একটি সর্বোৎকৃষ্ট রূপ এবং এর সঠিক ও নির্ভুল প্রক্রিয়াকরণ আন্তর্জাতিক মান সম্পন্ন ডাটা-সেন্টারে হয়ে থাকে। আমাদের ব্যাংকিং কার্যক্রমকে সহজ করার লক্ষ্যে, তথ্যের ধারাবাহিকতা, সঠিকতা এবং সহজলভ্যতা নিশ্চিতকল্পে ব্যাংক শক্তিশালী এবং সুরক্ষিত যোগাযোগ ব্যবস্থা প্রতিষ্ঠা করেছে। গ্রাহক এবং কর্মকর্তাগণের মধ্যে উন্নত ও দ্রুত যোগাযোগের লক্ষ্যে ব্যাংক তার নিজস্ব ইলেক্ট্রনিক মেইল ব্যবস্থা প্রতিষ্ঠিত করেছে।

ইদানিং, আর্থিক সেবা তথা ব্যাংকিং খাতে, বাহ্যিক এবং অভ্যন্তরীণ অনধিকার প্রবেশরোধ প্রযুক্তি-তথ্যের নিরাপত্তার জন্য একটি অত্যন্ত গুরুত্বপূর্ণ বিষয়। এই লক্ষ্য পূরণের জন্য, কেন্দ্রীয় ব্যাংকের নীতিমালা অনুসরণ করে আমরা একটি তথ্যপ্রযুক্তি নীতিমালা প্রণয়ন করেছি যা তথ্যের সংরক্ষণ, বাস্তবিক ব্যবহারকে সহজতর, সুরক্ষিত এবং সুসংগঠিত করেছে।

## এসজেআইবিএল ভিসা কার্ড

উন্নত প্রযুক্তির উৎকর্ষে ব্যাংকিং জগতে কার্ড একটি নতুন দ্বার উন্মোচন করেছে। ভিসা ওয়াল্ড ওয়াইড প্রাইভেট লিমিটেড এর সদস্য হিসাবে আমাদের ব্যাংক ভিসা ইলেক্ট্রন ডেবিট কার্ড এবং ভিসা প্রি-পেইড কার্ড-এর সেবা প্রদান করছে। আমাদের ব্যাংকের কার্ড প্রোডাক্টগুলো নিম্নরূপ :

### এসজেআইবিএল ভিসা ইলেক্ট্রন ডেবিট কার্ড (স্থানীয়)

- ভিসা ইলেক্ট্রন জেনারেল প্রাইমারী কার্ড
- ভিসা ইলেক্ট্রন জেনারেল সাপ্লিমেন্টারী কার্ড
- ভিসা ইলেক্ট্রন প্রাইওরিটি কার্ড
- ভিসা ইলেক্ট্রন স্কুল ব্যাংকিং কার্ড
- ভিসা ইলেক্ট্রন মানি স্পিনিং কার্ড
- ভিসা ইলেক্ট্রন স্টাফ প্রাইমারী কার্ড
- ভিসা ইলেক্ট্রন স্টাফ সাপ্লিমেন্টারী কার্ড

## VISA Prepaid Card (Local & International)

- ❑ VISA Prepaid (Local)
- ❑ VISA Souvenir Card ( Gift Card)
- ❑ VISA Prepaid (International)

## ATM (Automated Teller Machine):

Providing 24/7 cash withdrawal facilities for our valued clients. SJIBL has established 39 ATMs at different locations of the country and is serving as a member of Visa International through Q-Cash Network. Through this shared network of around 1095 ATMs covering all major cities in Bangladesh to support the delivery channels for Customer service.

SJIBL is committed to establish more ATMs for smooth and convenient services of our cardholders.

## POS (Point of Sales):

Our valued VISA cardholders can make POS transaction at any VISA labeled POS Terminals at home and abroad (for International Card only) as well as any Q-Cash POS Terminals at home.

We are open for 365 days to provide support to our valued cardholders.

## Credit Rating

Credit Rating Agency of Bangladesh Limited (CRAB) rated Shahjalal Islami Bank Limited. In their report on 03 June 2014, they rated the Bank as AA3 for long term and ST-2 for short term. CRAB performed the rating surveillance based on audited financial statements up to 31st December 2013 and other relevant information.

## SJIBL Foundation

Corporate social responsibility (CSR) is a form of corporate self-regulation integrated into a business model. CSR policy functions as a built-in, self-regulating mechanism whereby business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. The goal of CSR is to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. With a view to and also for the welfare of the community, to this perspective, Bank has established "Shahjalal Islami Bank Foundation".

The main objectives of SJIBL foundation are:

- To provide health-care to poor and distressed peoples.
- To provide education support to meritorious but poor students through scholarship, award.
- To provide financial assistance to flood, cyclone or disaster affected peoples.
- To support humanitarian.
- To provide financial assistance to development of culture, sports of the country
- To participate in social and environmental activities.

## এসজেআইবিএল ভিসা প্রিপেইড কার্ড

- ❑ ভিসা প্রিপেইড কার্ড (স্থানীয়)
- ❑ ভিসা স্যুভেনির গিফট কার্ড
- ❑ ভিসা প্রিপেইড কার্ড আন্তর্জাতিক

## এটিএম

২৪/৭ টাকা উত্তোলনের সুবিধার্থে দেশের বিভিন্ন গুরুত্বপূর্ণ স্থানে এসজেআইবিএল ৩৯ টি এটিএম বুথ স্থাপন করেছে এবং ভিসা ইন্টারন্যাশনাল এর সদস্য হওয়ার সাথে সাথে স্থানীয় কিউ ক্যাশ নেটওয়ার্কের সাথে যুক্ত। এই সহযোগী নেটওয়ার্কের মাধ্যমে এসজেআইবিএল এর কার্ডধারীরা দেশের বিভিন্ন স্থানে স্থাপিত ১,০৯৫ এরও অধিক এটিএম থেকে টাকা উত্তোলনের সুবিধা পেয়ে থাকেন।

আমাদের কার্ড গ্রাহকদের নির্বিঘ্ন ও সুবিধাজনক সেবা দেয়ার জন্য আমরা আরও এটিএম স্থাপনে প্রতিজ্ঞাবদ্ধ।

## পওস (পয়েন্ট অফ সেল্‌স)

এসজেআইবিএল এর সম্মানিত ভিসা কার্ডধারীরা দেশে ও বিদেশে (ইন্টারন্যাশনাল কার্ডে) ভিসা আউটলেট এবং স্থানীয় কিউ ক্যাশ আউটলেটে এই কার্ড ব্যবহার করে কেনাকাটা এবং বিভিন্ন বিল পরিশোধ করতে পারেন।

## ক্রেডিট রেটিং

ক্রেডিট রেটিং এজেন্সী অফ বাংলাদেশ লিমিটেড (ক্র্যাব) শাহজালাল ইসলামী ব্যাংক-এর রেটিং করেছে। ২০১৪ সালের ০৩ জুন মাসে তাদের প্রদত্ত রিপোর্টে ব্যাংককে দীর্ঘমেয়াদে AA3 এবং স্বল্পমেয়াদে ST-2 রেটিং প্রদান করা হয়েছে। ক্র্যাব ৩১ শে ডিসেম্বর ২০১৩ সালের নিরীক্ষিত আর্থিক বিবরণী এবং এ সংক্রান্ত অন্যান্য তথ্যাদির ভিত্তিতে এই রেটিং প্রদান করেছে।

## এসজেআইবিএল ফাউন্ডেশন

সাম্মিলিত সামাজিক দায়বদ্ধতা হচ্ছে প্রতিষ্ঠানের ব্যবসায়িক পরিমন্ডলে নিজস্ব দায়বদ্ধতা। সিএসআর নীতিমালা নিজস্ব নিয়ন্ত্রণমূলক ব্যবস্থায় উৎকর্ষ সাধনে কাজ করে, যাতে আন্তর্জাতিক আইন, নৈতিক মানদণ্ড এবং আইনের চেতনার সাথে সামঞ্জস্য রেখে ব্যবসায়িক কার্যক্রম পরিচালনা ও নিয়ন্ত্রণ করে। সিএসআর এর লক্ষ্য হচ্ছে প্রতিষ্ঠানের কার্যক্রমে দায়বদ্ধতা ও তার কার্যাবলীর মাধ্যমে পরিবেশ, ভোক্তা, কর্মী, স্টেকহোল্ডার তথা বৃহত্তর সমাজের সকল স্তরে ইতিবাচক প্রভাব বিস্তারের মধ্যে সমন্বয় সাধন করা। সমাজের সামগ্রিক কল্যাণের জন্যই "শাহজালাল ইসলামী ব্যাংক ফাউন্ডেশন" প্রতিষ্ঠা করা হয়েছে।

এসজেআইবিএল ফাউন্ডেশনের লক্ষ্য ও উদ্দেশ্য :

- দরিদ্র ও বিপর্যস্ত মানুষের স্বাস্থ্যসেবা প্রদান।
- দরিদ্র কিন্তু মেধাবী ছাত্রদের বৃত্তি, পুরস্কারের মাধ্যমে শিক্ষাক্ষেত্রে সহায়তা প্রদান।
- বন্যা, ঘূর্ণিঝড় অথবা প্রাকৃতিক দুর্যোগে আক্রান্ত মানুষদের আর্থিক সহায়তা প্রদান।
- সমাজসেবামূলক কাজে সহায়তা প্রদান।
- দেশের কৃষ্টি, কালচার ও খেলাধুলায় আর্থিক সহায়তা প্রদান।
- সামাজিক ও পরিবেশগত বিষয়ে অংশগ্রহণ।

## Corporate Social Responsibility

The foundation have also drawn up programs to look after the education, health & Medicare requirements of the people of rural areas where the Bank has launched Rural Investment Program (RIP). The Bank has distributed scholarship in the year 2013 to poor but meritorious student with outstanding result in secondary school and higher secondary examinations to facilitate them for pursuing their further studies without hindrance. The program of this education award will continue every year. Besides, during 2013 bank distributed Blanket to cold affected peoples throughout the country. This year bank also donates two affected families of BDR tragedy, as part of its commitment.

The Bank is conscious the responsibility of the society and people of Bangladesh as and when required titutional Development Program will be gradually undertaken in future, Insha-Allah. Shahjalal Islami Bank Limited Foundation, has a planning to establish the following projects and programs:

- Shahjalal Islami Bank Limited International School & College.
- Shahjalal Islami Bank Limited Hospital

## Board Meeting

To conduct the banking business effectively and provide guidelines and policies to the management, 26 nos. meetings of the Board of Directors of Shahjalal Islami Bank Limited were held in the year 2013. Besides the Executive Committee and the Audit Committee of the Bank conducted 47 and 19 meetings respectively during the year 2013.

## Corporate Governance

Corporate governance is the set of processes, customs, policies, laws, and institutions affecting the way a company is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the company is governed. In contemporary business company, the main external stakeholder groups are shareholders, debt holders, trade creditors, suppliers, customers and communities affected by the company's activities. Internal stakeholders are the board of directors, executives, and other employees. Corporate Governance should be ensured in the Banks, as they deal with huge public money and interests of the depositors.

Shahjalal Islami Bank is committed to integrity and fair dealing in all its activities and upholds the highest standards of corporate governance. The board has adopted a comprehensive framework of Corporate Governance Guidelines which are designed assures the stakeholders that the business of the Bank are built on, and grow from the firmest foundation. The Guidelines and the practices of the Company comply among other with the guidelines issued by the Securities and Exchange Commission (SEC) vide its notification dated 07 August 2012. With a view to ensuring Corporate Governance, responsibilities and authorities among the Board of Directors including its Chairman, the Management including the Managing Director has been demarcated in respect of its overall financial, operational and administrative policy making and executive affairs including overall business activities, internal control, human resources management, etc.

## সম্মিলিত সামাজিক দায়বদ্ধতামূলক কার্যক্রম

ফাউন্ডেশন ইতোমধ্যে গ্রামীণ এলাকায় জনগণের শিক্ষা, স্বাস্থ্য এবং চিকিৎসা সেবায় কাজ করছে। এ ছাড়া ব্যাংক এ উদ্দেশ্যে আরআইপি বা রোরাল ইনভেস্টমেন্ট প্রোগ্রাম-এর মত কর্মসূচীও শুরু করেছে। ব্যাংক মাধ্যমিক ও উচ্চ মাধ্যমিক পরীক্ষায় ভালো ফল অর্জনকারী দরিদ্র মেধাবী শিক্ষার্থীদের বৃত্তি প্রদান করে আসছে, যাতে তাদের ভবিষ্যত শিক্ষায় কোন ব্যাঘাত না ঘটে। প্রতিবছর এই বৃত্তি প্রদান অব্যাহত থাকবে। এ ছাড়াও ২০১৩ সালে সারা দেশে শীতাত্ত মানুষের মাঝে শীত বস্ত্র বিতরণ করেছে। পূর্বের ধারাবাহিকতায় ব্যাংক এ বছরও বিডিআর ট্রাজেডিতে আক্রান্ত দু'টি পরিবারকে সহায়তা প্রদান করেছে।

ব্যাংক তার সামর্থ্যের মধ্যে সমাজ ও জনগণের প্রতি দায়িত্বশীল ভূমিকা রাখে। ভবিষ্যতে আরও অধিক সমাজকল্যাণমূলক কাজ ও প্রাতিষ্ঠানিক উন্নয়নের পরিকল্পনা হাতে নেয়া হবে। বর্তমানে এ ফাউন্ডেশন নিম্নোক্ত দু'টি প্রকল্প বাস্তবায়নের জন্য কার্যক্রম চালিয়ে যাচ্ছে :

- শাহজালাল ইসলামী ব্যাংক ইন্টারন্যাশনাল স্কুল এন্ড কলেজ
- শাহজালাল ইসলামী ব্যাংক হাসপাতাল

## বোর্ড মিটিং

২০১৩ সালে ব্যাংকের কার্যক্রমে সঠিক নীতিমালা প্রয়োগ এবং ব্যবস্থাপনায় উৎকর্ষ আনতে পরিচালনা পর্ষদের ২৬টি সভা অনুষ্ঠিত হয়। এ ছাড়াও ব্যাংকের নির্বাহী কমিটি এবং অডিট কমিটি ২০১৩ সালে যথাক্রমে ৪৭টি এবং ১৯টি সভা করেছে।

## কর্পোরেট গভর্নেন্স

কর্পোরেট গভর্নেন্স হচ্ছে কতগুলো প্রক্রিয়ার এমন একটি সমন্বিত রূপ, যাতে প্রথা, নীতি, আইন-কানুন প্রভৃতি অন্তর্ভুক্ত রয়েছে এবং এর মাধ্যমেই প্রতিষ্ঠান নির্দেশিত, পরিচালিত এবং নিয়ন্ত্রিত হয়। বিভিন্ন স্টেকহোল্ডারদের মধ্যে পারস্পরিক সম্পর্ক উন্নয়নও কর্পোরেট গভর্নেন্স-এর অন্তর্ভুক্ত একটি বিষয় এবং এ উদ্দেশ্যেই প্রতিষ্ঠান পরিচালিত হয়। ব্যবসা প্রতিষ্ঠানে প্রধানত বহিঃ-স্টেকহোল্ডারদের মধ্যে শেয়ারহোল্ডারবৃন্দ, ঋণপ্রদানকারী, ব্যবসার পাওনাদার, সরবরাহকারী, ক্রেতা এবং যে সমাজে ব্যবসা পরিচালিত হয় সেই সমাজ অন্যতম। আন্তঃ-স্টেকহোল্ডারদের মধ্যে পরিচালনা পর্ষদ, নির্বাহীবৃন্দ এবং কর্মীবৃন্দ অন্যতম। যেহেতু ব্যাংক জনগণের প্রচুর টাকা নিয়ে ব্যবসা পরিচালনা করে বিধায় আমানতকারীদের স্বার্থে ব্যাংককে কর্পোরেট গভর্নেন্স নিশ্চিত করতে হবে।

শাহজালাল ইসলামী ব্যাংক নিষ্ঠা ও সততার সাথে সব কাজ করা এবং কর্পোরেট গভর্নেন্স-এর সর্বোচ্চ মান বজায় রাখার ক্ষেত্রে প্রতিশ্রুতিবদ্ধ। পরিচালনা পর্ষদ কর্পোরেট গভর্নেন্স-এর একটি বিশদ কাঠামো গ্রহণ করেছে যাতে স্টেকহোল্ডারদের স্বার্থ এবং ব্যবসায়িক প্রবৃদ্ধি একটি সুদৃঢ় ভিত্তির উপর প্রতিষ্ঠিত হয়। প্রতিষ্ঠানের নীতিমালা ও চর্চা পরিপালনের পাশাপাশি ২০১২ সালের ৭ আগস্ট বাংলাদেশ সিকিউরিটিজ এন্ড একচেঞ্জ কমিশন কর্তৃক ইস্যুকৃত নোটিফিকেশনও পরিপালন করে থাকে। কর্পোরেট গভর্নেন্স নিশ্চিত করার লক্ষ্যে চেয়ারম্যান সহ পরিচালনা পর্ষদ ও ব্যবস্থাপনা পরিচালকসহ ব্যবস্থাপনা কর্তৃপক্ষের মধ্যে দায়িত্ব ও কর্তব্যকে আলাদা করতে হবে, যাতে আর্থিক, প্রশাসনিক ও পরিচালনা পদ্ধতি সহ সকল ক্ষেত্রে নীতি নির্ধারণ করা যায় এবং নির্বাহীদের কার্যকলাপ তথা সার্বিক ব্যবসায়িক কার্যক্রম, অভ্যন্তরীণ নিয়ন্ত্রণ, মানব সম্পদ ব্যবস্থাপনা ইত্যাদি পরিচালিত হয়।

## Composition of the Board

The Board comprises of 20 directors including Managing Director & 02 independent directors. It is well structured with a Chairman and two Vice Chairman. A.K. Azad is the Chairman and Alhaj Syed Nurul Arefeen & Alhaj Mohammed Faruque are the other two Vice Chairman. They encompass a range of talents, skills and expertise to provide prudent guidance with respect to the operations of the company.

## Appointment of Board

The members of the Board are appointed each year in the Annual General Meeting (AGM) by the shareholders of the Bank. The members of the Board are appointed in compliance with Central Bank's Guidelines and other applicable rules of the country.

## Role of the Board

The Board's main roles are to define the Company's strategic objectives, to provide entrepreneurial leadership for the company, to create value for shareholders, to protect the interests of all Stakeholders including Depositors and to ensure that the necessary financial and other resources are available to enable the company and the Board to meet these objectives. The specific responsibilities of the Board to determine the objective and goals of the Bank, annual business plan of the Bank, key performance indicators for the Managing Director, Human resource development, efficiency of operational activities of the Bank, set internal control procedure, capital plan, comply the regulatory laws & regulations, Corporate governance, financial transparency, CSR activities and appointment of auditor etc.

## Periodic Review by Board

The Board of Directors of Shahjalal Islami Bank reviews the following issues on periodical basis:

### Monthly Review

- Fund Management
- CRR & SLR requirement & maintenance
- Achievement against Monthly Budget
- Income and Expenditure Management
- Investment-Deposit ratio

### Quarterly Review

- Asset Quality and Non-performing assets
- Recovery against classified investment
- Reconciliation with Inter Branch Reconciliation
- Large investment analysis
- Internal Audit Compliance
- Quarterly Financial Statements

## বোর্ডের গঠন

ব্যবস্থাপনা পরিচালক এবং দু'জন স্বতন্ত্র পরিচালকসহ পরিচালনা পর্ষদের সদস্য সংখ্যা ২০ জন। একজন চেয়ারম্যান ও দু'জন ভাইস-চেয়ারম্যান নিয়ে এটি গঠিত। এ, কে, আজাদ চেয়ারম্যান এবং অন্য দু'জন ভাইস চেয়ারম্যান হলেন আলহাজ্জ সৈয়দ নূরুল আরেফিন ও আলহাজ্জ মোহাম্মদ ফারুক। তাদের রয়েছে মেধা, দক্ষতা ও অভিজ্ঞতা যা প্রতিষ্ঠান পরিচালনায় দূরদর্শী নির্দেশনা প্রদানে সহায়তা করে।

## পরিচালনা পর্ষদের সদস্য নিয়োগ

ব্যাংকের শেয়ারহোল্ডার কর্তৃক প্রতি বছর বার্ষিক সাধারণ সভায় বোর্ডের সদস্য নির্বাচিত হন। বোর্ডের সদস্য নিয়োগের ক্ষেত্রে কেন্দ্রীয় ব্যাংক এবং দেশের অন্যান্য প্রযোজ্য নিয়ম-কানুন মেনেই করা হয়।

## পরিচালনা পর্ষদের সদস্য নিয়োগ

পরিচালনা পর্ষদের প্রধান ভূমিকা হচ্ছে কোম্পানীর কৌশলগত লক্ষ্য স্থির করা, প্রতিষ্ঠানে উদ্যোক্তাসুলভ নেতৃত্ব প্রদান করা, শেয়ারহোল্ডারবৃন্দের মর্যাদা বৃদ্ধি করা, আমানতকারীসহ স্টেকহোল্ডারদের স্বার্থ সংরক্ষণ এবং প্রয়োজনীয় আর্থিক ও অন্যান্য উপকরণ দিয়ে প্রতিষ্ঠানকে সহায়তা করা যাতে প্রতিষ্ঠান স্বীয় উদ্দেশ্যে সফলকাম হয়। পরিচালনা পর্ষদের নির্দিষ্ট দায়িত্ব হচ্ছে ব্যাংকের লক্ষ্য ও উদ্দেশ্য স্থির করা, বার্ষিক ব্যবসায়িক পরিকল্পনা গ্রহণ, ব্যবস্থাপনা পরিচালকের জন্য কাজের পরিধি নির্ধারণ, মানব সম্পদ উন্নয়ন, ব্যাংকের পরিচালনাগত দক্ষতা নির্ধারণ, অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা নির্ধারণ, মূলধন পরিকল্পনা, নিয়ন্ত্রণকারী কর্তৃপক্ষের আইন-কানুন অনুসরণ করা, কর্পোরেট গভর্নেন্স প্রতিষ্ঠা, আর্থিক স্বচ্ছতা, সামাজিক দায়বদ্ধতা পরিপালন এবং নিরীক্ষক নিয়োগ ইত্যাদি।

## বোর্ড কর্তৃক পর্যায়ক্রমে পুনঃমূল্যায়ন

শাহজালাল ইসলামী ব্যাংক লিমিটেডের পরিচালনা পর্ষদ কর্তৃক নিম্নলিখিত বিষয়ে পর্যায়ক্রমে পুনঃমূল্যায়ন করা হয় :

### মাসিক ভিত্তিতে পুনঃমূল্যায়ন

- তহবিল ব্যবস্থাপনা
- সিআরআর ও এসএলআর প্রয়োজনীয়তা এবং সংরক্ষণ
- মাসিক বাজেটের বিপরীতে অর্জন
- আয়-ব্যয় ব্যবস্থাপনা
- বিনিয়োগ-আমানত অনুপাত

### ত্রৈমাসিক ভিত্তিতে পুনঃমূল্যায়ন

- সম্পদের গুণগতমান এবং শ্রেণীকৃত সম্পদ
- শ্রেণীকৃত সম্পদের বিপরীতে আদায়
- আন্তঃশাখা লেনদেনের সমন্বয়
- বড় বড় বিনিয়োগ পর্যালোচনা
- অভ্যন্তরীণ নিয়ন্ত্রণ
- ত্রৈমাসিক আর্থিক প্রতিবেদন

## Half yearly Review

- ❑ Half yearly Financial Statements
- ❑ Half yearly business performance
- ❑ Capital Expenditure against capital budget
- ❑ Deposit mobilization

## Yearly Review

- ❑ Annual Business plan
- ❑ Foreign Exchange Business position
- ❑ CSR activities
- ❑ Financial Statements
- ❑ Human Resource Development
- ❑ Capital Plan
- ❑ Branch expansion
- ❑ Adoption of new technology

## Role of the Chairman

The Chairman leads the Board in determination of its strategy and achievement of its objectives. The Chairman is responsible for organizing the business of the Board, ensuring its effectiveness and setting its agenda. The Chairman also ensures all key and appropriate issues are discussed by the Board of Directors in a timely and constructive manner. The chairman has no engagement in the day-to-day business of the company. The chairman signs minutes of Board meeting.

## Role of the Managing Director

The Managing Director is responsible for running the business and for formulating and implementing Board strategy and policy. He has also direct charge and overall control of the company on a day to day basis and is accountable to the Board for the financial and operational performance of the company.

## Board Committees

According to Bangladesh Bank guidelines all banks have to form an Executive Committee and an Audit Committee of the Board to take decisions on urgent matters of the banks. Without Executive Committee and Audit Committee, banks cannot form any other Committee or sub Committee of the Board.

The Bank's Board of Directors has formed 2 (two) Committees i) Executive Committee and ii) Audit Committee, complying Central Bank's guidelines.

## Role of Executive Committee

Executive Committee of the Board has been formed with 7 (seven) members from the Board. The EC decides upon all routine and day to day operational functioning of the Bank beyond delegated power of the Management. In 2013 47 (forty seven) meeting of EC were held. The composition of Executive Committee is:

Mohammed Yunus	Chairman
Md. Sanaulah Shahid	Vice Chairman
Sajjatuz Jumma	Member
Anwer Hossain Khan	Member
Mohiuddin Ahmed	Member
Engr. Md. Towhidur Rahman	Member
Abdul Halim	Member

## অর্ধবার্ষিক ভিত্তিতে পুনর্মূল্যায়ন

- ❑ অর্ধবার্ষিক আর্থিক প্রতিবেদন
- ❑ অর্ধবার্ষিক ব্যবসার ফলাফল
- ❑ মূলধন বাজেটের বিপরীতে মূলধনী ব্যয়
- ❑ আমানত সংগ্রহ

## বার্ষিক ভিত্তিতে পুনর্মূল্যায়ন

- ❑ বার্ষিক ব্যবসায়িক পরিকল্পনা
- ❑ বৈদেশিক ব্যবসার অবস্থান
- ❑ সামাজিক দায়বদ্ধতা প্রতিবেদন
- ❑ আর্থিক প্রতিবেদন
- ❑ মানব সম্পদ উন্নয়ন
- ❑ মূলধন পরিকল্পনা
- ❑ শাখা সম্প্রসারণ
- ❑ নতুন প্রযুক্তি গ্রহণ

## চেয়ারম্যানের ভূমিকা

প্রতিষ্ঠানের লক্ষ্য ও উদ্দেশ্য অর্জনের জন্য চেয়ারম্যান পরিচালনা পর্ষদকে নেতৃত্ব প্রদান করেন। পর্ষদের কার্যক্রম এবং এজেন্ডা ঠিক করার দায়িত্ব চেয়ারম্যানের। সব গুরুত্বপূর্ণ ও প্রয়োজনীয় বিষয় পরিচালনা পর্ষদে যথাসময়ে এবং সঠিকভাবে আলোচনার দায়িত্ব চেয়ারম্যানের। চেয়ারম্যান ব্যবসায়ের প্রাত্যহিক কার্যক্রমে অংশগ্রহণ করতে পারেন না। চেয়ারম্যান পরিচালনা পর্ষদের সভার সিদ্ধান্তসমূহে স্বাক্ষর করেন।

## ব্যবস্থাপনা পরিচালকের ভূমিকা

ব্যবস্থাপনা পরিচালক ব্যবসা চলমান রাখা এবং পর্ষদ কর্তৃক নির্ধারিত কৌশল এবং নীতিসমূহ বাস্তবায়নের জন্য দায়িত্বপ্রাপ্ত। তিনি ব্যবসায়ের প্রাত্যহিক কার্যাবলীসহ সার্বিক কাজের জন্য সরাসরি দায়বদ্ধ এবং কোম্পানীর আর্থিক ও পরিচালনাগত ফলাফলের জন্য পর্ষদের নিকট জবাবদিহি।

## বোর্ড কমিটি

বাংলাদেশ ব্যাংকের নির্দেশনার আলোকে ব্যাংকের জরুরী বিষয়ে সিদ্ধান্ত গ্রহণ করার জন্য সব ব্যাংকেই পরিচালনা পর্ষদের আওতায় নিবাহী কমিটি এবং অডিট কমিটি গঠন করতে হয়। ব্যাংকে পরিচালনা পর্ষদের আওতায় নিবাহী কমিটি এবং অডিট কমিটি ছাড়া অন্য কোন কমিটি বা সাব-কমিটি গঠন করা যাবে না।

কেন্দ্রীয় ব্যাংকের নির্দেশনার আলোকে ব্যাংকে দু'টি কমিটি গঠন করা হয়েছে ১) নিবাহী কমিটি ২) অডিট কমিটি।

## নিবাহী কমিটির ভূমিকা

পরিচালনা পর্ষদের ০৭ (সাত) সদস্য নিয়ে নিবাহী কমিটি গঠন করা হয়েছে। ব্যবস্থাপনা কর্তৃপক্ষের ক্ষমতার বাইরে ব্যাংকের দৈনন্দিন পরিচালনাগত কার্যাবলীর বিষয়ে নিবাহী কমিটি সিদ্ধান্ত দিয়ে থাকে। ২০১২ সালে নিবাহী কমিটির ৪৭ (সাতচল্লিশ) টি সভা অনুষ্ঠিত হয়েছে। নিবাহী কমিটি গঠিত হয়েছে নিম্নরূপভাবে :

মোহাম্মদ ইউনুস	চেয়ারম্যান
মোঃ সানাউল্লাহ	ভাইস-চেয়ারম্যান
সাজ্জাতুয জুম্মা	সদস্য
আনোয়ার হোসেন খান	সদস্য
মহিউদ্দিন আহমেদ	সদস্য
ইঞ্জিঃ মোঃ তৌহিদুর রহমান	সদস্য
আবদুল হালিম	সদস্য

## Role of Audit Committee

Audit Committee has been formed with 5 members from the Board. Audit Committee plays its role according to its Charter, approved by the Board of Directors. In 2013, 19 meetings of Audit Committee were held. The Composition of Audit Committee is:

Mosharraf Hossain	Chairman
Akkas Uddin Mollah	Member
Alhaj Syed Nurul Arefeen	Member
Abdul Halim	Member
Tofazzal Hossain	Member
Farida Parvin Nuru	Member

The Audit Committee of the Board plays significant role in proper functioning of the Bank, some of which are as follows:

- Review the financial and other systems including internal control and its reporting procedure;
- Oversee the work of external auditors, internal auditors including matters of disagreement between management and the auditors;
- Require management to implement and maintain adequate/appropriate systems of internal control and discuss with the management to assess the adequacy and effectiveness of those systems.
- Discuss with management major issues concerning accounting principles and disclosures in the financial statements
- Conduct audit concerning violation, if any, by the management in carrying out operation of the Company
- Recommend to the Board regarding appointment of the external auditors and their terms of appointment
- Meet the Management to discuss any matters if deem appropriate

### Report to the Board on the following:

- Activities of the Board Audit Committee
- Conflict of interest
- Suspected or presumed fraud or irregularity or material defect in the internal control system
- Suspected infringement of laws, rules and regulations
- Any other matters which deem necessary

## Management Committee

Shahjalal Islami bank Limited formed a number of committees with a view to supporting the management in carrying out banking operation smoothly. Management Committee (MANCOM), Asset liability Committee (ALCO), Supervisory Review Process Team, Investment Committee, Risk Management Committee, Share Portfolio Management Committee, Purchase Committee have been supporting the Bank's management is discharging its duties efficiently and effectively.

## অডিট কমিটির ভূমিকা

পরিচালনা পর্ষদের ৫ জন সদস্য নিয়ে অডিট কমিটি গঠন করা হয়েছে। পরিচালনা পর্ষদ কর্তৃক অনুমোদিত সীমার মধ্যে থেকে অডিট কমিটি গুরুত্বপূর্ণ ভূমিকা রাখে। ২০১৩ সালে অডিট কমিটির ১৯ টি সভা অনুষ্ঠিত হয়েছে। অডিট কমিটি গঠিত হয়েছে নিম্নরূপভাবে :

মোশারফ হোসেন	চেয়ারম্যান
আক্কাস উদ্দিন মোল্লা	সদস্য
আলহাজ্জ সৈয়দ নুরুল আরেফিন	সদস্য
আবদুল হালিম	সদস্য
তোফাজ্জল হোসেন	সদস্য
ফরিদা পারভিন নূর	সদস্য

ব্যাংকের কার্যক্রম সঠিকভাবে সম্পাদনের জন্য অডিট কমিটি গুরুত্বপূর্ণ ভূমিকা রাখে যা নিম্নরূপ :

- আর্থিক এবং অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা ও তার রিপোর্টিং পদ্ধতিসহ অন্যান্য বিষয়।
- আন্তঃনিরীক্ষা ও বহিঃনিরীক্ষার কার্যক্রমসহ ব্যবস্থাপনা কর্তৃপক্ষের সাথে নিরীক্ষকের অসম্মতি বিষয়ে পর্যবেক্ষণ।
- সঠিক অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা প্রতিষ্ঠা করা এবং ব্যবস্থাপনা কর্তৃপক্ষের সাথে এর কার্যকারিতা নিয়ে আলোচনা করা।
- হিসাবরক্ষণ নীতি ও আর্থিক প্রতিবেদনে এর ব্যবহার সম্পর্কে ব্যবস্থাপনা কর্তৃপক্ষের সাথে আলোচনা।
- ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক ব্যবসায় পরিচালনার ক্ষেত্রে কোন প্রকার ত্রুটি অডিট কর্তৃক উদঘাটন।
- বহিঃনিরীক্ষক নিয়োগ এবং তাদের মেয়াদ সম্পর্কে সুপারিশ প্রদান।
- অন্যান্য গুরুত্বপূর্ণ বিষয় ব্যবস্থাপনা কর্তৃপক্ষের সাথে আলোচনা।

### নিম্নলিখিত বিষয়ে পরিচালনা পর্ষদে রিপোর্ট প্রদান :

- অডিট কমিটির কার্যক্রম
- স্বার্থসংশ্লিষ্ট বিষয়ে দ্বিমত
- অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থায় সন্দেহ বা জালিয়াতি বা বড় ধরনের অনিয়ম
- আইন-কানুন ভঙ্গ
- অন্যান্য গুরুত্বপূর্ণ বিষয়

## ব্যবস্থাপনা কমিটি

ব্যাংকের কার্যক্রম নিরবচ্ছিন্নভাবে চালিয়ে নেয়ার জন্য ব্যবস্থাপনা কর্তৃপক্ষকে সাহায্য করার লক্ষ্যে একাধিক কমিটি গঠন করা হয়েছে যেমনঃ ব্যবস্থাপনা কমিটি (ম্যানকম), সম্পত্তি দায় ব্যবস্থাপনা কমিটি (এলকো), সুপারভাইজারী রিভিউ প্রসেস টিম, বিনিয়োগ কমিটি, ঝুঁকি ব্যবস্থাপনা কমিটি, শেয়ার পোর্টফলিও ব্যবস্থাপনা কমিটি ও ক্রেয় কমিটি।

## Corporate and Financial Reporting

The Board of Directors confirms compliance with the financial reporting framework for the followings:

- The financial statements prepared by the Management of the Bank present fairly its state of affairs, the result of its operations, cash flows and changes in equity
- Proper books and accounts of the Bank have been maintained
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment
- International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of financial statements and any departure, therefore, has been adequately disclosed
- There are no significant doubts upon the Bank to continue as a going concern.

## Appointment of Auditors

In terms of the Articles of Association the Company at each Annual General Meeting shall appoint one or more Auditors being a Chartered Accountant or Accountants to hold the office until the next Annual General Meeting. Retiring Auditors shall be eligible for reappointment. M/s. ACNABIN, Chartered Accountants has applied for reappointed. As per BRPD Circular letter No. 33 dated December 23, 1992 M/s. ACNABIN will be eligible for reappointment.

## Future Outlook of the Bank:

Going towards 2014, there are considerable political and social challenges surrounding Bangladesh.

Considering the overall macroeconomic and geo-political outlook, significant pressure is expected on banking sector margins in the wake of low benchmark rates and limited financing opportunities. Accordingly Our Bank intends to focus on building and maintaining quality investment (advances) portfolio and to enhance its focus on customer service quality and major cost rationalization initiatives through continuous improvement in automation and product innovations.

Similarly, Our Bank intends to focus on low cost core deposit mix in future by effectively utilizing our extensive branch network and new upcoming initiatives like the launch of Mobile Banking & Internet Banking. Our Bank is confident that the above initiatives shall enable it to maintain a stable performance trend going forward.

From the Bank's perspective the focus will be provision of value added services via operational expansion and technological improvements. Effectiveness of the Bank's risk management systems, capitalisation on low cost liability franchise, disciplined expense growth, expansion of our capital base and strengthened compliance culture are primary factors in depicting continued strong financial soundness. Effective leadership with a clear vision is the key element of long term sustainability leading to highest levels of employee satisfaction and our aim is to build cohesive teams and strong ethical standards. We will strive to enhance our domestic as well as global image to take the Bank from strong to stronger.

## কর্পোরেট এবং আর্থিক প্রতিবেদন

ব্যাংক পরিচালনা পর্ষদ নিম্নলিখিত বিষয়ে আর্থিক প্রতিবেদনে সঠিকভাবে নীতি পদ্ধতি অনুসরণ নিশ্চিত করছে :

- আর্থিক হিসাব বিবরণী যা ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক প্রণীত সেখানে ব্যাংকের আর্থিক অবস্থা, অপারেটিং ফলাফল, নগদ প্রবাহ বিবরণী ও ইকুইটির পরিবর্তন সঠিকভাবে প্রতিফলিত হয়েছে।
- সঠিক হিসাব বহি ও হিসাব পদ্ধতি অনুসরণ ও সংরক্ষণ করা হয়েছে।
- হিসাব বিবরণী প্রণয়নের ক্ষেত্রে সঠিক হিসাব নীতিমালা ধারাবাহিকভাবে অনুসরণ করা হয়েছে এবং যুক্তিযুক্ত ও বিচক্ষণতার সাথে আর্থিক মূল্যায়ন নির্ধারণ করা হয়েছে।
- আন্তর্জাতিক হিসাবমান যা বাংলাদেশে প্রযোজ্য তা আর্থিক হিসাব বিবরণী প্রস্তুতে অনুসরণ করা হয়েছে এবং এ থেকে কোন বিচ্যুতি ঘটলে তা উপস্থাপিত হয়েছে।
- ব্যাংকের চলমান প্রক্রিয়া বাধাহীন হতে পারে এরূপ ন্যূনতম কোন সন্দেহ নেই।

## নিরীক্ষক নিয়োগ

কোম্পানির আর্টিকেলস অব এসোসিয়েশন আনুযায়ী প্রতিটি সাধারণ সভায় পরবর্তী বার্ষিক সাধারণ সভা পর্যন্ত দায়িত্ব পালনের জন্য এক বা একাধিক চার্টার্ড একাউন্ট্যান্টস নিয়োগ করতে হবে। অবসরপ্রাপ্ত নিরীক্ষক পুনঃ নিয়োগের যোগ্য। চার্টার্ড একাউন্ট্যান্টস মেসার্স একনাবিন এণ্ড কোম্পানী পুনঃনিয়োগের জন্য আবেদন করেছেন। বাংলাদেশ ব্যাংকের বিসিডি সার্কুলার নং-৩৩, তারিখ : ২৩-১২-১৯৯২ মোতাবেক চার্টার্ড একাউন্ট্যান্টস মেসার্স একনাবিন এণ্ড কোম্পানী ব্যাংকে পুনঃনিয়োগ পাওয়ার যোগ্য।

## ব্যাংকের ভবিষ্যৎ কর্মপরিকল্পনা

২০১৪ সালে বাংলাদেশকে উল্লেখযোগ্য রাজনৈতিক ও সামাজিক চ্যালেঞ্জের মুখোমুখি হতে হবে।

সমস্টিক অর্থনীতি ও ভূ-রাজনৈতিক পরিস্থিতি বিবেচনা করে সীমিত মুনাফা এবং সীমিত অর্থায়নের সুযোগের কারণে ব্যাংকিং সেক্টরের মার্জিনের উপর উল্লেখযোগ্য প্রভাবের আশংকা করা হচ্ছে। সে অনুসারে আমাদের ব্যাংক বিনিয়োগ বৃদ্ধি ও গুণগত মানের উপর দৃষ্টি দিচ্ছে এবং ধারাবাহিক স্বয়ংক্রিয়করণের উন্নয়ন ও পণ্যের উদ্ভাবনের মাধ্যমে উন্নত গ্রাহক সেবা ও খরচের যৌক্তিক করণের দিকে দৃষ্টি দিচ্ছে।

একইভাবে আমাদের ব্যাপক শাখা নেটওয়ার্ক এর মাধ্যমে এবং নতুন পদক্ষেপ যেমন মোবাইল ব্যাংকিং এবং ইন্টারনেট ব্যাংকিং প্রচলনের মাধ্যমে আমাদের ব্যাংক স্বল্পখরচের গ্রাহক আমানত মিশ্রণে মনোনিবেশ করছে। আমাদের ব্যাংক আত্মবিশ্বাসী যে, উল্লিখিত পদক্ষেপের মাধ্যমে ভবিষ্যতে ধারাবাহিক উন্নয়নে সক্ষম হবে।

ব্যাংকের কার্যধারা সম্প্রসারণে প্রযুক্তিগত উন্নয়নের মাধ্যমে গ্রহণযোগ্য সেবা প্রদানের জন্য গুরুত্ব দিচ্ছে। শক্তিশালী আর্থিক বিচক্ষণতা অর্জনের প্রধান উপাদান হলো ব্যাংকের ঝুঁকি ব্যবস্থাপনা পদ্ধতির কার্যকারিতা, স্বল্পমূল্যের দায়ের মাধ্যমে মূলধনায়ন, নিয়মতান্ত্রিক খরচ বৃদ্ধি, শক্তিশালী মূলধন কাঠামো এবং নিয়মনিতির যথাযথ পরিপালন, সুস্পষ্ট ভিশন নিয়ে কার্যকর নেতৃত্বই দীর্ঘমেয়াদী স্থায়িত্বের মূল উপাদান যা কর্মকর্তা এবং কর্মচারীদের সর্বোচ্চ সম্ভ্রুতি এবং পারস্পারিক আন্তরিকতা ও নৈতিক মূল্যবোধ অর্জনে সহায়ক। আমরা দেশীয় ও আন্তর্জাতিক অঙ্গনে ব্যাংককে অধিকতর শক্তিশালী করার লক্ষ্যে আন্তরিকভাবে সচেষ্ট হব।

## Vote of Thanks

The Board of Directors expresses its profound gratitude to Almighty Allah (SWT) for enabling the Bank to achieve growth in all the sectors of operation during the year 2013. The Board extends thanks to the Ministry of Finance, Bangladesh Bank, Securities & Exchange Commission and the Government Agencies for providing assistance, guidance, support and cooperation at various stages of operation of the Bank. The Board appreciates the support and cooperation received from foreign correspondents of the Bank all over the world.

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

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

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

Ameen.

On behalf of the Board of Directors



**A. K. Azad**

Chairman

Dated : 17th April 2014, Dhaka

## ধন্যবাদ জ্ঞাপন

২০১৩ সালে ব্যবসার সকল ক্ষেত্রে ব্যাংকের ব্যাপক প্রবৃদ্ধির জন্য পরিচালনা পর্ষদ মহান আল্লাহ তা'আলার নিকট গভীর কৃতজ্ঞতা জ্ঞাপন করছে। ব্যাংকের কার্যক্রমের সকল ক্ষেত্রে সহযোগিতা, পরামর্শ এবং সমর্থনের জন্য পর্ষদ অর্থ মন্ত্রণালয়, বাংলাদেশ ব্যাংক এবং সকল সরকারী সংস্থাসমূহকে ধন্যবাদ জানাচ্ছে। বিশ্বব্যাপী বৈদেশিক করেসপন্ডেন্টদেরকে তাদের সাহায্য ও সহযোগিতার জন্য ধন্যবাদ জ্ঞাপন করছে।

ব্যাংকের পরিচালনা পর্ষদ সম্মানিত শেয়াহোল্ডার, সম্মানিত গ্রাহক, আমানতকারী, বিনিয়োগ গ্রাহক ও শুভাকাঙ্ক্ষীদেরও ব্যাংকের প্রতি তাদের মূল্যবান সমর্থন ও আস্থা জ্ঞাপনের জন্য জানাচ্ছে আন্তরিক কৃতজ্ঞতা।

পরিশেষে পর্ষদ ব্যাংকের সকল কর্মকর্তা কর্মচারীদের অক্লান্ত পরিশ্রমের জন্য আন্তরিক ধন্যবাদ জানাচ্ছে।

মহান আল্লাহ তা'আলা আমাদের ব্যাংককে আরও সফলভাবে পরিচালনা করতে সর্বোচ্চ শক্তি, সাহস, উৎসাহ, ধৈর্য ও সামর্থ্য দান করুন।

আমীন!

পরিচালনা পর্ষদের পক্ষে



**এ, কে, আজাদ**

চেয়ারম্যান

তারিখ : ১৭ এপ্রিল ২০১৪, ঢাকা।

# **Certificate on Compliance of Conditions of Corporate Governance Guidelines to the Shareholders of Shahjalal Islami Bank Limited**

We have examined the compliance of conditions of corporate governance guidelines of the Bangladesh Securities and Exchange Commission ("BSEC") by Shahjalal Islami Bank Limited (the "Bank") as stipulated in the BSEC notification no SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 and subsequent modification SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 as at 31st December 2013.

## **The Bank' Responsibilities**

The compliance of conditions of corporate governance guidelines as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the Bank's management.

## **Our Responsibilities**

Our examination for the purpose of issuing this certification was limited to the checking of procedures and implementations thereof, adopted by the Bank for ensuring the compliance of conditions of corporate governance and correct reporting of compliance status on the attached statement on the basis of evidence gathered and representation received.

## **Conclusion**

To the best of our information and according to the explanations given to us, we certify that the Bank has complied with the conditions of corporate governance except condition on independent directors stipulated in the above mentioned BSEC notifications dated 7 August 2012 as subsequently modified on 21 July 2013 and reported on the attached status of compliance statement.



Manzoor Alam, FCA  
Senior Partner  
ICAB Enrolment Number 132  
For Hoda Vasi Chowdhury & Co  
Chartered Accountants

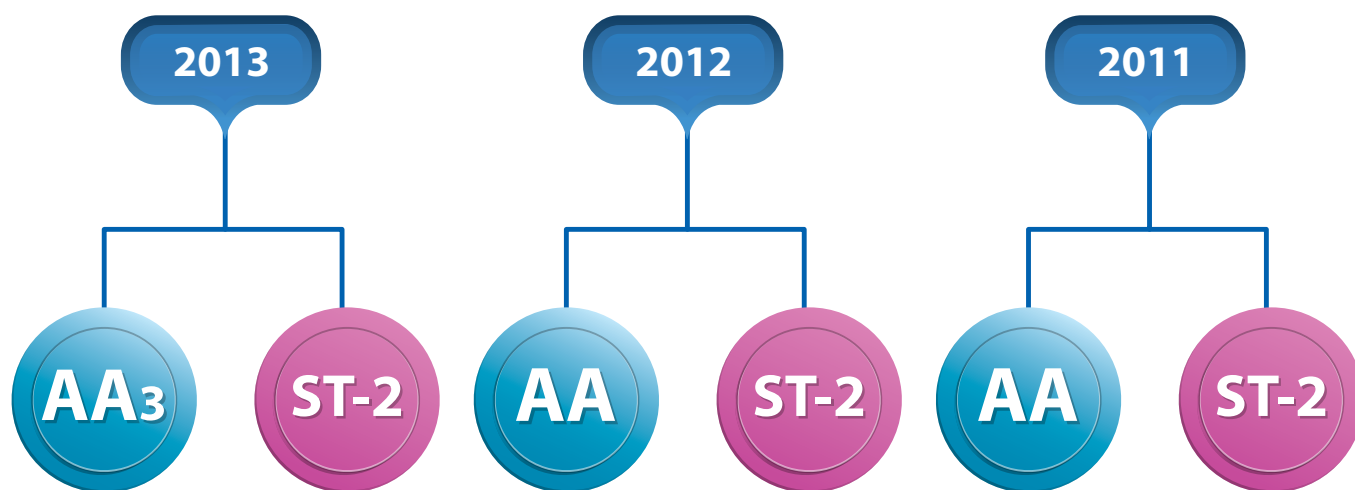
Dhaka, 15 May 2014

# Credit Rating Report on Shahjalal Islami Bank Limited

	Long Term	Short Term
Surveillance Rating-2013	AA <sub>3</sub>	ST-2
Outlook	Stable	
Date of Rating-2013	03 June, 2014	

Credit Rating Agency of Bangladesh Limited (CRAB) has affirmed the long term rating of SJBL at “AA<sub>3</sub>” (pronounced Double A Three) and short term rating at “ST-2”. CRAB performed the rating surveillance based on audited financial statements up to 31st December 2013 and other relevant information.

## Yearwise Credit Rating



# Corporate Social Responsibility Report 2013

## (Sustainability Statement)

The concept of Corporate Social Responsibility (CSR) is based on the idea that not only Govt. policy but companies too have obligation to benefit the society. CSR is seen as a concept in which companies voluntarily integrate social and environmental concerns into their business operations and into the interaction with their stakeholders. As a matter of fact, over the last few decades, corporations in the developed economics have moved to 'Social Responsibility Approach' from classical 'Profit Maximizing Approach' where businesses are not only responsible to its stakeholders but also to the society as a whole in a broader inclusive sense. The idea of being a socially responsible company means doing more than complying with the legal and regulatory requirements.

Shahjalal Islami Bank Ltd. (SJIBL) being one of the best corporate citizen of the country, has been discharging its responsibilities to the society in general directly through its banking activities and through its fully owned subsidiary, Shahjalal Islami Bank Foundation, since its inception. The theme of such responsibility has been envisaged in the mission of the Bank since the day of establishment.

CSR of the Bank can be shape out from the following points of view:

- a. Responsibility towards Shareholders
- b. Responsibility towards Employees
- c. Responsobility towards Customers
- d. Responsibility towards Suppliers
- e. Responsibility towards Community
- f. Responsibility towards Environment

### RESPONSIBILITY TOWARDS SHAREHOLDERS

SJIBL has been discharging its responsibility to safeguard the interest of the shareholders in line with the objectives of the Bank by complying Shariah & law of the state strictly, building a strong & efficient management and enhancing shareholders value & financial performance.

#### Compliance:

SJIBL has been operated as the Shariah compliant Bank in the country. Shariah Supervisory Committee of the Bank has been contributing their best towards invention of the ways and means to overcome the problems being faced by the bank in complying shariah principles time to time and to introduce new products which is based on Shariah principles. The Bank is also complied all the laws/regulations and instructions of the regulatory authorities of the country.

#### Corporate governance:

The Bank is committed to ensure the highest standard of corporate governance and effective application of its principles as well as upholding the best banking practices as a part of discharging its responsibilities to safeguard the interest of shareholders.

1. The Board of Directors, Executive Committee and Audit Committee are functioning under their respective discretion. The Management Committee (MC) in the Head Office, formed with the Senior Executives headed by Managing Director, takes day to day required decisions. Beside Management Committee (MC), there are various committees in the Head Office, level formed with the Senior Executives, of the bank. Duties are segregated in various divisions/departments in the Head Office as well as in the branches/other offices.
  - a) Discretionary power has been given to every tire of the management in a befitting manner for smooth functioning of the Bank.
  - b) Developed several manuals for its general banking, investment operations, foreign exchange & foreign trade and other operational and policy issues.
  - c) Bank has very specific and transparent 'Human Resources Policy' under which recruitment, promotion, development etc. of the employees is being governed.

Excellence in performance: SJIBL has been enjoying one of the best performance oriented and shariah based bank in the banking sector of the country. Performance of the bank at a glance is shown in the following table:

(fig. in million Taka)

Indicators	2013	2012	growth
Deposit	96,481	102,177	-6%
Investment	85,707	96,185	-11%
Import	81,926	111,837	-27%
Export	84,809	110,789	-23%
Foreign Remittance	2,583	2,927	-12%
Shareholders' equity	10,951	9,646	14%
Return on Equity (%)	11.25	17.01	-5.76
Return on Assets (%)	1.02	1.44	-0.42

The Bank has consistently endeavoured to create and enhance shareholders' value. Five years comparative information about ROE, ROA and EPS are shown in the following table:

Particular	2009	2010	2011	2012	2013
Return on Equity	25.10%	30.71%	13.80%	17.01%	11.25%
Return on Assets	2.08%	3.01%	1.26%	1.44%	1.02%
Net Assets value per Share	17.07	19.70	17.78	17.33	16.40
Earnings per Share	3.93	4.65	2.10	2.59	1.95
Dividend per share	25%	30%	25%	20%	10%

### Relationship with the Shareholders:

Shareholders are communicated the comprehensive details about the performance, financial results and important activities of the Bank through Annual Report. Information regarding different activities and performance of the Bank is also available in the Bank's website. Various announcements on price sensitive information and other disclosures are made through newspaper, website and media. Shareholders are also encouraged to evaluate Bank's performance and to give their valuable suggestions in the AGMs.

### RESPONSIBILITY TOWARDS EMPLOYEES

SJIBL has succeeded to develop a team of highly motivated professionals, working for the benefit of the people, based upon accountability, transparency and integrity. The Bank always aware of continuous development of knowledge, competencies and attitude of the employees; comfortable and modern working environment as well as justified and competitive compensation packages for them.

### Maintaining 'No Discrimination':

The recruitment process of the Bank strictly follows Recruitment Policy and maintains transparency in all stages to protect the right of the eligible candidates and the interest of the bank without discriminating gender, race or socio-economic background.

SJIBL strictly maintains 'No Discrimination' among the employees in connection with their posting, promotion, reward, punishment etc. Every year a good number of eligible employees get promotion to the higher rank on the basis of merit and performance.

### Providing Modern, healthy & safe workplace:

Bank premises are taken with adequate space and interior decorations are made to keep the office environment healthy and congenial for smooth working. Female employees are also provided with comfortable working environment along with other required facilities. Safe drinking water is supplied to the employees in the office premises. Fire fighting equipments are also available in all offices.

## **Developing & improving employees' competencies & skills:**

To develop professional knowledge, skill and attitude of the employees, the employees of the Bank attended training program/seminar, workshop both at home and abroad. The training center of the bank arranged various courses, workshops and seminars on important aspects of Banking throughout the year on regular interval. We invite experts of Banking Sector for imparting training to our employees to meet the above challenges. To keep the employees motivated, incentives, performance reward, promotion and accelerated promotion etc. are given on a regular basis.

## **Creating a learning & development environment:**

SJIBL has given highest importance in developing knowledge base of the employees and hence created a learning environment within the organization.

- a. All the departments and branches are instructed to conduct discussions among the employees on different topics related to Islamic economics, banking and social responsibilities.
- b. Employees are encouraged to complete 'Diploma in Banking' from Institute of Bankers, Bangladesh by allocating points for in promotion criteria.
- c. All the employees are trained up to get them use-to in modern technology like computer, e-mail, internet, fax, mobile banking, ATM card etc.

## **Encouraging employees' aesthetic & sporting talents and recreation:**

- a. Every encouragement is given to develop employees' aesthetic and sporting talents. Enthusiastic participation by the employees in the competitions resulted in the discovery of many latent talents in different events.
- b. Apart from competitions, family get-together and picnic of the employees are organized every year with a view to enhance team spirit and bonding relationship. Directors and Senior Executives remain present in the programs to encourage the employees

## **Remuneration and Benefits:**

The Bank has developed a complete pay-scale for the employees, which is upgraded and adjusted with the prevailing market after every two/three years. Giving due attention to the lower level employees, the ratio of the pay between highest and lowest level in the pay-scale has been maintained (Additional Managing Director to Messenger).

- a. To meet-up housing need and to ensure comfortable life, employees are provided with investment at a discounted rate against house building and purchasing household durables under "Staff House Building Investment Scheme (SHBIS)" and "Staff Household Durable Scheme (SHDS)" respectively.
- b. The Executives of the Bank are provided with car either from bank management or under "Car Scheme for the Employees of the Bank".

## **RESPONSIBILITY TOWARDS CUSTOMERS**

Customers are the core of Bank's existence. To encourage people, from all economic categories for becoming bank's customer, to ensure improved customer service, to help them run business efficiently, to encourage them in following Islamic principles in their business entities and to make them real partners of the Bank, the Bank takes various initiatives.

## **Financial Inclusion:**

- a. The Bank extends opportunity for opening accounts to the people, regardless of their economic status, with a very nominal amount. One can open a savings account with Tk. 1,000/-, a current account with Tk. 5,000/- and a special savings scheme (pension scheme) with minimum monthly installment of Tk. 1,000/- only. This policy creates a wider base of depositors for the Bank
- b. SJIBL has been playing very important role in channeling foreign remittances from the senders abroad to door-step of the receivers in the remotest areas of the country within quickest period. Through its network of 92 branches and utilizing mobile phone technology, SJIBL serves a huge number of families by channeling a total amount of foreign remittance of Tk. 2,584 million last year.

## Screening customers:

- a. SJIBL reviews the compliance of prospective customers' business with the Islamic laws and the principles of CSR. Impact of customers' business on economy, society and environment are also reviewed.
- B. The bank tries to ensure that the marketing campaigns & documents of bank's customers are ethically balanced promoting business without an exclusive focus on profits that may induce inappropriate behavior/consumption and unsuitable products inconsistent with Islamic, social and cultural norms.
- C. The bank adopted various screening process to prevent third parties from using the bank to engage in criminal activities such as money laundering.

## Responsible Customer Services:

- a. SJIBL screens all contract forms by the Shariah Supervisory Committee to avoid imposition of onerous terms and conditions to the clients, especially whom are in a weaker bargaining position relative to the Bank.
- b. Each of the customers are offered due process and responsible terms & conditions of investment, taking into consideration his ability to repay and the effect on his financial and overall well-being, through assessment of his present disposable income capacity.
- c. Every branch of the Bank keeps a 'Complaint Box' to facilitate the customers, lodging complaints against services of the Bank or against particular employee(s). A "Customers Complaint Cell" has been formed. All the complaints since received duly verified and resolved meticulously.
- d. Regular meetings are held with the selected customers in different level of Management to discuss on their business issues and to suggest them for further improvement.
- e. As the largest private commercial bank SJIBL is very much conscious regarding improvement in its customer services. To ensure quality and accurate service to the customers, SJIBL bring full automation in its operations and by this time, established online connectivity with all of its branches throughout the country. The customers of the Bank has by now been extended online ATM services through own ATMs and shared ATMs.

## Relationship with the Customers:

SJIBL considers the customers as its partners and develops relationship through its employees as well as by organizing various programs in different occasions:

- a. The Bank observes "Service week/fortnight" month every year. During the period, several customer-gatherings are organized in the branches which bring a cluster of customers face to face with the Bank Management. These meetings make the Management experienced with customers' views, aspirations and suggestions for improvement of Bank's services. Bank employees also pay visit to the customers' establishments. This program strengthens the bond of relationship between the Bank and Customers
- b. SJIBL has organize Iftar Mahfil during the month of Ramadan every year accommodating highest possible number of clients. Apart from the above, the Bank organizes client's gatherings time to time upon different requirements.
- c. Every year the Bank distributes New Year's souvenir - calendar, diary, card etc. among the customers. In addition, greeting cards on various occasions are also exchanged with them.

## RESPONSIBILITY TOWARDS SUPPLIERS

Suppliers play a fundamental role in the Bank's micro environment. As an essential component of overall business function, suppliers regarded as inclusive partners. The Bank develops its relationships with supplier's organizations on the basis of value and trust.

## Ethical Procurement Practices:

The Bank holds ethical conduct as a priority in building suppliers relations. By engaging the employees involved with procurement functions, the Bank strives to maintain the unimpeachable standard of integrity in all business relationship. The Bank is of the view that the ethical behavior must be promoted and supported by appropriate systems and procedures. Bank expects the highest ethical standard from its suppliers also. In view of the above the Bank follows the following process:

- a. The Bank has a committee that is responsible for procurements across the number of people instead of one or a few ensuring that the concerned employees and the Bank are trusted and respected.
- b. All procurements follow a transparent tender procedure; price negotiations are conducted by designated teams and committees. Suppliers' information is treated with confidentiality and fair dealing.
- c. Timely payment to the suppliers is ensured without any harassment or unethical dealings.

### **Sustainable Procurement Policy:**

SJIBL recognizes its responsibility to carry out procurement activities in an environmentally and socially responsible manner.

- a. In accordance with Bank's 'Corporate Procurement Strategy', it strives to incorporate environmental and social considerations into the procurement process.
- b. The Bank recognizes its responsibility to encourage suppliers to minimize negative environmental and social effects associated with the products and services they provide. The suppliers are also encouraged to maintain ethical standard throughout the process of procurement.
- c. The Bank encourages departments and branch offices to review their consumption of goods and services in order to reduce usage, recycle and reuse in a bid to operate according to sustainable business principles.
- d. Under the sustainable procurement policy, processes are implemented to ensure an equitable share of wealth to a large number of suppliers through enhancement of supplier base by inviting fresh enlistment.
- e. Under sustainable policy, the Bank introduced outsourcing of time intensive activities such as packing of stationary and complementary items etc.

### **RESPONSIBILITY TOWARDS COMMUNITY**

The Bank is very much conscious regarding its responsibility towards the communities within which it operates.

The most important contribution of the Bank in this regard is the creation of employment opportunities in its financed projects as well as in its own organization. At present about 2,173 employees are working in the bank.

Apart from this, it takes several programs in view to improve the lives of the people especially to the less fortunate segments of the community. Bank's strategy towards discharging community responsibility focuses on: (1) Health, (2) Education, (3) Sports, arts & culture, (4) Women empowerment and (5) Humanitarian Assistance etc.

### **Women Empowerment Program:**

SJIBL is very much conscious about the prevailing conditions of the women in our society. Keeping this in view it takes various programs for empowering the women like awareness building, training, financing etc.



## RESPONSIBILITY TOWARDS ENVIRONMENT :

The main theme of environmental responsibility is to create 'No Harm' to the environment in view to remain it healthy for future generation. Recently, the issue of climatic change is being addressed seriously all over the world. It is identified that Bangladesh being a southern delta is under serious threat of natural disaster. In view of the above, the corporations are recommended to pay due attention to the followings:

1. To reduce the use of non-renewable energy & materials (electricity, gas, fuel, paper, stationeries etc.) and to increase use of renewable or recyclable energy & materials (solar power, bio-gas, electronic media of communication etc.)
2. Reduction of the emission of industrial carbon.
3. Scrutiny of negative impacts of the corporations on environment and taking necessary mitigating measures there against.

SJIBL, being a responsible corporation, has taken following initiatives in this regard:

### Measures taken within the organization:

1. Educating the employees in 'Green Banking' and encouraging them to ingrain the practices in their daily activities. With the initiatives for creation of a paperless office, all the officials of the bank are given computer with e-mail facilities to reduce dependencies on paper and table stationeries.
2. By establishing online connectivity with all the branches, no paper statement is now required to be sent from Branches. Consolidation of branch statements in the Head Office is done automatically. Inter-branch transactions, are also reconciled automatically.
3. Investment proposal of the customers along with required documents are sent to the Head Office through e-mail in scanned form. Sanctions against the proposals are also sent to the branches in the same manner.
4. Employees are encouraged to efficient use of energy and thus instructed to avoid unnecessary consumption of electricity by light, fan, air condition and other electrical appliances.
5. Customers are encouraged to check their balance/statement through internet/ mobile phone/ATM machine without giving paper statement.

### Measures taken with the customers:

1. SJIBL is especially concerned about the impact of bank's financed projects on environment. An environmental policy has been formulated in accordance with guideline issued by the government. As per policy, environmental impact are duly considered during new project investment appraisal and also during the continuation of the projects.
2. To ensure green industrialization, clearance are taken from the department of environment of the government before giving sanction to any new project. All possible cares are taken to protect environmental pollution by bank's sanctioned projects. In this regard, clients are encouraged to establish etc. to the projects like dyeing, printing, 120 feet chimney for the brick fields etc. Noc from various authorities such as, explosive department, fire services department, rupantorito prakritic gas (CNG) company etc. are also obtained for setting up gasoline/cng filling station.
3. SJIBL extended investments to different industrial customers for establishing effluent treatment plant (ETP).

### Measures taken with the community:

1. Due to quick urbanization in the country, forest and agricultural land is becoming squeeze which hampers ecological balance severely. In view to improve ecological harmony, SJIBL takes a campaign program of "one man one plant" among the employees and the customers. It observes 'plantation week' during the rainy season every year
2. The bank sponsors various conferences and seminars conducted on different environmental issues.

## Ecology and Green Banking

Green Bank is simply with social awareness. SJIBL insists on going green to help the environment that promote its online banking, Mobile Banking or the idea of socially responsible investment funds for sustainable project finance activities. An important and easy aspect of green banking is online and investment in eco-friendly business projects. A truly green bank will reduce its carbon footprint by building more efficient premises, branches, implementing more efficient operational procedures promoting sustainable banking and increasing their investments in environment-sensitive industries.

SJIBL Green Banking practices are connected with both internal operation and product ecology. Product ecology is concerned with the impacts of the bank's on the environment used by the clients. Green banking engaged in creating socially responsible investment funds and sustainable project finance activities.

SJIBL is concerned with the well-being of its employees and customers satisfaction, benefits, wages and the banks environmental standing. The bank is putting a combined effort on switching to more environment –friendly practices i.e. online banking, reducing wastage of paper and electricity, using solar power and energy saving light bulbs, saving day light during office hours and being more conscious about employee travel policies. Benefits of online banking include less paperwork, less mail etc., which all have a positive impact on the environment. The environment and the banking industry both are benefited when bank customers start using the online banking, SMS banking and mobile banking services.

SJIBL aims at introducing changes in operational areas in future to adopt more environment–friendly procedures. The progression of our current banking system towards a fully electronic and online banking will further reduce cost and will be beneficial for our customers.

## **Ethical Banking**

Banks and the policies they pursue have an impact on the community around them. Their impact has two dimensions, the way they operate i.e. internal operations and the types of companies they help finance. SJIBL take care of both the dimensions in its operation.

Many ethical issues such as the environmental conduct of business customers are now part of standard risk assessment and prudent banking. It is becoming increasingly common practice for banks to have established guidelines for their staff on the major ethical issues covered. SJIBL has been trying to follow the Equator Principles, a set of guidelines developed by the banks for managing social and environmental issues related to the financing of development projects.

Our investment is based on Islamic values as defined by the principles of Shariah (Islamic law). The Islamic Shari'ah attempts to maximize social welfare. Consequently Islamic investment involves the screening out of those companies whose primary business does not conform with the shari'ah principles.

# Report on Risk Management

Risk is inherent in any walk of life in general and in financial sectors in particular. But of late, banks are exposed to same competition and hence are competed to encounter various types of financial and non-financial risks. Risks and uncertainties form an integral part of banking which by nature entails taking risks.

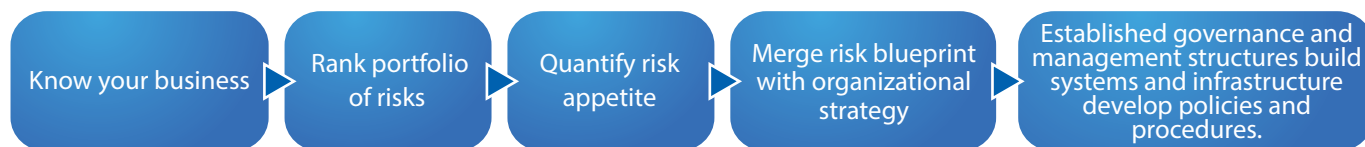
Risk management is a discipline at the core of every banking company and encompasses all activities that affect its risk profile. Banks should attach considerable importance to improve the ability to identify measure, monitor and control the overall risks assumed.

## Risk Management Unit

SJIBL has formed a separate 'Risk Management Unit' which is going to be division immediately under Chief Risk Officer to ensure following things:

- Designing of organizational structure by clearly defining roles and responsibilities of individuals involved in risk taking as well as managing it;
- Formulation of overall risk assessment and management policies, methodologies, guidelines and procedures for risk identification, risk measurement, risk monitoring, defining at every individual unit level an acceptable level of risk, mitigation of all the core risks in line with their respective guidelines as provided by Bangladesh Bank;
- Reviewing and updating risks on systematic basis as necessary at least annually and to maintain adequate Capital as per ICAAP under SRP of BASEL-II. The main risk areas will be Balance Sheet Risk Management, Investment (Credit) Risk, Foreign Exchange Risk, Internal Control and Compliance Risk, Money Laundering Risk and IT Risk. The following risks have also been reviewing by the individual Department/Division/Unit at certain interval as defined by the Bangladesh Bank:
  - Investment Risk
  - Liquidity Risk
  - Market Risk
  - Operational Risk
  - Reputation risk
  - Sustainability Risk

## Development Process- Risk Management Framework



## Risk Governance Structure and Risk Management Committees:

The Bank has established a different -tiered risk governance structure to support effective risk management throughout the organization covering all key business activities. The integrated risk management structure has been established in a manner that the 'risk monitoring' activities are independent from the 'risk assuming' activities as shown above. The Bank has clearly defined the authority and accountability of all relevant officials to clearly demarcate their roles and responsibilities. The entire risk management structure is clearly connected to the Board of Directors (BOD) to facilitate a consolidated view of the organization in its entirety, based on risk perspective.

The Board of Directors is assisted by the committees listed in the table below in effectively deploying the Bank's risk management framework and capabilities it achieve the strategic objectives:

Committee	Key objectives
Board Audit Committee	To ensure that the Bank –wide risks are managed within the risk strategy and appetite established by the Board of Directors.
Board Executive Committee	To monitor and review all the risk exposures and risk related policies/procedures affecting investment, market and operational areas in line with the directives from Board of Directors.
Board Risk Management Committee	To identify and measure different kinds of risk including core risks of the bank. Against such kinds of risk, to maintain adequate Capital and provision to reduce the risks associated with the bank as per Bangladesh Bank guidelines.
Management Committee (MANCOM)	To approve and review investment policies/procedures to ensure that all the investment portfolios are properly managed within the broad investment strategies of the Bank.
Assets and Liabilities Committee (ALCO)	To achieve the Bank’s financial goals, while maintaining market risk at desired levels.
Executive Committee on Monitoring NPIs	To review and monitor the Bank’s Non Performing Investments (NPIs). To initiate timely corrective actions to prevent/reduce losses.

### Taxonomy of Risks:

Investment	Market	Operational
Recovery	Profit Rate	Process
Default	Foreign Exchange Rate	People
Concentration	Liquidity	Systems
Settlement	Equity Price	External events
	Commodity Price	Compliance
		Legal
		Strategic
		Reputational

### Investment (Credit) Risk:

Investment (Credit) risk is the risk of financial loss arising from the violation of commitment by an investment clients or obligor. It arises not only from the on balance sheet items but also from off-balance items such as Letter of guarantees, acceptances and endorsement, Bills for collection and letter of credit etc. As per Bangladesh Bank guidelines, any Investment, if not repaid within the fixed expiry date will be treated as Past Due/Overdue, and this will include Special Mentioned Account (SMA), Sub Standard (SS), Doubtful (DF) and Bad/Loss (BL) Investment (Credit) risk one of the major risks;

### Investment (Credit) Risk Profile.

In appraising Investment, the following risk profile is considered and analyzed in depth and mitigating factors are suggested:

Financial Risk	Business/ Industry Risk	Management Risk	Security Risk	Relationship Risk
Leverage	Business Size	Experience	Security Coverage	Account Conduct
Liquidity	Business Age	Succession	Collateral Coverage	Limit Utilization
Profitability	Business Outlook	Team Work	Support	Compliance of Conditions
Coverage	Industry Growth			Personal Deposits
	Market Competition			
	Business Barriers			

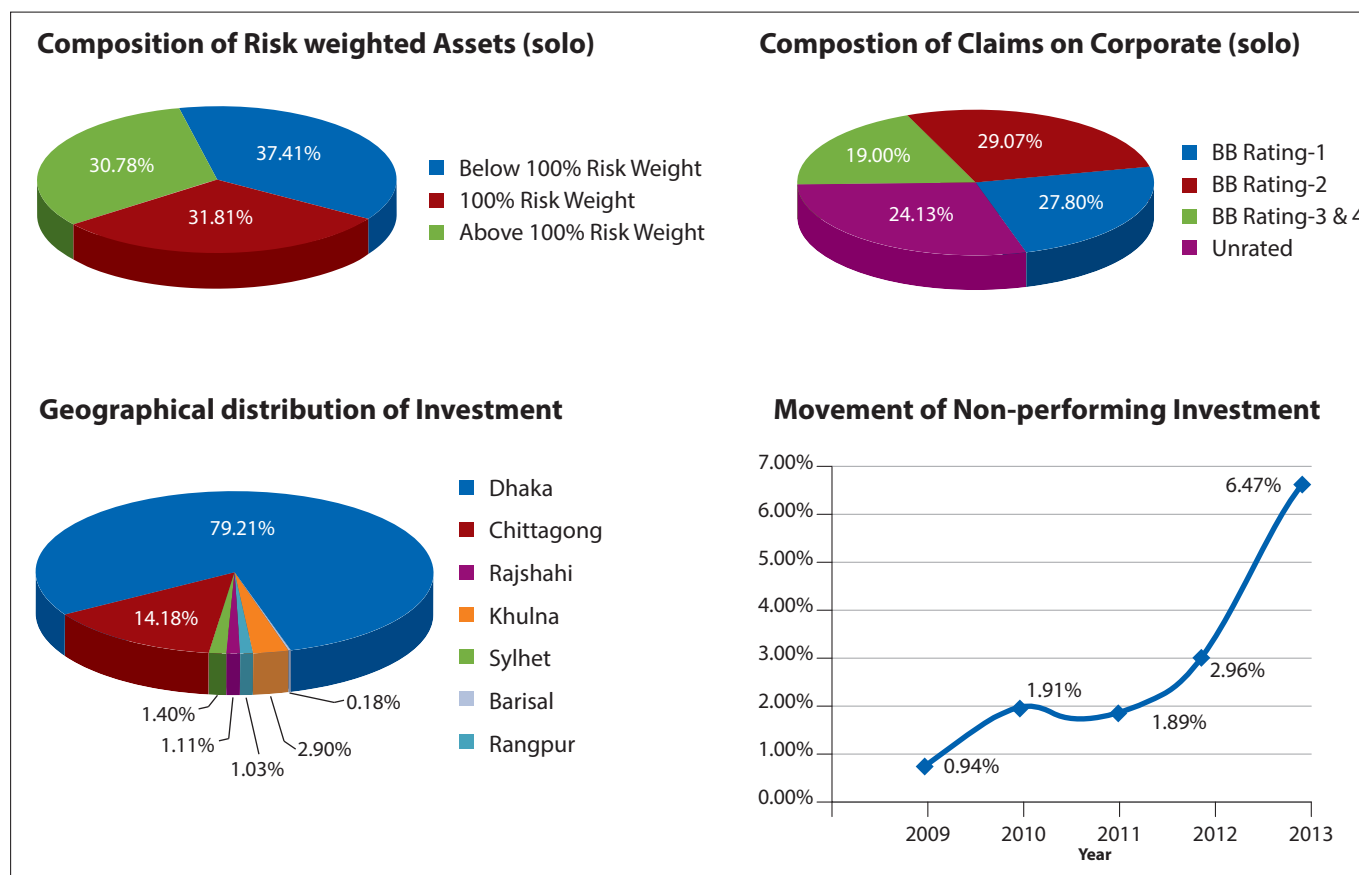
### Investment (Credit) Risk Appetite:

Investment (Credit) Risk Appetite and the 'Risk Acceptance Criteria' of the Bank are clearly defined in the investment guidelines of the Bank set by the Board of the Directors of the bank. The investment officers are guided by the 'Risk Acceptance Criteria' in achieving their investment objectives through establishing clear business development priorities. The Sector which are perceived to be exceptionally 'High Risk' have been clearly defined by the investment (Credit) Policy Committee of the Bank to alert the investment Officers to have adequate risk mitigates and proper pricing in entertaining proposals from such high risk sectors.

### Investment Risk Exposures of the Bank:

Major investment exposures of the Bank are created from investment to corporate/retail investment/Placement with other banks and financial institutions/bills purchase and negotiations etc. In the case of corporate and retail investments, exposures are mainly created from conventional on Balance Sheet exposures such as Investments, Inland Documentary Bill Purchases etc., and Off-Balance Sheet products such as Letters of Guarantee, Letters of Credit etc.

The graphical presentations below depict the analysis of the Bank's overall Investment risk exposure as at December 31, 2013 based on Basel-II as guided by the Bangladesh Bank.



As per the Investment Policy of the Bank, no investment exposure is created in the Bank without a thorough investment (credit) risk assessment and obtaining approval of the competent authority of the Bank.

## Investment (Credit) Risk Mitigation

The Bank believes that a key component of a disciplined investment (credit) culture is adherence to internal policies and procedures. Hence, comprehensive Investment Policies and Guidelines have been established in the Bank to ensure quality and transparency of investment decisions at all times. A well-defined approval hierarchy supported by high ethical standards, established policies, procedures and practices function as the core investment (credit) risk mitigate in the overall investment culture of Commercial Bank.

### Market Risk :

- The Basel - II defines the market risk as the risk of losses in on balance sheet and off-balance sheet positions arising from movements in market prices. Market risk of the Bank arises from deposit received from the depositors and granting investment as well as from trading activities. As commonly seen, market risk in the non-trading and trading portfolios of the Bank can be segregated into different risk categories using different classification; it is evident that none of these risk categories can exist in isolation. Changes in market factors constantly interact and disturb the status of equilibrium sought by prudent bankers and challenge the risk managers constantly.
- The primary objective of Market Risk Management is to ensure optimization of the risk-reward relationship and minimization of the exposure to unacceptable losses arising from movements in profit rate, liquidity, foreign exchange rate and equity prices.
- Capital charge for market risk is provided based on Standardized Approach as per the Basel- II guidelines.

### Market Risk Appetite:

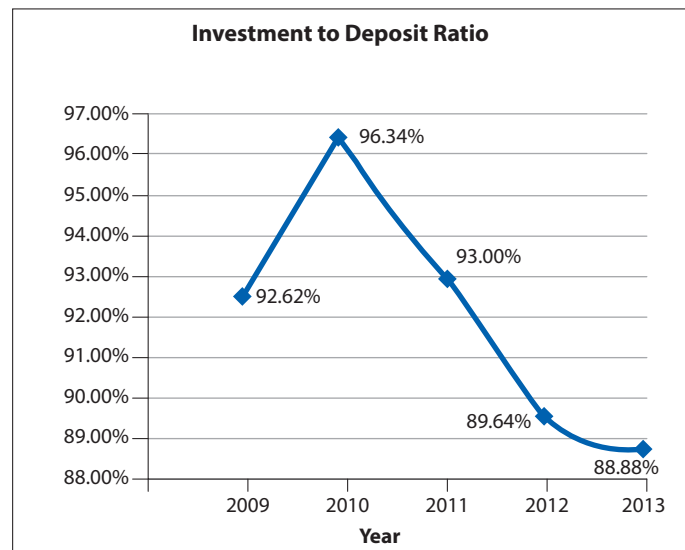
- The Market Risk Management process of the Bank broadly involves risk identification, assessment and establishment of tolerance limits for risk exposures and overall risk monitoring and control.
- The Treasury limits are reviewed by the Assets & Liabilities Committee of the Bank and sanctioned by the Board of Directors on an annual basis. The Treasury Mid-Office, an independent unit, monitors and reports the limit utilizations as per documented procedures.
- The non-trading activities related-market risk is mainly managed through ALM (Assets & Liabilities Management) process of the Bank and the Board approved limits set out the risk appetite of the Bank.

### Liquidity Risk:

Liquidity risk is the risk that the bank cannot promptly fulfill its payment obligations due to unforeseen factors or be forced to placement funds on unfavorable terms. In-addition to the more traditional Static Liquidity Gap Report (prepared with certain assumptions to classify non maturing assets and non maturing liabilities). Dynamic Liquidity Gap Reports which incorporate all contacted as well as anticipated inflows and outflows are regularly discussed at ALCO to ascertain real cash flow mismatches. Appropriate measures are then initiated to ensure that the bank's overall liquidity risk is maintained at a moderate level.

### Foreign Exchange Risk

- Foreign Exchange Risk is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. Foreign exchange risk may also arise as a result of exposures of banks to profit rate risk arising from the maturity mismatches of foreign currency positions.
- The Bank has established Risk Tolerance limits for foreign exchange exposure within the directives of Central Bank of Bangladesh in order to ensure that any adverse exchange rate movements on the results of the Bank due to un-hedged foreign exchange positions are managed within acceptable parameters.



## Risk Indicators:

### Market Risk Indicators

- With a view to maintain the Bank's exposure against the following types of market risks at a reasonable level, Key Risk Indicators are identified, assessed and periodically monitored by the competent authority of the Bank.
- The Bank's overall risk appetite and the Board approved risk tolerance limits have been disseminated to the Treasury Dealers. The adherence to these exposure limits are monitored on a daily basis by Middle Office of the Bank. Key Market Risk Indicators have been established under each of the following major market risk exposures.

### Profit Rate Risk Indicator:

The Bank monitors profit rate risk on an ongoing basis giving due cognizance to the re-pricing characteristics of the individual asset and Investment to Total Deposit Ratio. Yield Curve Risk, the risk arising from change in the slope and shape of the yield curve of re-pricing mismatches after applying rate shocks of different magnitudes to all relevant assets and liabilities are computed and monitored on a regular interval basis to ensure that the impact to the Bank's earnings is within reasonable levels.

### Foreign Exchange Risk indicator:

- Bank's exposure to Foreign Exchange risk is managed by computing foreign exchange transaction and translation risks and their impact to the P&L of the Bank. The impact of the Foreign Exchange transaction risk is identified by providing exchange rate shocks to the net open position of the Bank.

### Liquidity and funding Risk Indicator:

The Bank identified the following key liquidity risk indicators to assess and monitor the liquidity risk exposure:

1. Liquidity Gap Reports.
  2. Net Investment to deposits ratio.
  3. Liquid assets ratio.
  4. Funding concentration in BDT and foreign currencies.
  5. Duration analysis on investment portfolio etc.
- Bank's Treasury had been maintaining a positive/negative gap in the short term tenor during the year 2013 as a business strategy with a view to maximizing opportunities to derive higher returns from the increasing profit rate scenario in the market.
  - These gaps were maintained within the internally approved limits while having surplus liquid marketable securities in the longer tenor to meet any unforeseen situations.

### Market Risk Mitigation

- Trading-related market risk mitigation is mainly through policies, limits and control measures which seek to reduce risk within or across the desks. ALM Policy and the FX Policy of the Bank set out the guidelines and limits pertaining to Market Risk-related activities in detail.
- The objective of a limit is to ensure that the negative earnings and impact of price risks are within the market risk appetite of the Bank.

The nature of limits could typically include position limits, gap limits, tenor and duration limits, stop loss limits etc. These limits are appropriately selected for the relevant portfolios.

### Market Risk Monitoring:

- Due to the inherent nature of the market risks associated with trading activities, risk exposures accepted by the Bank are checked against the internal limits and external regulations by the Treasury Department.
- Middle Office plays a vital role in monitoring the market risk exposures of the Bank undertaken by Treasury on a daily basis.
- RMU comply key risk indicators as per guidelines issued by the Bangladesh Bank and carries out stress testing analysis based on major vulnerable risk exposures.
- RMU submits monthly assessment on market risk to the Risk Management Committee of the Bank and discusses the overall market risk exposure on a quarterly basis in Basel-II at the Board meeting of the bank.

## **Operational Risk**

Operational Risk is the risk of loss or harm resulting from inadequate or failed internal processes, people and systems or from external events. Capability to carry out a large number of transactions effectively and accurately while complying with applicable laws and regulations constitute Operational Risk Management activities of the Bank.

## **Risk Appetite**

The Bank maintains 15% capital allocation under Basic Indicator Approach of Basel- II of average gross income for the last three (3) years of the bank.

## **Approach for calculating capital charge for operational risk:**

The Bank use Basic Indicator Approach for calculating capital charge against Operational Risk.

## **Policies and process for mitigating operational risk:**

Operational Risks result from inadequate or failed internal process, people and system or from external events within the Bank, Operational Risk may arise from negligence and dishonesty of the employees, lack of management supervision, inadequate operational control, lack of physical security, poor technology, lack of automation, non-compliance of regularity requirements, internal and external fraud etc. Operational Risk Management Framework has been designed to provide a sound and well controlled operational environment and thereby mitigate the degree of operational risk.

## **Reputation Risk:**

Reputation Risk is the current or prospective indirect risk to earnings and capital arising from adverse perception of the image of the financial institution on the part of Customers, Shareholders, Investors, Counterparties, Business Partners, Credit Rating Agencies, Regulators, and General Public. Reputation risk may originate from the lack of compliance with industry service standards, failure to deliver on commitments, lack of customer-friendly service and fair market practices, low or inferior service quality, unreasonably high costs, a service style that does not harmonize with market benchmarks or customer expectations, inappropriate business conduct or unfavorable authority opinion and actions.

Signs of significant reputation risk include the extensive and repeated voicing of a negative opinion on the institution's performance and overall quality by external persons or organizations, especially if such negative opinion received broad publicity along with poor performance by the institution which may lay the grounds for such opinions.

## **Residual Risk:**

Residual Risk arises mainly from error in Documentation and Error in valuation of collateral lack of required and duly filled-up documents and erroneous or fake or forged documents will lead to the amplification of overall risk aspects of Investment portfolio and the reduction in the strength of legal Shield that slacks the ownership of the Bank on collateral and consequently hinders the recovery of investment. On the other hand as institutions mitigate risks by way of collaterals, the collaterals can pose additional risks (legal and documentation risks), which may deteriorate the impact of risk mitigation. For example: The liquidation procedure of the collateral is difficult & time consuming, and the valuation of the collateral is inappropriate (e.g. overvaluation). The Banks should have appropriate governing and control systems, valuation procedures, internal regulations and responsible individuals assigned for the prudent handling of risks.

## **Business Risk:**

Business Risk is the risk that covers the risk of losses arising from lower net profit margin, lower non-funded income and higher expenses from predetermined level. It resulted from change of market condition, customer behavior, or technological development from budgeted situation. This can affect earnings if Bank failed to adjust quickly to these changing conditions.

## **Settlement Risk:**

Settlement Risk arises when an executed transaction is not settled as the standard settlement system. Settlement risk addresses to the investment/credit risk and liquidity risk elements. Treasury transactions, trading book items (deals) and capital market dealings concluded as part of investment services convey a settlement risk that is a specific mix of investment/credit and liquidity risk. The banks pose the risk when it fulfills its contractual obligations (payment or delivery), but the counterparty fails or defaults to do the same.

## Strategic Risk:

Strategic risk means the current of prospective risk to earnings and capital arising from imperfection in business strategy formulation, inefficiencies in implementing business strategy, non-adaptability/less adaptability with the changes in the business environment and adverse business decisions. Strategic risk induces operational loss that consequentially hampers the capital base.

## Implementation of Basel-II in line with Bangladesh Bank guidelines

In addition to investment risk, Basel-II also covers operational and market risk. Moreover, under Basel-II, in absence of credit rating of the investment clients (borrowers), investment risk of the corporate investment is calculated at 125% of outstanding investment. As a result, risk weighted assets and capital requirement under Basel-II are substantially increased as compared to Basel-I particularly because credit rating of investment clients (borrowers) is a new phenomenon in Bangladesh. It has become a major challenge for our banking sector. However investment in good rated clients and rating of more investment clients are the better way to reduce the Risk Weighted Assets.

SJIBL maintained 13.69% CAR under Basel II (Solo basis) and 13.88% (consolidated basis) as of 31 December, 2013 against minimum capital requirement of 10.00% by the Bangladesh Bank.

## Supervisory Review Process (SRP) Team:

Under Pillar-II of Basel-II, all banks are required to design their own Supervisory Review Process (SRP) to ensure maintenance of sufficient capital to fully cover all risk exposures. As per Guidelines on Supervisory Review Evaluation Process (SREP) the level of Capital Adequacy will be determined after evaluation and dialogue between Bangladesh Bank and the Supervisory Review Process Team of the Bank. The assessment of capital adequacy will be the outcome of a dialogue between the Bank's own SRP Team and Bangladesh Bank's Supervisory Review Evaluation Process (SREP) Team.

## Composition of SRP Team:

SJIBL has a well-designated SRP Team, which will aid to adopt Basel-II Capital Accord successfully. SRP Team of SJIBL has been formed comprising of the following Executives:

SL NO.	Name	Position
1	Farman R. Chowdhury	Managing Director & Head of SRP Team
2	Masihul Huq Chowdhury	Member
3	Md. Abdul Jabber Chowdhury	Member
4	Md. Setaur Rahman	Member
5	Md. Akhter Hossain	Member
6	Md. Jahangir Alam	Member
7	Md. Rafiqul Islam	Member
8	Sayed Abul Hashem	Member
9	Mohammed Ashfaqu Hoque	Member
10	Md. Nazrul Islam	Member
11	Rumana Kutubuddin	Member
12	Md. Ashraf Azim	Member Secretary

## Basel-II: SRP-SREP Dialogue on Capital Adequacy

In addition to, computing MCR, banks have to calculate Adequate Capital on the basis of banks own Supervisory Review Process (SRP). Banks should have Adequate Capital to meet comprehensive risk profile. Under the SRP, adequate capital will be determined on the basis of comprehensive risk management of banks. For this, each bank should have an exclusive

SRP team and a process document (called Internal Capital Adequacy Assessment Process-ICAAP). The areas to be covered by the process document are review of risk management and planning for adequate capital against comprehensive risk profile including investment, market, operational and all other risks which are not captured in the process of determining minimum Capital Requirement (MCR).

That is along with Investment, Market, Operational risks; Bank is maintained capital against other risks which are not captured in calculating Minimum Capital Requirement (MCR). Some of these risks are namely residual risk, investment concentration risk, profit rate risk, liquidity risk, model risk, settlement risk etc.

The objective of the dialogue is to determine the adequate level of capital needed for a bank beyond minimum capital by reviewing the Internal Capital Adequacy Assessment Process (ICAAP). In other words, the dialogue target to review the process by which a bank assesses its level of risk management and capital adequacy and quality of capital held.

## **Basel II implementation Unit and Supervisory Review Process (SRP) Team of SJIBL were active in 2013**

SJIBL has a separate SRP team to review Internal Capital Adequacy Assessment Process (ICAAP) for determining capital requirement against all risks including those risks not captured in the process of determining Minimum Capital Requirement (MCR). SJIBL has completed review process to determine additional capital requirement against residual risk which is the first step towards implementation of Pillar-2 of RBCA Framework.

## **Emphasis on Internal control structure for risk assessment and capital requirement**

The bank's internal control structure is essential to the capital assessment process. Effective control of the capital assessment process includes an independent review and where appropriate, the involvement of internal or external audits. The Bank's board of directors has a responsibility to ensure that management establishes a system for assessing the various risks, develops a system to relate risk to the Bank's capital level, and establishes a method for monitoring compliance with internal policies.

## **Stress Testing as a forward-looking tool for risk management**

The Bank conduct periodic reviews of its risk management process to ensure its integrity, accuracy and reasonableness through stress testing. Stress testing as tool of forward looking risk management is an integral part of SRP. On the basis of findings of stress test, banks will maintain some provision proactively in addition to adequate capital. Bangladesh Bank will evaluate all these issues through the methods of SRP-SREP dialogue.

## **Guidelines provided by Bangladesh Bank on Risk Management Papers and Meeting of Risk Management Unit (RMU)**

SJIBL, Risk Management Unit (RMU) is preparing Risk Management Papers (RMP) covering all the risk areas of banks in a uniform way as follows: List of Risks for preparation of Risk Management Papers:

- i. Investment risk
- ii. Liquidity risk
- iii. Market risk
  - a. Profit rate risk
  - b. Equity price risk
  - c. Foreign exchange risk
- iv. Operational risk
- v. Interest rate risk in the banking book
- vi. Reputational risk
- vii. Core risk management ratings and implementation status
- viii. Oversee the capital management function
- ix. Analysis of bank's own resilience capacity
- x. Evaluation of stress test result

## **Compliance with Bangladesh Bank guidelines**

Risk Management Paper as prescribed formats are provided by the Bangladesh Bank are preparing on monthly basis and place to the Risk Management Committee of the Bank. It had regular monthly meeting to assess risk management status of various divisions and operations. The RMU coordinated various risk management activities of the Bank and provided guidelines to concerned divisions in this respect. The activities, observations and recommendations of RMU were regularly reported to the Managing Director and Bangladesh Bank.

## Stress Testing

Stress Testing is a risk management technique used to evaluate the potential effects of an institution's financial condition of a specific event and/or movement in a set of financial variables. It refers to the process to cover multiple risk measures across categories and complements traditional risk models. It is also an integral part of the Capital Adequacy Framework. The traditional focus of stress testing relates to exceptional but plausible events. Stress testing for credit risk assesses the impact of increase in the level of non-performing investments (NPIs) of the banks. This involves several shocking events. Each shocking event contains Minor, Moderate and Major Levels of shock.

### Stress testing is done on a Quarterly basis

Stress testing as per Bangladesh Bank guidelines has been carried out regularly in 2013 on quarterly intervals. The findings were reported to Bangladesh Bank and Board of Directors of the Bank for compliance and guidance. Findings of stress testing and guidance from Bangladesh Bank and Board are taken into account for assessing potential risks, mitigation of such risks as well as current and future capital requirement of the Bank.

**Performing Investment directly downgraded to B/L- Sectoral Concentration 1:** It is a measure of the concentration risk where the bank has the highest investment. It assumes that 3%, 9% and 15% of the performing investment will be directly downgraded to B/L category in minor, moderate and major levels of shock respectively. Capital Adequacy Ratio (CAR) of SJIBL would stand at 13.67%, 13.63% and 13.59% in minor, moderate and major levels of shock respectively when considering individual shock.

**Performing Investment directly downgraded to B/L Sectoral Concentration 2:** It is a measure of the concentration risk where the bank has the highest investment. It assumes that 3%, 9% and 15% of the performing investment will be directly downgraded to B/L category in minor, moderate and major levels of shock respectively. Capital Adequacy Ratio (CAR) of SJIBL would stand at 13.77%, 13.93% and 14.09% in minor, moderate and major levels of shock respectively when considering individual shock.

### Increase in NPIs due to default of top large investment borrowers:

It represents the scenario of the bank when top large borrowers default. It is assumed that top 3, 7 and 10 borrowers of the bank will default in minor, moderate and major levels of shock respectively. Capital Adequacy Ratio (CAR) of SJIBL would stand at 12.73%, 12.56% and 10.36% in minor, moderate and major levels of shock respectively when considering individual shock. The bank as a part of strategy is reducing the exposure of large investment borrower and focusing on diversification of investment portfolio. However, we are continuously monitoring the performance of large investment borrowers. Besides, a good amount of security coverage is also maintained against those large investments.

**Negative shift in NPIs categories:** It represents the shift of an Investment from one NPI category to the next NPI category. It is based on the assumption of 5%, 10% and 15% downward shift in the NPIs categories in minor, moderate and major levels of shock respectively. Capital Adequacy Ratio (CAR) of SJIBL would stand at 13.30%, 11.33% and 10.73% in minor, moderate and major levels of shock respectively when considering individual shock.

**Decrease in the Forced Sale Value (FSV) of the collateral:** It represents the bank's condition when FSV of collateral decreases sharply. It is based on the assumption that FSV of collateral will fall by 10%, 20% and 40% in minor, moderate and major levels of shock respectively. Capital Adequacy Ratio (CAR) of SJIBL would stand at 13.41%, 13.14% and 12.59% in minor, moderate and major levels of shock respectively when considering individual shock.

**Profit (Interest) rate shock:** It represents the condition of the bank when profit (interest) rate changes significantly. It is based on the assumption that profit (interest) rate will change by 1%, 2% and 3% in minor, moderate and major levels of shock respectively. Capital Adequacy Ratio (CAR) of SJIBL would stand at 13.66%, 13.63% and 13.61% in minor, moderate and major levels of shock respectively when considering individual shock.

**Foreign exchange shock:** It represents the condition of the bank when exchange rate changes significantly. It is based on the assumption that exchange rate will change by 5%, 10% and 15% in minor, moderate and major levels of shock respectively. Capital Adequacy Ratio (CAR) of SJIBL would stand at 13.65%, 13.61% and 13.57% in minor, moderate and major levels of shock respectively when considering individual shock.

**Equity shock:** It represents the bank's condition when market value of share falls sharply. It is based on the assumption that share price will change by 10%, 20% and 40% in minor, moderate and major levels of shock respectively. Capital Adequacy Ratio (CAR) of SJIBL would stand at 13.57%, 13.45% and 13.22% in minor, moderate and major levels of shock respectively when considering individual shock.

When all the shocks are considered together, the bank can absorb minor level of shock easily. However, for absorbing other levels of shock which is very unlikely in the industry; the bank may require additional capital.

## Report of Chief Risk Officer

### Concept of Risk Management in Islam

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

وَقَالَ يَبْنَى لَا تَدْخُلُوا مِنْ بَابٍ وَاحِدٍ وَادْخُلُوا مِنْ أَبْوَابٍ مُتَفَرِّقَةٍ وَمَا  
أُغْنِي عَنْكُمْ مِنَ اللَّهِ مِنْ شَيْءٍ إِنْ أَلَّ اللَّهُ عَلَيْهِ تَوَكَّلْتُ وَعَلَيْهِ  
فَلْيَتَوَكَّلِ الْمُتَوَكِّلُونَ ﴿٦٧﴾ سورة يوسف

And he said, "O' my sons, do not enter (the city) all of you from the same gate, rather, enter from different gates. And I cannot help you in any way against (the will of) Allah. Sovereignty belongs to none but Allah. In Him I place my trust, and in Him should trust those who trust."

(Surah Yusuf: Verse 67)

### Hadith from Prophet Muhammad (s.a.w)

Prophet (peace be upon him) once asked a Bedouin who had left his camel untied, "Why do you not tie your camel?" The Bedouin answered, "I put my trust in God." The Prophet (PBUH) then said, "tie up your camel first then put your trust in God." Risks are uncertain future events that could influence the achievement of the Bank's objectives, including strategic, operational & financial and compliance objectives.

### Uncertain future events could be:

- Failure of a Investment client to repay a financing
- Fluctuation of foreign exchange rates
- Fraud, incomplete security documentations, etc
- Non-compliance with shariah law and principles
- Other events that may result in a loss to the Bank

A Bank's business (whether Islamic or Conventional) is to take calculated risks. As such Risk Management is not only trying the minimization of losses but the optimization of the risk reward equation.

### Unique Risks for Islamic Banks

Types of risks	Definition
Shariah non-compliance risk	Risk arises from the failure to comply with the Shariah rules and principles
Rate of return risk	The potential impact on the returns caused by unexpected change in the rate of returns
Displaced Commercial risk	The risk that the bank may confront commercial pressure to pay returns that exceed the rate that has been earned on its assets financed by investment account holders. The bank foregoes part or its entire share of profit in order to retain its fund providers and dissuade them from withdrawing their funds.
Equity Investment risk	The risk arising from entering into a partnership for the purpose of undertaking or participating in a particular financing or general business activity as described in the contract, and in which the provider of finance shares in the business risk. This risk is relevant under Mudarabah and Musharakah contracts.

## 1.0 Pillar 1 Risk Management

### 1.1 Investment Risk

Investment risk arises from the potential that counterparty fails to meet its obligations in accordance with agreed terms and conditions of a credit-related contract. As per Bangladesh Bank guideline, SJIBL has already separated its investment marketing, investment risk management and investment administration function. The investment risk in SJIBL is guided by Investment Risk Management (IRM) Policy which is duly approved by the Board of Directors of the bank.

#### The following systems and procedures are being followed in SJIBL to manage the investment risk:

- a. Investment Origination:** Before allowing investment facility to an investment client, the bank makes an assessment of risk profile of investment deals/transaction.
- b. Approved Investment policy by the board of directors:** The Board of Directors has approved the Investment policy for the bank where major Policy guidelines, growth strategy, exposure limits (for particular sector, product, individual company and group) and risk management strategies have been described /stated in details. Investment policy is regularly updated to cope up with the changing global and domestic economy scenarios.
- c. Separated Investment Risk Management Division:** Investment Risk Management (IRM) division has been separated from corporate division in line with central bank guidelines.
- d. Measuring Investment Risk through External Credit Rating Institutions:** SJIBL through its Risk Management Unit is putting its best efforts to get its corporate clients rated by ECAI. The bank completed rating of handsome percent of total eligible Investment clients and expects to complete rating of a remarkable percent of investment client at the end of the year of 2013.
- e. Independent internal audit and direct access to Board/Audit Committee:** Internal control and compliance division independently verifies and ensures, at least one in a year, compliance with approved investment guidelines, operational procedures, adequacy of internal control and documentation procedures. Internal control and compliance division directly report to the Board/Audit committee the overall quality, performance, recovery status, risks status, adequacy of provision of investment portfolio for information, overall observation and guidance.
- f. Delegation of Authority:** As per Bangladesh Bank guidelines under the policy of investment Risk Manual (IRM) Delegation of Authority has set up in the bank. Accordingly, the power of delegation as set by the Board of Directors investment decision is taking regularly by the management and Board of Directors. SJIBL has segregated responsibility for investment sanctions and delegated authority to approve investments or changes in investment terms.
- g. Formation of Recovery Team:** A vigorous recovery team has been formed to monitor the performance of the investment, identify early sign of delinquencies in portfolio and take corrective measures to mitigate risks, improve investment quality and to ensure recovery of investments in a timely manner including legal actions.

### 1.2 Market Risk:

- 1.2.1 Definition:** Market risk is defined as the potential impact of adverse price movements such as benchmark rates, foreign exchange rates and equity prices on the economic value of an asset i.e. the current or prospective threat to the bank's earnings due to movements in market prices, i.e. prices of securities, commodities, profit rates and foreign exchange rates. Market risk exposure of SJIBL is explicit in portfolios of securities/equities and instruments that are actively traded.
- 1.2.2 Policies Guiding Market Risk:** SJIBL has a separate ALCO policy, which acts as the controlling point for Pricing of Deposit and cost of Investment and to take measure for liquidity.
- 1.2.3 Segregation of Responsibilities:** The Asset and Liability Committee (ALCO) holds overall responsibility for market risk and sets the limit for trading positions and stop loss levels on product and responsibility basis.

Treasury department actively manages market risk within the limits provided by ALCO.

## 1.3 Operational Risk

**1.3.1 Definition:** Operational risk refers to the risk of loss because of inadequate or failed internal processes, staff and systems or external events, it also includes legal risk. SJIBL has emphasized on risk identification and assessment that ensure that all key risks are effectively highlighted for bank's transparency and management. This enables the bank to focus on fewer but more fundamental risks.

**1.3.2 Indication and Measurement:** The measurement and control framework comprises of the following qualitative elements:

- Monitoring of key risks: This is an ongoing process that ensures that an unfavorable development in such risks is consistently highlighted on a group basis.
- Risk mitigation strategies and implementation process that ensures key risks are controlled and establish Transparency in these strategies and processes.
- Follow up on loss data and events.

**1.3.3 Control and Mitigation:** At present, operational risk is largely managed through internal control and audit system. Our bank has put in place the following measures to mitigate operational risk:

- System of delegated authority covering investment and expenditure.
- Book of instructions and issuance of instructions through circulars from time to time.
- Preventive vigilance
- Continuous training process
- Risk Based Internal Audit
- Compliance Policy

## 2.0 Pillar 2 and All Other Risks

SJIBL is conducting stress testing on its financials a quarterly basis and reporting the outcomes to the Bangladesh Bank, as a part of Pillar 2 of BASEL-II Accord. In addition to that, Bangladesh Bank also released guideline of Supervisory Review Evaluation Process (SREP), which states that every bank has to establish a Supervisory Review Process (SRP) team, a process document called Internal Capital Adequacy Assessment Program (ICAAP) for assessing the overall risk profile and a strategy for maintaining adequate capital. Accordingly, SJIBL has already established a SRP team and also submitted the report on additional capital requirement under Pillar 2 to Bangladesh Bank.

SJIBL assessed its additional capital requirement under Pillar 2 taking into consideration risks that are not covered under Pillar 1. As per model such risks include- residual risk, investment concentration risk, liquidity risk, profit rate risk in banking book, settlement risk, reputation risk, strategic risk, and other material risk.

## 3.0 Compliance Status of Minimum Capital Requirement (MCR) in 2013

In compliance of Minimum Capital Requirement (MCR) under Pillar 1 risk elements, SJIBL was well ahead of minimum requirement in all four quarters of 2013- CAR was 12.18 percent at the end of March quarter, 12.78 percent at the end of June quarter, 14.21 percent at the end of September quarter, and 12.56 percent at the end of the December quarter.



**Md. Setaur Rahman**  
Deputy Managing Director &  
Chief Risk Officer

## Market Discipline

### Disclosures on Risk Based Capital (Basel II) as on 31.12.2013

The purpose of Market Discipline in (Basel- II) is to establish more transparent and more disciplined financial market so that stakeholders can assess the position of a bank regarding holding of assets and to identify the risks relating to the assets and capital adequacy to meet probable loss of assets. For the said purpose, this “Disclosures on Risk Based Capital (Basel II)” is made as per Bangladesh Bank’s Guideline.

<b>1. Scope of Application</b>	
<b>Qualitative Disclosures</b>	
a) The name of the top corporate entity in the group to which this guidelines applies:	<b>Shahjalal Islami Bank Limited (SJIBL)</b>
b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk - weighted).	<p>The Financial Statements of the bank include the financial statements of (i) Shahjalal Islami Bank Limited (ii) Shahjalal Islami Bank Securities Limited and (iii) Off-Shore Banking Units (OBUs).</p> <p>A brief description of the Bank (Main Operation) its subsidiary and the OBUs are given below:</p>
	<p><b>Shahjalal Islami Bank Limited</b></p> <p>The Shahjalal Islami Bank Limited (hereinafter called ‘the Bank’-‘SJIBL’) was established as a Public Limited Company (Banking Company) as on the 1st day of April 2001 under the Companies Act 1994 as interest free Islamic Shari’ah based commercial bank and commenced its operation on the 10th day of May 2001 with the permission of Bangladesh Bank. Presently the Bank is operating its business through head office having 92 branches, 06 (six) SME centers, 39 (Thirty Nine) ATM booths all over Bangladesh. The Bank is listed with both the Stock Exchanges of the country, i.e. Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.</p> <p>The principal activities of the bank all kinds of commercial banking services to its customers through its branches following the provisions of the Bank Companies Act 2013(Amended) Bangladesh Bank’s Directives and the principles of the Islamic Shari’ah.</p>
	<p><b>Shahjalal Islami Bank Securities Limited(SJIBSL)</b></p> <p>Shahjalal Islami Bank Securities Limited is a subsidiary company of Shahjalal Islami Bank Limited (SJIBL) incorporated as a public limited company under the Companies Act 1994 vide certification of incorporation no. C - 86917/10 dated September 06, 2010 and commenced its operation on the 25th day of May 2011. The main objective of the company is carry on business of stock broker/dealers in relation to shares and securities dealings and other services as mentioned in the Memorandum and Articles of Association of the Company.</p>

	<p><b>Off-shore Banking Unit (OBU)</b></p> <p>Off-shore Banking Unit is a separate business unit governed by the applicable rules &amp; regulations and guidelines of Bangladesh Bank vide letter no. BRPD (P-3)744(99)/2008-2800 dated 24 July 2008. The Bank opened its Off-shore Banking Unit on 21st December 2008 and the same is located at Uday Sanz , SE(A), 2/B, Gulshan South Avenue, Gulshan-1, Dhaka-1212.</p>
c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group	Not applicable.
<p><b>Quantitative Disclosures</b></p> <p>d) The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation i.e. that are deducted and name(s) of such subsidiaries.</p>	Not applicable.
<p><b>2. Capital Structure</b></p> <p><b>Qualitative Disclosures</b></p>	
a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier- 1 or Tier - 2.	As per the guidelines of Bangladesh Bank, Tier-1 Capital of SJIBL consists of (i) Fully Paid-up Capital, (ii) Statutory Reserve, (iii) Retained Earnings and (iv) Minority Interest in Subsidiaries. Tier-2 Capital consists of applicable amount of (i)General Provision (against un-classified Investments, Off-Balance Sheet exposure & Off-Shore Banking Units),

## Quantitative Disclosures

### b) The amount of Tier-1 capital, with separate disclosure of

Taka in million

Particulars	Solo	Consolidated
i. Fully paid-up Capital	6,678.98	6,678.98
ii. Statutory Reserve	3,435.59	3,435.59
iii. Non-repayable Share Premium Account	-	-
iv. General Reserve	-	-
v. Retained Earnings	836.71	852.70
vi. Minority interest in Subsidiaries	-	226.88
vii. Non-cumulative irredeemable preference shares	-	-
viii. Dividend equalization account	-	-
ix. Other (if any item approved by Bangladesh Bank)	-	-
<b>(A) Sub-Total ( Tier-1)</b>	<b>10,951.28</b>	<b>11,194.15</b>
(B) Tier-2 ( Supplementary Capital )	1,188.82	1,331.82
<b>(C) The total amount of Tier-1 and Tier- 2and Tier- 3 capital</b>	<b>12,140.10</b>	<b>12,525.97</b>
(D) Other deductions from capital	-	-
<b>(E) Total Eligible Capital (C-D)</b>	<b>12,140.10</b>	<b>12,525.97</b>

### 3. Capital Adequacy

#### Qualitative Disclosures

a) A summary discussion of the bank's approach to assess the adequacy of its capital to support current and future activities.	<p>The Bank has adopted Standardized Approach (SA) for computation of capital charge for investment risk and market risk, and Basic Indicator Approach (BIA) for operational risk. Assessment of capital adequacy is carried out in conjunction with the capital adequacy reporting to the Bangladesh Bank.</p> <p>The Bank has maintained capital adequacy ratio at 13.88% &amp; 13.69% on the basis of "Consolidated" and "Solo" respectively as against the minimum regulatory requirement of 10%. Tier-I capital adequacy ratio under "Consolidated" basis is 12.40% which "Solo" basis is 12.35% as against the minimum regulatory requirement of 5%. The Bank's policy is to manage and maintain strong Capital Adequacy Ratio with high rating grade of investment clients. The Bank maintains adequate capital that is sufficient to absorb all material risks associated with the Bank. The Bank also ensures that the levels of capital comply with regulatory requirements and satisfy the external rating agencies and other all stakeholders including depositors.</p>
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#### Quantitative Disclosures

Taka in million

Particulars	Solo	Consolidated
b) Capital requirements for Investment (Credit) Risk:	7,744.65	7,634.43
c) Capital requirements for Market Risk	317.00	558.42
d) Capital requirements for Operational Risk	808.50	832.61
e) Total and Tier-1 capital ratio:		
Minimum capital requirement	8,870.20	9,025.50
Total Risk Weighted Assets (RWA)	88,701.50	90,254.60
Total and Tier-1 capital ratio:		
Tier-1 CAR	12.35%	12.40%
Tier-2 CAR	1.34%	1.48%
Total CAR	12.56%	12.77%

#### 4. Investment (Credit) Risk:

Qualitative Disclosures	a) The general qualitative disclosure requirement with respect to credit risk, including:
i) Definitions of past due and impaired (for accounting purposes)	- As per Bangladesh Bank guidelines, any Investment if not repaid within the fixed expiry date will be treated as Past Due/Overdue.
	<p>Bangladesh Bank issued Circulars from time to time for strengthening Investment (Credit) discipline and brings provisioning. All Investments/ loans &amp; advances will be grouped into four (4) categories for the purpose of classification, namely (a) Continuous Investment/Loan (b) Demand Investment/Loan (c) Fixed Term Investment/Loan &amp; (d) Short term Agricultural &amp; Micro Investment.</p> <p>The above Investment (Credit) are classified as follows:</p> <p><b>Continuous and Demand Investment/ loan are classified as:</b></p>

**Sub-standard:** if it is past due/overdue for 03(three) months or beyond but less than 06 months;

**Doubtful:** if it is past due/overdue for 06 (six) months or beyond but less than 09 (nine) months;

**Bad/Loss:** if it is past due/overdue for 09 months or beyond from the date of expiry or claim by the bank or from the date of creation of forced loan.

(A) In case of any installment(s) or part of installments of a Fixed Term Investment/ (Loans) amounting upto Tk.10 lac is not repaid within the due date, the amount of unpaid installments will be termed as "past due or overdue installments". In case of such types of Fixed Term Loans:-

**i. Sub-standard:** if the amount of 'past due Installment is equal to or more than the amount of installment(s) due within 6 (six) months, the entire Investment (loan) will be classified as "Sub-standard";

**ii. Doubtful:** if the amount of past due installment is equal to or more than the amount of installment(s) due within 09 (nine) months. the entire Investment (loan) will be classified as "Doubtful";

iii. Bad/Loss if the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 12 (Twelve) months, the entire Investment/loan will be classified as "Bad/Loss".

(B) In case of any installment(s) or part of installments of a Fixed Term Investment/ (Loans) amounting more than Tk.10 lac is not repaid within the due date, the amount of unpaid installments will be termed as "past due or overdue installment". In case of such types of Fixed Term Loans:-

**i. Sub-standard:** if the amount of 'past due Installment is equal to or more than the amount of installment(s) due within 03 (three) months, the entire Investment (loan) will be classified as "Sub-standard";

**ii. Doubtful:** if the amount of past due installment is equal to or more than the amount of installment(s) due within 06 (six) months. the entire Investment (loan) will be classified as "Doubtful";

iii. Bad/Loss if the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 09 (nine) months, the entire Investment/loan will be classified as "Bad/Loss".

**Explanation:** If any fixed Term loan is repayable on monthly installment basis, the amount installment(s) due within 06(six) months will be equal to the sum of 06 monthly installments. Similarly, if the loan is repayable on quarterly installment basis, the amount of installments(s) due within 06(six) months will be equal to the sum of 2 quarterly installments.

**Short-term Agricultural and Micro-Investment are classified as:**

If not repaid within the due date as stipulated in the Investment (loan) agreement.

**i.Sub-standard:** If the said irregular status continues, the Investment (credit) will be classified as 'Substandard' after a period of 12 months.

	<p><b>ii. Doubtful:</b> If the irregular status continue after a period of 36(Thirty six) months , the credits are classified as 'Doubtful'.</p> <p><b>iii. Bad/ Loss:</b> If the irregular status continue after a period of 60(sixty) months, the credits are classified as 'Bad/Loss' from the stipulated due date as per investments (loan) agreement.</p> <p>A continuous Investment, Demand or a Term Investment which will remain overdue for a period of 02 (two) months or more will be put into the Special Mention Account (SMA)'</p>
<p>ii) Description of approaches followed for specific and general allowances and statistical methods;</p>	<p>The Bank is following the general and specific provision for investments on the basis of Bangladesh Bank guidelines issued from time to time.</p> <p><b>Rates of provision are noted below:</b></p> <p>a) <b>General Provision:</b> The Bank maintains General Provision (Standard &amp; Special Mention Account) in the following way :</p> <ol style="list-style-type: none"> <li>1) @ 0.25% against all unclassified Investment of Small and Medium Enterprise (SME) as defined by the SME &amp; Special Programmes Department of Bangladesh Bank from time to time and @1% against all unclassified Investments (other than Investments/loans under Consumer Financing, Loans to Brokerage House, Merchant Banks, Stock dealers etc. as well as SME Financing)</li> <li>2) @ 5% on the unclassified amount for Consumer Financing where as it has to be maintained @ 2% on the unclassified amount for (i) Housing Finance and (ii) Investments/Loans for Professionals- to set up business under Consumer Financing Scheme.</li> <li>3) @ 2% on the unclassified amount for Investments/Loans to Brokerage House, Merchant Banks, Stock dealers etc.</li> <li>4) a) 1% on the off-balance sheet exposures. (Provision will be held on the total exposure and amount of cash margin or value of eligible collateral will not be deducted while computing Off-balance sheet exposure.)</li> </ol> <p><b>b) Specific Provision:</b> Bank will maintain provision at the following rates in respect of classified Continuous' Demand and Fixed Term Investments/Loans:</p> <ul style="list-style-type: none"> <li>(i) Sub-standard : 20%</li> <li>(ii) Doubtful : 50%</li> <li>(iii) Bad/Loss : 100%</li> </ul> <p><b>c) Provision for Short-term Agricultural and Micro-Investments:</b></p> <ol style="list-style-type: none"> <li>(i) All Investment (credit) except 'Bad/Loss' (i.e. 'Doubtful' 'Sub-standard', irregular and regular Investment accounts) : 5%</li> <li>(ii) Bad/Loss : 100%</li> </ol>

iii) Discussion of the Bank's investment risk management policy	The Board approved the Investment Risk Manual (IRM) keeping in view relevant Bangladesh Bank guidelines to ensure best practice in investment risk management and maintain quality of assets. Authorities are properly delegated ensuring check and balance in investment operation at every stage i.e. screening, assessing risk, identification, management and mitigation of investment risk as well as monitoring, supervision and recovery of investments with provision for Early Warning System(EWS). There is a separate Investment Risk Management (IRM) division for mitigation of investment risk, separate investment Administration division for ensuring perfection of securities and investment Monitoring and recovery division for monitoring and recovery of irregular investments. Internal control & compliance division independently assess quality of investments and compliance status of investments at least once in a year. Adequate provision is maintained against classified investments as per Bangladesh Bank guidelines. Status of investments is regularly reported to the Board /Executive Committee of the Board by the Division.
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### Quantities Disclosures

b) Total gross investment risk exposures broken down by major types of investment exposures.	Major types of investment exposures as per disclosure in the audited financial statements as of 31st December 2013 of the Bank	
	<b>Particulars</b>	<b>Taka in million</b>
	Agriculture & Fishing	744.95
	Cotton & Textile	7,360.71
	Garments	12,515.63
	Cement	454.51
	Pharmaceuticals & Chemicals	1,369.01
	Real Estate	7,593.43
	Transport	1,798.71
	Information Technology	213.14
	Non Banking Financial Institutions	4,888.54
	Steel & Engineering	4,115.91
	Paper & Paper Products	1,366.33
	Services Industries	3,187.41
	Trading	10,847.73
	Import Financing	4,989.64
	Consumer Financing	79.70
	Share business	2,629.21
	Staff Investment	758.02
	Others	20,794.03
	<b>Total</b>	<b>85,706.61</b>

c) Geographical distribution of exposures, broken down in significant areas by major types of investment exposure.	Geographical distribution of exposures, broken down in significant areas by major types of investment exposure.	
	<b>Particulars</b>	<b>Taka in million</b>
	Area-wise:	
	Urban	80,293.88
	Rural	5,412.73
	<b>Total</b>	<b>85,706.61</b>
	<b>Division- wise:</b>	
	Dhaka	67,887.11
	Chittagong	12,154.66
	Sylhet	1,199.71
	Rajshahi	948.36
	Khulna	2,482.28
	Barisal	153.31
	Rangpur	881.18
	<b>Total</b>	<b>85,706.61</b>

d) Industry or counterparty type distribution of exposures, broken down by major types of investment exposure.	Industry or counterparty type distribution of exposures, broken down by major types of investment exposure.	
	<b>Particulars</b>	<b>Taka in million</b>
	Investments to allied concern of Directors	2,585.08
	Investments to Executives/Officers	758.02
	Investments to Customer Groups	41,017.61
	Industrial Investment	39,870.75
	Others	1,475.16
	<b>Total</b>	<b>85,706.61</b>

e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of investment exposure.	Residual contractual maturity break down of the whole portfolios, broken down by major types of investment exposure of the Bank:	
	<b>Particulars</b>	<b>Taka in million</b>
	Repayable on Demand	3,428.26
	Over 1 month but not more than 3 months	38,533.70
	Over 3 month but not more than 1 Year	30,845.81
	Over 1 year but not more than 5 years	8,570.67
	Over 5 years	4,328.18
	<b>Total</b>	<b>85,706.61</b>

## Quantities Disclosures

f) By major industry or counterparty type:	Particulars	Taka in million
	Amount of impaired investments and if available, past due investments, provided separately	5,542.69
	Specific and general provisions	2,246.32
	Charges for specific allowances and charge – offs during the period	205.33
g) Gross Non Performing Assets (NPAs)		5,542.69
	Non Performing Assets (NPAs) to outstanding Investments	6.47%
Movement of Non Performing Assets (NPAs)	Opening balance	2,842.26
	Additions	2,700.43
	Reductions	-
	<b>Closing balance</b>	<b>5,542.69</b>
Movement of specific provisions for NPAs	Opening balance	1073.00
	Provisions made during the period	438.84
	Write-off/Write-back of excess provisions	-
	Recovery from write-of	-
	<b>Closing Balance</b>	<b>1,511.84</b>

## 5. Equities: Disclosures for Banking Book Position Qualitative Disclosures

a) The general qualitative disclosures requirement with respect to equity risk, including:	
<ul style="list-style-type: none"> <li>Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and</li> </ul>	Investment in equity securities are broadly categorized into two parts:
	<ul style="list-style-type: none"> <li>i) Quoted Securities that are traded in the secondary market (Trading Book Assets).</li> <li>ii) Unquoted securities are categorized as banking book equity exposures which are further sub-divided into two groups: unquoted securities which are invested without any expectation that these will be quoted in near future i.e. Held to maturity (HTM). And securities those are acquired under private placement or IPO and are going to be traded in the secondary market after completing required formalities Unquoted securities are valued at cost.</li> </ul>
Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices	The primary objective is to investment in equity securities for the purpose of capital gain by selling them in future or held for dividend income. Dividends received from these equity securities are accounted for as and when received and right to receive when established. Both Quoted and Un-Quoted equity securities are valued at cost and necessary provisions are maintained as per time to time instruction of Bangladesh Bank if the prices fall below the cost price.

## Qualitative Disclosures

Particulars	Taka in million	
	Solo	Consolidated
b) Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	1,139.33	2,185.54
c) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	83.90	1,070.85
d) Total un-realised gains (losses)	(557.38)	(718.37)
Total latent revaluation gains (losses)	-	-
Any amounts of the above included in Tier – 2 capital.	-	-
e) Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.		
• <b>Specific Market Risk</b>	1,188.10	2,395.20
• <b>General Market Risk</b>	1,188.10	2,395.20

## 6. Profit (Interest) Rate Risk in the Banking Book (PRRBB)

### Qualitative disclosures

a) The general qualitative disclosure requirement including the nature of PRRBB and key assumptions, including assumptions regarding investment prepayments and behavior of non-maturity deposits, and frequency of PRRBB measurement.	Profit rate risk is the risk where changes in market profit rates might adversely affect bank's financial condition. Changes in profit rates affect both the current earnings (earnings perspective) as well as the net worth of the bank (economic value perspective). Re-pricing risk is often the most apparent source of profit rate risk for a bank and is often gauged by comparing the volume of a bank's assets that mature or re-price within a given time period with the volume of liabilities that do so.
	The short term impact of changes in profit rates is on the bank's Net Interest Income (NII). In a longer term, changes in profit rates impact the cash flows on the assets, liabilities and off-balance sheet items, giving rise to a risk to the net worth of the bank arising out of all re-pricing mismatches and other profit rate sensitive position.

### Profit Rate Risk Analysis Quantitative Disclosures

- b) The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring PRRBB, broken down by currency (as relevant).

## Quantitative Disclosures

Taka in million

Particular	1-90 days	Over 3 month upto 6 months	Over 6 months upto 1 Year	Above 1(one) Year
RSA	51,792.90	18,600.20	15,330.00	18,106.50
RSL	51,697.10	18,524.50	15,138.00	7,991.60
GAP	95.80	75.70	192.00	10,114.90
Cumulative Gap	95.80	171.50	363.50	10,478.40

RSA: Rate Sensitive Assets

RSL: Rate Sensitive Liabilities

## 7. Market risk

### Qualitative disclosures

a) i) Views of BOD on trading / investment activities	The Board approves all policies related to market risk, sets limits and reviews compliance on a regular basis. The objective is to provide cost effective funding to finance asset growth and trade related transactions.
ii) Methods used to measure Market risk	Standardized approach has been used to measure the Market risk. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk sub-categories. For each risk category minimum capital requirement is measured in terms of two separately calculated capital charges for "specific risk" and "general market risk".
iii) Market Risk Management system	The Treasury Division manage market risk covering liquidity, profit rate and foreign exchange risks with oversight from Asset-Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director. ALCO meets at least once in a month.
iv) Policies and processes for mitigating market risk	There are approved limits for credit deposit ratio, liquid assets to total assets ratio, maturity mismatch, commitments for both on-balance sheet and off-balance sheet items and borrowing from money market and foreign exchange position. The limits are monitored and enforced on a regular basis to protect the market risks. The exchange rate of the Bank is monitored regularly and reviews the prevailing market condition, exchange rate, foreign exchange position and transactions to mitigate foreign exchange risks.

### Qualitative Disclosures

Taka in million

Particulars	Solo	Consolidated
b) The capital requirements for	Solo	Consolidated
Interest rate risk	-	-
Equity position risk	237.60	479.00
Foreign Exchange risk and	79.40	79.40
Commodity risk	-	-
<b>Total Capital Requirement</b>	<b>317.00</b>	<b>558.40</b>

## 8. Operational risk Qualitative disclosures

a) i) Views of BOD on system to reduce Operational Risk	Operational risk is the risk of loss or harm resulting from inadequate or failed of internal processes, people and systems or from external events. Capability to carry out a large number of transactions effectively and accurately while complying with applicable laws and regulations constitute operational risk management activities of the bank.  The policy for operational risks including internal control & compliance risk is approved by the Board taking into account relevant guidelines of Bangladesh Bank. Audit Committee of the Board directly oversees the activities of Internal Control & Compliance to protect against all operational risk.
ii) Performance gap of executives and staffs	SJIBL has a policy to provide competitive package and best working environment to attract and retain the most talented people available in the industry. SJIBL's strong brand image plays an important role in employee motivation. As a result, there is no significant performance gap.
iii) Potential external events	No potential external events are expected to expose the Bank to significant operational risk.
iv) Policies and processes for mitigating operational risk	The policy for mitigation of operational risks, internal control & compliance risk is approved by the Board taking into account relevant guidelines of Bangladesh Bank. Policy guidelines on Risk Based Internal Audit (RBIA) system is in operation. As per RBIA branches are rated according to their risk grading/ scoring audit procedure and required frequent audit to the Branches are operating by the Audit Division. Bank's Anti - Money laundering activities are headed by CAMLCO and their activities are devoted to protect against all money laundering and terrorist finance related activities. Apart from that, there is adequate check & balance at every stage of operation, authorities are properly segregated and there is at least dual control on every transaction to protect against operational risk.
v) Approach for calculating capital charge for operational risk	Basic Indicator Approach was used for calculating of capital charge for operational risk as per guideline of Bangladesh Bank.

## Qualitative Disclosures

Particulars	Taka in million	
	Solo	Consolidated
<b>b) The capital requirements for :</b>		
Operational risk	808.50	832.60

# Report of the Audit Committee

In Compliance with BRPD Circular no.11 dated 27 October 2013 and Bangladesh Securities and Exchange Commission (BSEC) Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 on Corporate Governance; the Board of Directors of the Bank has reconstituted Board Audit Committee in its Meeting no.186 held on 28-11-2013 consisting of the following five members:

Name	Status with the Bank	Status with the Committee	Educational Qualification
Mosharraf Hossain	Independent Director	Chairman	Masters
Akkas Uddin Mollah	Director	Member	BA
Alhaj Syed Nurul Arefeen	Director	Member	MBA
Tofazzal Hossain	Director	Member	Masters
Farida Parvin Nuru	Independent Director	Member	BA

The Company Secretary acts as the Secretary of the Audit Committee of the Board. The Committee stressed upon efficiency and adequacy of internal control, risk management and reviewed the circumstances that may adversely affect the sustainability of the Bank's operations. The roles and responsibilities of Audit Committee of have been framed by considering the provisions of Bangladesh Bank Circular & Corporate Governance Notification and other best practices.

## Internal Control

- Evaluate whether the management has set the appropriate compliance culture by communicating the importance of the internal control and clearly define the duties and responsibilities of the bank officials, and whether the management has full control on their activities.
- Review the arrangements made by the management for building a suitable Management Information System (MIS) including computerized system and its applications.
- Consider whether the internal control strategies/structure recommended by internal and external auditors time to time have been implemented by the management.
- Review the corrective measures taken by the management as regards the incidents relating to fraud-forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulators authorities and inform the board on a regular basis.

## Financial Reporting

- Review along with the management, the annual, half yearly and quarterly financial statements before submission to the board for approval and determine whether they are complete and consistent with the accounting standards set by the regulatory authorities, including full and precise disclosure.
- Meet the management and the external auditors to exchange views before the finalization of the financial statements.

## Internal Audit

- Evaluate whether internal audit functions operate independently of the management.
- Review the internal audit function and organizational structure in order to ensure that unjustified restrictions or limitations do not create a hindrance to audit functions.
- Review and assess the annual internal audit plan
- Review the efficiency and effectiveness of internal audit functions.
- Review the findings and recommendations made by the internal auditors for removing the irregularities are duly acted upon by the management in running the affairs of the bank.

## External Audit

- Review the audit performance of the external auditors and audit report.
- Review the findings and recommendations made by the external auditors for removing the irregularities are duly acted upon by the management in running the affairs of the bank.
- Make recommendation to the board regarding the appointment of the external auditors for conducting audit works of the bank.

## Compliance with Existing Laws, Rules and Regulations

- Review whether the rules and regulations framed by the regulatory authorities (Central Bank, BSEC and other bodies) and internal regulations, approved by the board, are being complied with.

## Other Responsibilities

- Place compliance report before the board on quarterly basis regarding regularization of the errors & omissions, frauds and forgeries and other irregularities as detected by the internal and external auditors and inspectors of the regulatory authorities.
- Perform other oversight functions as requested by the board and evaluated the committee's own performance on a regular basis.

## Meeting of the Committee

The Audit Committee of the Board of Directors conducted 19 (Nineteen) meeting in 2013. In these meeting Managing Director, Head of IC & CD, Head of Investment and Chief Financial Officer (CFO) were invited to attend as and when the committee deemed their presence necessary. The Committee had another meeting dated 17 April 2014 to deal in the Auditors' Report and Financial Statements of 2013, wherein external auditors of the Bank were present.

## Activities in 2013

During the year under review, the committee, inter alia, focused on the following activities:

- Review the internal audit plan for the year 2013 along with its implementation.
- Review of significant internal audit report of different branches and divisions/departments of head office and compliance thereof by management.
- Review the status of classified investment of the bank; monitoring the top 20 defaulters.
- Review the external auditors' report and their Management letter and compliance thereof by Management.
- Review of the Quarterly & half-yearly financial statements for the year 2013 before submission to the board for approval.
- Review of AML rating of all branches for the year 2013.
- Review of the Quarterly Self-Assessment of Anti-Fraud Internal Controls.
- Review of the Bangladesh Bank Comprehensive Inspection Report on Bank.

## Review of Financial Statements of 2013

The Audit Committee reviewed and examined the Financial Statements of 2013 prepared by management and audited by the external auditors, ACNABIN, Chartered Accountants and recommended it to place the same before the board for approval and the board on its 192nd meeting held on 17 April 2014 approved the same.



Mosharraf Hossain  
Chairman

# Corporate Governance Disclosure

The Bangladesh Securities and Exchange Commission (BSEC) issued a Corporate Governance (CG) Guideline in 2012 which is being followed by banks on 'Comply' basis. Status of compliance by Shahjalal Islami Bank Limited with the said CG guidelines issued by BSEC through Notification no.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is as follows:

## (Report under Condition No. 7.00)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
<b>1.0</b>	<b>Board of Directors</b>			
1.1	Board's size shall not be less than 5 and more than 20			-
<b>1.2</b>	<b>Independent Director</b>			
1.2 (i)	Independent director: At least 1/5th of the total number of directors			-
1.2 (ii)	For the purpose of this clause "independent director" means a director.			-
1.2 (ii) a)	Independent director does not hold any share or holds less than one percent (1%) shares of total paid up capital.			-
1.2 (ii) b)	Independent Director is not a sponsor of the company and is not connected with the company's Sponsor Or Director Or Shareholder who holds 1% or more shares of the company (certain family members are also required to comply with this requirement).			-
1.2 (ii) c)	Independent director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.			-
1.2 (ii) d)	Independent directors are not the members, directors or officers of any stock exchange.			-
1.2 (ii) e)	Independent director is not the shareholder, director or officers of any member of Stock Exchange or an Intermediary of the capital market			-
1.2 (ii) f)	Independent director is/was not the partners or executives during preceding 3 (three) years of concerned company's statutory audit firm.			-
1.2 (ii) g)	Independent directors is not the independent director in more than 3 (three) listed companies.			-
1.2 (ii) h)	Independent director is not convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a non-bank financial institution (NBFI).			-
1.2 (ii) i)	Independent director has not been convicted for a criminal offence involving moral turpitude.			-
1.2 (iii)	The independent director shall be appointed by the Board of Directors and approved by the Shareholders in the AGM.			-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.2 (iv)	The post of independent directors cannot remain vacant for more than 90 days.			-
1.2 (v)	The Board shall lay down a Code of Conduct of all Board Members and Annual Compliance of the Code to be recorded.			Guidelines of Competent authorities are followed
1.2 (vi)	The tenure of office of an Independent Directors shall be for a period of 3 (three) years which may be extended for 1 (one) term only.			-
<b>1.3</b>	<b>Qualification of Independent Director (ID)</b>			
1.3 (i)	Independent director shall be knowledgeable individual with integrity who is able to ensure required compliance.			-
1.3 (ii)	The independent director must have at least 12 (twelve) years of corporate management/ professional experiences along with other requisites.			-
1.3 (iii)	In special cases above qualification may be relaxed by the Commission.	N/A		-
1.4	Separate Chairman and CEO and their clearly defined roles and responsibilities.			-
<b>1.5</b>	<b>Directors Report to Shareholders</b>			
1.5 (i)	Industry outlook and possible future developments in the industry.			-
1.5 (ii)	Segment-wise or product-wise performance.			-
1.5 (iii)	Risks and concerns			-
1.5 (iv)	Discussion on cost of goods sold, gross profit margin and net profit margin.			Cost of fund, operating & net profit and related ratios are provided.
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.			SJIBL does not have such gain or loss.
1.5 (vi)	Basis for related party transaction- a statement of all related party transactions should be disclosed in the annual report.			
1.5 (vii)	Utilization of proceeds from public issues, right issues and/ or through any others instruments.	N/A		-
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing etc.	N/A		-
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.			-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.5 (x)	Remuneration to directors including independent directors.			-
1.5 (xi)	The financial statements prepared by the management of the company present fairly its state of affairs, the results of its operation, cash flows and changes in equity.			-
1.5 (xii)	Proper books of account of the company have been maintained.			-
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.			-
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as --applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.			-
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.			-
1.5 (xvi)	There are no significant doubts upon the company's ability to continue as a going concern.			-
1.5 (xvii)	Significant deviations from the last year's operating results of the company shall be highlighted and the reasons thereof should be explained.			-
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.			-
1.5 (xix)	If the company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	N/A		-
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.			-
<b>1.5 (xxi)</b>	<b>The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:</b>			
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);			-
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);			-
1.5 (xxi) c)	Executives (top five salaried employees of the company other than stated in 1.5(xxii)b);			-
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).			-
<b>1.5 (xxii)</b>	<b>In case of appointment/re-appointment of a Director the Company shall disclose the following information to the Shareholders:</b>			
1.5 (xxii) a)	a brief resume of the Director;			-
1.5 (xxii) b)	Nature of his/her expertise in specific functional areas.			-
1.5 (xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.			-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
<b>2.0</b>	<b>Chief Financial Officer, Head of Internal Audit &amp; Company Secretary</b>			
2.1	Appointment of CFO, Head of Internal Audit and Company Secretary and their clearly defined roles, responsibilities and duties.			
2.2	Attendance of CFO and the Company Secretary at Board of Directors meeting.			
<b>3</b>	<b>Audit Committee:</b>			
3 (i)	Audit Committee shall be the sub-committee of the Board of Directors.			-
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business.			
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.			
<b>3.1</b>	<b>Constitution of the Audit Committee</b>			
3.1 (i)	The Audit Committee shall be composed of at least 3 members.			-
3.1 (ii)	Constitution of Audit Committee with Board Members including one Independent Director.			
3.1 (iii)	All members of the Audit Committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management experience.			
3.1 (iv)	Filling of Casual Vacancy in Committee.	N/A		
3.1 (v)	The Company Secretary shall act as the secretary of the Committee.			-
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 independent director.			-
<b>3.2</b>	<b>Chairman of the Audit Committee</b>			
3.2 (i)	Chairman of the Audit Committee shall be an Independent Director.			
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).			-
<b>3.3</b>	<b>Role of Audit Committee</b>			
3.3 (i)	Oversee the financial reporting process.			
3.3 (ii)	Monitor choice of accounting policies and principles.			
3.3 (iii)	Monitor Internal Control Risk management process.			
3.3 (iv)	Oversee hiring and performance of external auditors.			
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.			
3.3 (vi)	Review along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval.			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.3 (vii)	Review the adequacy of internal audit function.			
3.3 (viii)	Review statement of significant related party transactions submitted by the management.			
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.			
3.3 (x)	When money is raised through Initial Public Offering (IPO)/ Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/ applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results.	N/A		-
<b>3.4.</b>	<b>Reporting of the Audit Committee</b>			
<b>3.4.1</b>	<b>Reporting to the Board of Directors</b>			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.			-
3.4.1 (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:			-
3.4.1 (ii) a)	Report on conflicts of Interests.	NIL		
3.4.1 (ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	NIL		
3.4.1 (ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations;	NIL		
3.4.1 (ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately.	NIL		
3.4.2	Reporting of anything having material financial impact to the Commission.	NIL		
3.5	Reporting to the Shareholders and General Investors.			-
<b>4</b>	<b>External/Statutory Auditors should not be engaged in:</b>			
4 (i)	Appraisal or valuation services or fairness opinions.			-
4 (ii)	Financial information systems design and implementation.			-
4 (iii)	Book-keeping or other services related to the accounting records or financial statements.			-
4 (iv)	Broker-dealer services.			-
4 (v)	Actuarial services.			-
4 (vi)	Internal audit services.			-
4 (vii)	Any other service that the Audit Committee determines.			-
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that Company.			-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
<b>5</b>	<b>Subsidiary Company</b>			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.			-
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.			
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.			-
5 (iv)	The Minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the Subsidiary Company also.			-
5 (v)	The Audit Committee of the holding company shall also review the Financial Statements, in particular the investments made by the Subsidiary Company.			-
<b>6</b>	<b>Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO):</b>			
6 (i)	They have reviewed financial Statements for the year and that to the best of their knowledge and belief:			
6 (i) a)	These financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.			-
6 (i) b)	These financial statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.			-
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.			-
<b>7</b>	<b>Reporting and Compliance of Corporate Governance:</b>			
7 (i)	The company shall obtain a Certificate from a Professional Accountant/Secretary (CA/CMA/CS) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.			-
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.			-

## Compliance with Financial Reporting Standards as applicable in Bangladesh

Sl. No.	BAS No.	BAS 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 Reporting Period	Complied
6	11	Construction Contracts	Not Applicable
7	12	Income Taxes	Complied
8	16	Property, Plant & Equipment	Complied
9	17	Leases	Complied
10	18	Revenue	Complied
11	19	Employee Benefits	Complied
12	20	Accounting for Government Grants and Discloser of Government Assistance	Not Applicable
13	21	The Effects of Changes in Foreign Exchanges Rates	Complied
14	23	Borrowing Costs	Complied
15	24	Related Party Disclosures	Complied
16	26	Accounting and Reporting by Retirement Benefit Plans	Complied
17	27	Consolidated and Separate Financial Statements	Complied
18	28	Investment in Associates	Not Applicable
19	31	Interest in Joint Venture	Not Applicable
20	32	Financial Instruments: Presentation	Complied
21	33	Earnings per Share	Complied
22	34	Interim Financial Reporting	Complied
23	36	Impairment of Assets	Complied
24	37	Provisions, Contingent liabilities and Contingent Assets	Complied
25	38	Intangible Assets	Complied
26	39	Financial Instruments: Recognition and Measurement	Complied
27	40	Investment Property	Not Applicable
28	41	Agriculture	Not Applicable

Sl. No.	BAS No.	BFRS Title	Compliance Status
1	1	First-time Adoption of Bangladesh Financial Reporting Standards	Not Applicable
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Not Applicable
4	4	Insurance contracts	Not Applicable
5	5	Non-Current Assets Held for Sale and Discontinued Operations	Not Applicable
6	6	Exploration for and Evaluation of Mineral	Not Applicable
7	7	Financial Instruments: Disclosures	Complied
8	8	Operating Segments	Complied
9	10	Consolidated Financial Statements	Complied
10	11	Joint Arrangements	Not Applicable
11	12	Disclosure of Interest in other Entities	Complied
12	13	Fair Value Measurement	Complied

## Bangladesh Bank guidelines for Corporate Governance: Our Compliance Status

To ensure good governance i.e. corporate governance in bank management, Bangladesh Bank (BB) issued three circulars in 2013 covering three broad areas as follows:

1. BRPD Circular No.11 dated 27 October 2013: Formation and responsibilities of Board of Directors (BoD).
2. BRPD Circular Letter No. 18 dated 27 October 2013: Appointment and responsibilities of Chief Executive Officer (CEO).
3. BRPD Circular Letter No. 19 dated 27 October 2013: Contractual appointment of Advisor and Consultant.

The summary of the BB guidelines and SJIBL's compliance thereto are presented below:

### 1. Formation and responsibilities of Board of Directors (BoD)

Sl. No.	Particulars	Compliance Status
1	<b>Formation of BoD:</b> Prior approval from BB to be taken before appointment of new Directors, as well as dismissal, termination or removal of any Director from the post. Qualification and competency of Directors, maximum number of Directors of the Board, appointment of independent Directors, appointment of maximum 02 (two) members from a family as Director.	Complied. No such instance of dismissal, termination or removal.
1.1	<b>Appointment of New Directors:</b> Every bank company, other than specialized banks, at the time of taking prior approval from BB while appointing Directors should furnish the following information along with the application:	
	a. Personal information of the nominated person	Complied
	b. Declaration of nominated person	Complied
	c. Declaration for confidentiality by the nominated person	Complied
	d. In case of independent director, the approval letter from BSEC	Complied
	e. CIB report of the nominated person	Complied
	f. Updated list of Directors	Complied
1.2	<b>Vacancy of office of a Director</b>	
1.2(a)	The office of a Director shall be vacated as per the provision of Section 108(1) of Companies Act 1994. Besides, provision of Section 17 of Bank Company Act 1991, providing false declaration at the time of appointment or observing shortfall of qualification as a Director.	No such case
(b)	If the office of a Director is vacated as per Section 17 of Bank Company Act 1991, s/he will not be eligible to become Director of that bank company or any other bank company or financial institutions within one year from the date of repayment of the total dues to the bank. The dues can be adjusted with the shares held by the Director in that bank company and he cannot transfer his shares of that bank company until he repays his all the liabilities of that bank company or financial institutions.	No such incident
(c)	BB can remove Directors or Chairman of a bank company other than the state-owned banks for doing any activity that is detrimental to the interest of the banks depositors or against the public interest under Section 46 and can also dissolve the Board of a bank company under Section 47 of Bank Company Act 1991.	No such instance as yet
1.3	<b>Removal of Directors from office:</b> With the prior approval of Bangladesh Bank, any Director of a bank company other than specialized banks can be removed from his office for the reasons specified in its Articles of Association. The reason and grounds of the dismissal/removal and the copy of such decision taken by BoD and a list of Directors shall be submitted to Bangladesh Bank. Such removal shall be effective from the date of BB's approval.	No such instance as yet

Sl. No.	Particulars	Compliance Status
1.4	<b>Appointment of Alternate Director:</b> An alternate director can be appointed to act for a director during his absence for a continuous period of not less than three months from Bangladesh by fulfilling following instructions:	No such Director in SJIBL
(a)	Bank has to collect and properly maintain the documentary evidences relating to departure and arrival of the original director while traveling abroad. If there is any exception, the CEO should immediately inform it to BB	N/A
(b)	The copy of the decision of the BoD regarding appointment of alternate director, with original director's probable returning date from abroad should be sent to BB within 7 days of taking the decision and the director's arrival date must be intimated to BB immediately after his/her return.	N/A
(c)	Any loan defaulter or any person who is not eligible to become a director as per any relevant guiding rules & regulation will not be appointed as an alternate director.	N/A
(d)	As an alternate director is appointed temporarily; therefore, he/she will not be included in any kind of committee constituted by the BoD.	N/A
(e)	The alternate director or his/her affiliated organization will not get any kind of loan facilities from the bank. In case of previous loan, enhancement of limit or extension of time period or any kind of exemption or interest waiver will not be allowed. Moreover, all restrictions applicable to directors according to rules & regulations will also be applicable to the alternate director.	N/A
2.	<b>Director from Depositors:</b> As per Bank Company Act 1991 (amended in 2013) appointment of Directors from depositors is no longer required. But, in compliance with the provision of section 15(9) of Bank Company Act 1991 (amended up to 2013), bank company may consider the tenure of existing Directors from depositors or may appoint them as the Independent Director of the company.	Complied. No Depositor Director in SJIBL
3	<b>Information regarding Directors:</b> Banks are advised to take the following steps regarding directors information:	
(a)	Every bank should keep an updated list of bank directors.	Complied
(b)	Banks should send a directors' list to other banks or financial institutions immediately after the appointment or release of director.	Complied
(c)	Banks should display a list of directors on the website and update it on a regular basis.	Complied
4	<b>Responsibilities of the Board of Directors (BoD)</b>	
4.1	<b>Responsibilities and Authorities of the BoD:</b>	
(a)	<b>Work planning and strategic management</b> (i) The BoD shall determine the objectives and goals and to this end shall chalk out strategies and work plans on annual basis. It shall analyze/monitor at quarterly rests the development of implementation of work plans (ii) The BoD shall have its analytical review presented in the Annual Report as regard to success/failure in achieving the business and other targets as set out in its annual work plan and shall apprise the shareholders of its opinions/recommendations on future plans and strategies. It shall set the Key Performance Indicators (KPIs) for the CEO and executives immediate two tiers below the CEO and have it evaluated at times.	Complied

Sl. No.	Particulars	Compliance Status
(b)	<p><b>Loan and Risk Management</b></p> <p>(i) The policies, procedures, strategies, etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, re-scheduling and write-off thereof shall be made with the BoD's approval under the purview of the existing laws, rules and regulations. The BoD shall specifically distribute the power of sanction of loan/investment and such distribution should desirably be made among the CEO and his subordinate executives as much as possible. No director, however, shall interfere, directly or indirectly, into the process of loan approval.</p> <p>(ii) The board shall frame policies for risk management and get them complied with and shall monitor the compliance at quarterly rests and review the concerned report of the risk management team and shall compile in the minutes of the board meeting. The BoD shall monitor the compliance of the guidelines of BB regarding key risk management.</p>	Complied
(c)	<p><b>Internal Control Management</b></p> <p>The Board shall be vigilant on the internal control system of the bank in order to attain and maintain satisfactory health or grade of its loan/investment portfolio. The board will establish such an internal control system so that the internal audit process can be conducted independently from the management. It shall review at quarterly rests the reports submitted by its audit committee regarding the compliance of recommendations made in internal and external audit reports and the BB inspection reports</p>	Complied
(d)	<p><b>Human Resources (HR) Management and Development</b></p> <p>(i) Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules shall be framed and approved by the BoD. The chairman or the directors shall in no way involve themselves and interfere into or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the set service rules. No member of the BoD shall be included in the selection committees for recruitment and promotion to different levels. Recruitment, promotion, transfer and punishment of the executives immediate two tiers below the CEO shall, however, rest upon the BoD. Such recruitment and promotion shall have to be carried out complying with the service rules i.e., policies for recruitment and promotion.</p> <p>(ii) The BoD shall place special attention to the development of skills set of bank's staff in different fields of its business activities including prudent appraisal of loan/investment proposals, and to the adoption of modern electronic and information technologies, and the introduction of effective Management Information System (MIS). The BoD shall get these programs incorporated in its annual work plan.</p> <p>(iii) The BoD will compose Code of Ethics for every tier of employees and they will follow it properly. The BoD will promote healthy code of conducts for developing a compliance culture.</p>	Complied. SJIBL BoD approves HR policy from time to time.
(e)	<p><b>Financial Management</b></p> <p>(i) The annual budget and the statutory financial statements will be prepared with the approval of the BoD. It will at quarterly rests review/monitor the positions in respect of bank's income, expenditure, liquidity, non-performing assets, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures.</p> <p>(ii) The BoD will frame the policies and procedures for bank's purchase and procurement activities and shall accordingly approve the distribution of power for making such expenditures. The maximum possible delegation of such power shall rest on the CEO and his subordinates. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of bank's business shall, however, be taken with the approval of the BoD.</p> <p>iii) The BoD will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to BB guidelines</p>	Complied

Sl. No.	Particulars	Compliance Status
(f)	<b>Appointment of Chief Executive Officer (CEO):</b> In order to strengthen the financial base of the bank and obtain confidence of the depositors, one of the major responsibilities of the BoD is to appoint an honest, efficient, experienced and suitable CEO or Managing Director. The BoD will appoint a competent CEO for the bank with the approval of BB.	Complied
(g)	<b>Other responsibilities of the BoD:</b> In accordance to BB Guidelines issued from time to time.	Complied. The BoD will do so as and when required by BB.
4.2	<b>Meetings of the Board of Directors:</b> Board of Directors may meet once or more than once in a month upon necessity and shall meet at least once in every three months. Excessive meetings are discouraged.	Complied. Usually SJIBL holds two Board Meetings in a month.
4.3	<b>Responsibilities of the Chairman of the BoD:</b>	
(a)	As the Chairman of the BoD or Chairman of any committee formed by the BoD or any director does not personally possess the jurisdiction to apply policymaking or executive authority, he/she shall not participate in or interfere into the administrative or operational and routine affairs of the bank	Complied
(b)	The Chairman may conduct on-site inspection of any bank branch or financing activities under the purview of the oversight responsibilities of the BoD. He may call for any information relating to bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the BoD or the executive committee and if deemed necessary, with the approval of the BoD, he shall effect necessary action thereon in accordance with the set rules through the CEO. However any complaint against the CEO shall have to be apprised to BB through the BoD along with the statement of the CEO.	Complied
(c)	The Chairman may be offered an office room, a personal secretary/assistant, a peon/MLSS, a telephone at the office, a mobile phone usable inside the country and a vehicle in the business interest of the bank subject to the approval of the BoD.	Complied
5	<b>Formation of Supportive Committees of the Board:</b> The BoD of every Bank Company can form only three supporting committees of the BoD i.e. Executive Committee (EC), Audit Committee (AC) and Risk Management Committee (RMC).	Complied
5.1	<b>Executive Committee (EC):</b> EC is to be formed for taking decision on urgent and day-to-day or routine activities between the intervals of two BoD meetings. The EC will perform according to the terms of reference set by the BoD. The EC will be formed with maximum of 07 (seven) members for a period of 03 (three) years. The Chairman of the BoD can also be the member of the EC. The company secretary of the bank shall act as the secretary of the EC. EC members, besides being honest and sincere, should have reasonable knowledge on banking business, its operations and risk management and be capable of making valuable and effective contributions in the functioning of the Committee. The committee shall discharge responsibilities and take decision on the matters as instructed by the BoD except discharging of those responsibilities and taking decisions that are specifically assigned to the full BoD by the Bank Company Act 1991 or other related laws and regulations. The decisions taken by the Committee shall be ratified in the next BoD meeting. Upon necessity the Committee can call meeting at any time. The Committee may invite CEO, Chief Risk Officer or any executive to attend the committee meeting.	Complied

Sl. No.	Particulars	Compliance Status
5.2	<b>Audit Committee (AC):</b> The AC should have maximum five members and two of them shall be Independent Directors. It should be constituted of such members who are not members of the EC of the BoD. The members of the Committee may be nominated for three years and the company secretary of the bank shall act as the secretary of the Committee. Please see 'Report of the Audit Committee' for details.	Complied
5.3	<b>Risk Management Committee (RMC):</b> The RMC is to be formed to mitigate impending risks which could be arisen during implementation of BoD approved policies, procedures and strategies. This committee is entrusted to examine and review whether management is properly working on identifying and mitigation of credit risk, foreign exchange risk, internal control and compliance risk, money laundering risk, information and communication technology risk, operation risk, interest rate risk and liquidity risk and keeping adequate capital and provision against the risks identified.  The RMC is to be formed with maximum five members who will be appointed for 03 (three) years. Each member should be capable of making valuable and effective contributions in the functioning of the Committee. The company secretary of the bank shall act as the secretary of the Committee. RMC shall review the risk management policy and guidelines of the bank at least once in a year, make necessary modifications as per requirement and submit the same to the BoD for approval. Besides, lending limits and other limits should be reviewed at least once in a year and should be amended, if necessary.	Complied
6	<b>Training of the Directors:</b> The Directors of the Board will acquire appropriate knowledge of the Banking laws and other relevant laws, rules and regulations to effectively discharge the responsibilities as a Director of the bank.	Complied
7	<b>Intimation of the Circular to the Board and related persons by CEO:</b> The CEO will inform about this Circular to the directors and other related persons	Complied

## 2. Appointment and responsibilities of Chief Executive Officer (CEO)

Sl. No.	Particulars	Compliance Status
A	<b>Rules and regulations for appointment of the CEO</b>	
1	<b>Moral Integrity:</b> In case of appointment to the post of CEO, satisfaction in respect of the concerned person should be ensured to the effects that: a) He has not been convicted by any Criminal Court of Law. b) He has not been punished for violating any rules, regulations or procedures/ norms set by any regulatory authority. c) He was not associated with any such company/organization; registration or license of which has been cancelled.	Complied
2	<b>Experience and Suitability:</b> a) For appointment as a CEO, the concerned person must have experience in banking profession for at least 15 (fifteen) years as an active officer and at least 02 (two) years experience in a post immediate below the CEO of a bank. b) He must have a Master's degree at minimum from any recognized university. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person. c) In respect of service, the concerned person should have excellent track record of performance. d) Satisfaction should be ensured that the concerned person was not dismissed from service when he was chairman/director/official of any company. e) Any director of any bank or financial institution or any person who has business interest in the concerned bank will not be eligible for appointment to the post of the CEO.	Complied

Sl. No.	Particulars	Compliance Status
3	<p><b>Transparency and financial integrity:</b> Before making appointment as a CEO, satisfaction should be ensured to the effects that:</p> <p>a. The concerned person was not involved in any illegal activity while performing duties in his own or banking profession.</p> <p>b. He has not deferred payment to creditors or has not compromised with his creditors to be relieved from debts or he is not a loan defaulter.</p> <p>c. He is not a tax defaulter.</p> <p>d. He has never been adjudicated a bankrupt by the Court.</p>	Complied
4	<p><b>Age Limit:</b> No person crossing the age of 65 years shall hold the post of CEO of a bank.</p>	Complied
5	<p><b>Tenure:</b> The tenure of the CEO shall not be more than 03 (three) years, which is renewable. If the candidate has less than 3 years left to attain 65 years, he/she can be appointed for that shorter period</p>	Complied
6	<p><b>Guidelines in fixing the salary and allowances:</b> Banks are required to follow the guidelines stated below while determining the salary and allowances of the CEO and submitting such proposal to BB:</p> <p>a. In fixing the salary and allowances of the CEO, financial condition, scope of operation, business-volume and earning capacity of the bank; qualifications, achievement of the candidate in the past, age and experience and the remuneration paid to the persons occupying same position in the peer banks shall have to be taken into consideration.</p> <p>b. Total salary shall be comprised of direct salary covering 'Basic Salary' and 'House Rent' and allowances as 'Others'. The allowances (e.g., provident fund, utility bill, leave-fare assistance) in 'Others' head should be specified in amount/ceiling. Besides, other facilities (e.g., car, fuel, driver etc.), as far as possible, shall have to be converted in the monetary value and thus determining monthly total salary, it shall have to be mentioned in the proposal submitted to BB. In the proposal, Basic Salary, House Rent, Festival Allowance, other allowances and other facilities shall have to be specified in Taka amount.</p> <p>c. Without improving the bank's major financial indicator like- CAMELS, annual salary increment will not be payable.</p> <p>d. Terms of salary-allowances and other facilities as specified in the terms and conditions of appointment cannot be changed during the tenure. In case of renewal, proposal may be made for re-fixation of the salary considering the work performance of the current CEO.</p> <p>e. The CEO so appointed shall not get any other direct or indirect facilities (e.g., dividend, commission, club expense, etc.) other than the salary-allowances and other facilities as enumerated in clause (b) above.</p> <p>f. The bank shall not pay any income tax for the CEO, i.e., the CEO so appointed shall have to pay it.</p>	Complied
7	<p><b>Incentive Bonus:</b> The CEO will get incentive bonus subject to paying incentive bonus to all executives/officers/workers of the bank and the said bonus amount will not exceed BDT 1,000,000 in a year.</p>	Complied
8	<p><b>Honorarium for attending the Board Meeting:</b> Being a salaried executive, CEO will not get any honorarium for attending the Board meeting or Board formed Committee meeting.</p>	Complied
9	<p><b>Evaluation Report:</b> For reappointment of the CEO, the Chairman of the bank shall have to submit a Board approved evaluation report to BB.</p>	Complied

Sl. No.	Particulars	Compliance Status
10	<b>Prior Approval from Bangladesh Bank:</b> Prior approval from Bangladesh Bank is mandatory before appointing CEO as per section 15(4) & (5) of Bank Company Act 1991 (amended up to 2013). For processing such approval, along with the proposal signed by the Chairman of the BoD, the selected person's complete resume, offer letter (mentioning the direct & indirect remuneration and facilities) and copy of Board's approval must be submitted to BB. The selected person must also submit declarations as per Annexure A & Annexure B to BB.	Complied
11	<b>Decision of Bangladesh Bank is final:</b> The decision of BB for appointment of the CEO will be treated as final and the CEO such appointed cannot be terminated, released or removed from his/her office without prior approval from BB.	Complied
B	<b>Responsibilities and Authorities of the CEO:</b> The CEO of the bank, whatever name called, shall discharge the responsibilities and exercise the authorities as follows:	Complied
	a. In terms of the financial, business and administrative authorities vested upon him by the BoD, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management.	Complied
	b. The CEO shall ensure compliance of the Bank Company Act 1991 and other relevant laws and regulations in discharging of routine functions of the bank.	Complied
	c. The CEO shall include clearly any violation from Bank Company Act 1991 and/or other relevant laws and regulations in the "Memo" presented to the meeting of the BoD or any other Committee (s) engaged by the BoD.	Complied
	d. The CEO shall report to Bangladesh Bank of issues in violation of the Bank Company Act 1991 or of other laws/regulations.	Complied
	e. The recruitment and promotion of all staffs of the bank except those in the two tiers below him/her shall rest on the CEO. He/she shall act in such cases in accordance with the approved service rules on the basis of the human resources policy and approved delegation of employees as approved by the BoD.	Complied
	f. The authority relating to transfer of and disciplinary measures against the staff, except those at two tiers below the CEO, shall rest on him/her, which he/she shall apply in accordance with the approved service rules. Besides, under the purview of the human resources policy as approved by the BoD, he/she shall nominate officers for training etc.	Complied

### 3. Contractual appointment of Advisor and Consultant

Sl. No.	Particulars	Compliance Status
A	<b>Rules and regulations for appointment of an Advisor</b>	No such advisor in SJIBL
1	<b>Experience and Suitability:</b> For appointment as advisor, the concerned person will have to fulfill the following requirements with regard to experience and qualifications: a. Experience in Banking or Administration for at least 15 (fifteen) years or have a long experience in social activities. b. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person. c. Satisfaction should be ensured that the concerned person was not dismissed from his service when he was Chairman/ Director/ Executive of any company.	N/A

Sl. No.	Particulars	Compliance Status
	d. The person who is working in any bank or financial institution or who has business interest in that bank will not be eligible for appointment to the post of Advisor. e. Satisfaction should be ensured that the concerned person is not a loan defaulter or tax defaulter and has never been adjudicated a bankrupt by the Court.	
2	<b>Responsibilities of the Advisor:</b> The roles and responsibilities of the Advisor should be defined specifically. The Advisor can advise the Board of Directors or CEO only on those matters specified in the appointment letter. The routine and general activities of the bank will not be included in his terms of reference. He will not be entitled to exercise any power or involved himself in the decision making process of financial, administrative, operations or other activities of the bank.	N/A
3	<b>Prior approval from Bangladesh Bank:</b> Prior approval from BB is mandatory before appointing an Advisor. For such appointment, the justifications of the post of advisor, responsibilities or terms of reference, complete resume of the concerned person, terms of appointment (mentioning remuneration and facilities) and copy of BoD's approval shall be submitted to BB. The nominated person has to make a declaration as per Annexure A. This declaration shall also be submitted to BB.	N/A
4	<b>Remuneration and other facilities of Advisor:</b> The post of Advisor is not a fixed or substantive post in the bank's organization structure. Advisor will not be entitled to salaries and allowances as regular employee except gross amount of remuneration, transport and telephone facilities. Remunerations inconsistent with the terms of reference of the advisor will not be considered as acceptable to BB.	N/A
5	<b>Tenure of Advisor:</b> The tenure of the Advisor shall be maximum 01(one) year, which is renewable. An evaluation report (by the Chairman that is approved by the BoD) of previous tenure should be submitted to BB along with the re-appointment proposal.	N/A
6	<b>Appointment of Ex-executive:</b> For ensuring good governance, any former Director, CEO or any other Executive of the bank will not be eligible to become an Advisor in the same bank immediately after their retirement or resignation. However, after one year from such retirement or resignation, he/she will be eligible for appointment as Advisor.	N/A
<b>B</b>	<b>Rules and regulations for appointment of a Consultant</b>	
1	<b>Terms of reference of Consultant:</b> Consultant can be appointed for specialized tasks like tax, law and legal procedures, engineering and technical works, information technology, etc. Consultants' appointment should be avoided as much as possible for those works that could be done by regular employees of the bank.	Complied
2	<b>Responsibilities of a Consultant:</b> The responsibilities or terms of reference of a Consultant should be specified. He/she should not be involved in any activities beyond his/her terms of references and he/she cannot exercise any kind of power in bank operation or cannot participate in the decision making process	Complied
3	<b>Appointment of a Consultant:</b> A Consultant can be appointed with the approval of the BoD. After Such appointment the bank shall send the Consultant's complete resume, terms of reference and details of remuneration to BB immediately.	Complied
4	<b>Tenure of a Consultant:</b> The tenure of a Consultant should be consistent with the terms of reference, but would not exceed 02 (two) years. Generally the Consultant will not be eligible for re-appointment. But to complete the unfinished tasks, his contract may be extended for maximum period of 01 (one) year with the approval of BB. The Chairman of the bank upon approval of the BoD shall have to submit the extension proposal to BB with the evaluation report of his previous tenure.	Complied

Sl. No.	Particulars	Compliance Status
5	<b>Remuneration/honorarium of a Consultant:</b> The Consultant's remuneration should be in the form of monthly or single lump-sum payment, and he is not entitled to any other facilities.	Complied
6	<b>Appointment of Ex-executive:</b> For ensuring good governance, any former Director, CEO or any other Executive of the bank will not be eligible for appointment as a Consultant in the same bank immediately after their retirement or resignation. However, after one year from such retirement or resignation, he/ she will be eligible for appointment as a Consultant.	Complied

## Classification of Shareholders by Holding

At the end of year 2013, the classification of shareholders by holding was as follows:

Range of Share Holding	No. of Shareholders	No. of shares	Percentage of holding shares
Upto 500	45,268	5,784,202	0.87%
501-5,000	34,864	59,547,507	8.92%
5,001-10,000	3,072	22,032,502	3.30%
10,001-20,000	1,510	21,812,073	3.27%
20,001-30,000	429	10,596,332	1.59%
30,001-40,000	215	7,572,292	1.13%
40,001-50,000	113	5,123,907	0.77%
50,001-1,00,000	219	15,434,021	2.31%
1,00,001-10,00,000	198	53,003,294	7.94%
Over 10,00,000	56	466,992,172	69.92%
<b>Total</b>	<b>85,944</b>	<b>667,898,302</b>	<b>100.00%</b>

# Compliance Report on SEC Notification

The authorized Capital of Shahjalal Islami Bank Limited is Tk. 10,000,000,000 divided into 1,000,000,000 ordinary shares of Tk. 10 each. The paid-up Capital of the Bank is Tk. 6,678,983,028 divided into 667,898,303 ordinary shares. As per Section 1.4 (k) of SEC Notification No. SEC/CMRRCD/2006-158/Admin/02-08 dated February 20, 2006 the pattern of shareholding is given below:

- i) Parent/Subsidiary/Associated companies and other related parties: N/A  
a) Shares held by the Directors and their Spouses:

## Annexure-I

SL	Name of Directors	Position	No of Shares
1	A.K. Azad	Chairman	25,463,041
2	Alhaj Syed Nurul Arefeen	Vice-Chairman	13,392,366
3	Alhaj Mohammed Faruque	Vice-Chairman	24,357,502
4	Sajjatuz Jumma	Director	13,557,366
5	Anwer Hossain Khan	Director	17,874,847
6	Tofazzal Hossain	Director	13,374,738
7	Md. Sanaullah Shahid Rep. of Electra International Ltd.	Director	17,048,907
8	Shams Uddin Khan Rep. of Shamsuddin Khan & Harun Miah Ltd.	Director	13,358,013
9	Mohammed Farooq	Director	16,697,420
10	Md. Abdul Barek	Director	13,358,070
11	Mohammed Solaiman	Director	17,067,237
12	Abdul Halim	Director	16,247,401
13	Mohiuddin Ahmed	Director	13,365,000
14	Akkas Uddin Mollah	Director	13,358,690
15	Khandoker Sakib Ahmed	Director	13,358,551
16	Engr. Md. Towhidur Rahman	Director	15,008,096
17	Mohammed Younus	Director	16,512,366
18	Mosharraf Hossain	Independent Director	Nil
19	Farida Parvin Nuru	Independent Director	Nil
20	Farman R. Chowdhury	Managing Director	Nil

- b) Shares held by the Chief Executive Officer, Company Secretary, Head of Internal Audit and Chief Financial Officer: Nil  
c) Shares held by top five salaried employees other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit: NIL  
d) Shareholders holding ten percent (10%) or more voting interest in the company as at 31 December 2013 : Nil

## Number of Board Meeting held in 2013 and the attendance of Directors:

### Annexure-II

SL	Name of Directors	Position	Meeting Held	Attended	Appointed as Director on
1	A.K. Azad	Chairman	26	21	04.06.2013
2	Alhaj Syed Nurul Arefeen	Vice-Chairman	26	26	19.06.2012
3	Alhaj Mohammed Faruque	Vice-Chairman	26	05	09.05.2011
4	Sajjatuz Jumma	Director	26	18	04.06.2013
5	Anwer Hossain Khan	Director	26	18	04.06.2013
6	Tofazzal Hossain	Director	26	25	09.05.2011
7	Md. Sanaullah Shahid	Director	26	26	09.05.2011
8	Shamsuddin Khan	Director	26	0	12.01.2014
9	Mohammed Farooq	Director	26	18	19.06.2012
10	Abdul Berek	Director	26	16	19.06.2012
11	Mohammed Solaiman	Director	26	24	19.06.2012
12	Abdul Halim	Director	26	25	19.06.2012
13	Mohiuddin Ahmed	Director	26	23	09.05.2011
14	Akkas Uddin Mollah	Director	26	21	19.06.2012
15	Khandoker Sakib Ahmed	Director	26	25	04.06.2013
16	Engr. Md. Towhidur Rahman	Director	26	21	04.06.2013
17	Mohammed Younus	Director	26	19	04.06.2013
18	Mosharraf Hossain	Independent Director	26	16	13.02.2013
19	Farida Parvin Nuru	Independent Director	26	02	04.06.2013
20	Farman R. Chowdhury	Managing Director	26	04	01.12.2013

## Number of Executive Committee Meeting held in 2013 and the attendance of Directors:

SL	Name of Directors	Position	Meeting Held	Attended	Appointed as Director on
1	Mohammed Younus	Chairman	47	37	04.06.2013
2	Md. Sanaullah Shahid	Vice-Chairman	47	27	09.05.2011
3	Sajjatuz Jumma	Member	47	25	04.06.2013
4	Anwer Hossain Khan	Member	47	32	04.06.2013
5	Mohiuddin Ahmed	Member	47	38	09.05.2011
6	Engr. Md. Towhidur Rahman	Member	47	18	04.06.2013
7	Abdul Halim	Member	47	0	12.01.2014

# Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the Instituted of Chartered Accountant of Bangladesh and others applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of their profit or loss for that period. In preparing the Group Company financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments and estimates that are reasonable and prudent
- State whether they have been prepared in accordance with IFRSs as adopted by the ICAB
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1994. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Report of the directors, and Corporate governance statement that comply with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Directors' responsibility statement

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole
- The Report of the directors includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face

On behalf of the Board of Directors



A.K. Azad  
Chairman

# CEO/CFO'S Declaration to the Board

17 April, 2014

## The Board of Directors

Shahjalal Islami Bank Limited  
Uday Sanz, Plot No-SE(A)  
2/B Gulshan South Avenue  
Gulshan-1, Dhaka-1212

## Sub: CEO/CFO's Declaration to the Board

The following is provided to the Board of Directors of Shahjalal Islami Bank Limited in our capacity as the persons responsible for performing the functions of Managing Director & CEO and Chief Financial Officer of the Bank.

In accordance with the notification of Bangladesh Securities and Exchange Commission No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07, August, 2012 we declared that for the financial year ended 31 December, 2013:

- i) We have reviewed the financial statements for the year and that to the best of our knowledge and belief:
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might misleading;
  - b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;
- ii) There are, to the best of knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violation of the Bank's code of conduct.



Farman R. Chowdhury  
Managing Director & CEO



Sayed Abul Hashem, FCA, FCMA  
Chief Financial Officer



## Annual Report of Shariah Supervisory Committee-2013

الحمد لله رب العالمين والصلوة والسلام على سيدنا محمد وآله واصحابه اجمعين

All praises be to Almighty Allah, the Lord of the Universe and peace and blessings of Allah be upon the Prophet Mohammad (Sm.) and his all other descendants and companions.

The honorable members of Shariah Supervisory Committee met in 02 (two) Supervisory Committee Meetings and 02 (two) Sub Committee Meetings in the year-2013 to review and confer decision on the matters referred by the Board of Directors and the Management of the Bank. The Shariah Supervisory Committee gave necessary instructions and guidelines to the management from time to time to operate the Banking transactions according to the principles of Islamic Shariah. Members of Shariah Supervisory Committee delivered valuable speech and suggestions at the Shariah workshops and seminars arranged by the management of the Bank for the Bank officials. Shariah audit reports of the Branches are submitted to Shariah Supervisory Committee Secretariat by Shariah Inspection and Compliance Division to review.

After reviewing the reports and the performance of transactions of Shahjalal Islami Bank Limited, the Shariah Supervisory Committee gives their opinions and suggests as following:

- ❑ Shariah awareness has been developed during the year compared to previous ones due to motivation and other measures taken;
- ❑ Distribution of profit among the various Mudarabah depositors have been made in accordance with the principle of Islamic Shariah;
- ❑ The Management of the Bank should remain more careful to operate all its Banking transactions as per Shariah principles by implementing suggestions given by Shariah Supervisory Committee from time to time;
- ❑ Besides existing investment schemes, some new small investment schemes specially for the development of agriculture sector are to be introduced to uplift socio-economic condition and welfare of the distress humanities;
- ❑ The Management has to be more cautious to ensure buy-sale with supporting necessary documents in all cases, especially in case of Bai-Muajjal and Bai-Murabaha investment. Also pro-active initiatives should be taken for implementation of Mudaraba and Musharaka mode of investment in its operations gradually;
- ❑ Shariah audit should be conducted in all Branches more frequently to verify/rectify Banking transactions to comply with Shariah;
- ❑ To ensure effective compliance of Shariah principles; Bank Management should be more vigilant to continue implementation of suggestions given from Shariah Supervisory Committee time to time;
- ❑ "More meetings, seminars, symposiums and get-together" should be organized centrally and at branch level to develop awareness among the valued clients as well as employees of the Bank about Islamic Banking and its benefits.

May Allah (SWT), the Lord of the Universe, grant us the strength and courage to establish Islamic society on the soil of Bangladesh through Islamic Banking. Aa-meen.

وآخر دعوانا ان الحمد لله رب العالمين

Mufti Abdur Rahman  
Chairman, Shariah Supervisory Committee



## শরীয়াহ সুপারভাইজারী কমিটির বার্ষিক প্রতিবেদন-২০১৩

الحمد لله رب العلمين والصلوة والسلام على سيدنا محمد واله واصحابه اجمعين

সকল প্রশংসা মহান আল্লাহ্ রাক্বুল আলামীনের, যিনি গোটা বিশ্ব জাহানের প্রতিপালক। অসংখ্য দরুদ ও সালাম রাহ্মাতুল্লিল আলামীন প্রিয় নবী হযরত মুহাম্মদ মুস্তফা সাল্লাল্লাহু আলাইহি ওয়াসাল্লাম, তাঁর সঙ্গী-সাথী সকল সাহাবায়ে কেলাম, তাবেয়ী, তাবে' তাবেয়ী, আইন্মায়ে মুজতাহেদীন ও পরিবারের সদস্যবর্গ এবং ক্বিয়ামত পর্যন্ত অনাগত অনুসারীদের প্রতি।

শাহজালাল ইসলামী ব্যাংক লিমিটেড শরীয়াহ সুপারভাইজারী কমিটির সম্মানিত সদস্যবৃন্দ ব্যাংকের পরিচালনা পর্ষদ ও ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক উপস্থাপিত বিষয়াদির উপর দিক-নির্দেশনামূলক সিদ্ধান্ত প্রদানের জন্য ২০১৩ ঈসায়ী সনে সুপারভাইজারী কমিটির ২টি সভা ও সাব কমিটির ২টি সভায় মিলিত হন। তা ছাড়া শরীয়াহ নীতিমালার আলোকে ব্যাংকিং কার্যক্রম পরিচালনার জন্য শরীয়াহ সুপারভাইজারী কমিটির পক্ষ থেকে সময় সময় ব্যবস্থাপনা কর্তৃপক্ষকে প্রয়োজনীয় পরামর্শ ও দিক-নির্দেশনা প্রদান করা হয়। ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক ব্যাংকের নির্বাহী ও কর্মকর্তাবৃন্দের জন্য আয়োজিত শরীয়াহ ওয়ার্কশপ ও কর্মশালায় শরীয়াহ সুপারভাইজারী কমিটির একাধিক সদস্য উপস্থিত থেকে তাঁদের দিক-নির্দেশনামূলক বক্তব্য প্রদান করেন। শরীয়াহ ইন্সপেকশন বিভাগের মাধ্যমে ব্যাংকের শাখাগুলোতে শরীয়াহ নিরীক্ষা কার্যক্রম পরিচালনা করে নিরীক্ষা প্রতিবেদনগুলো শরীয়াহ সচিবালয়ে জমা দেয়া হয়।

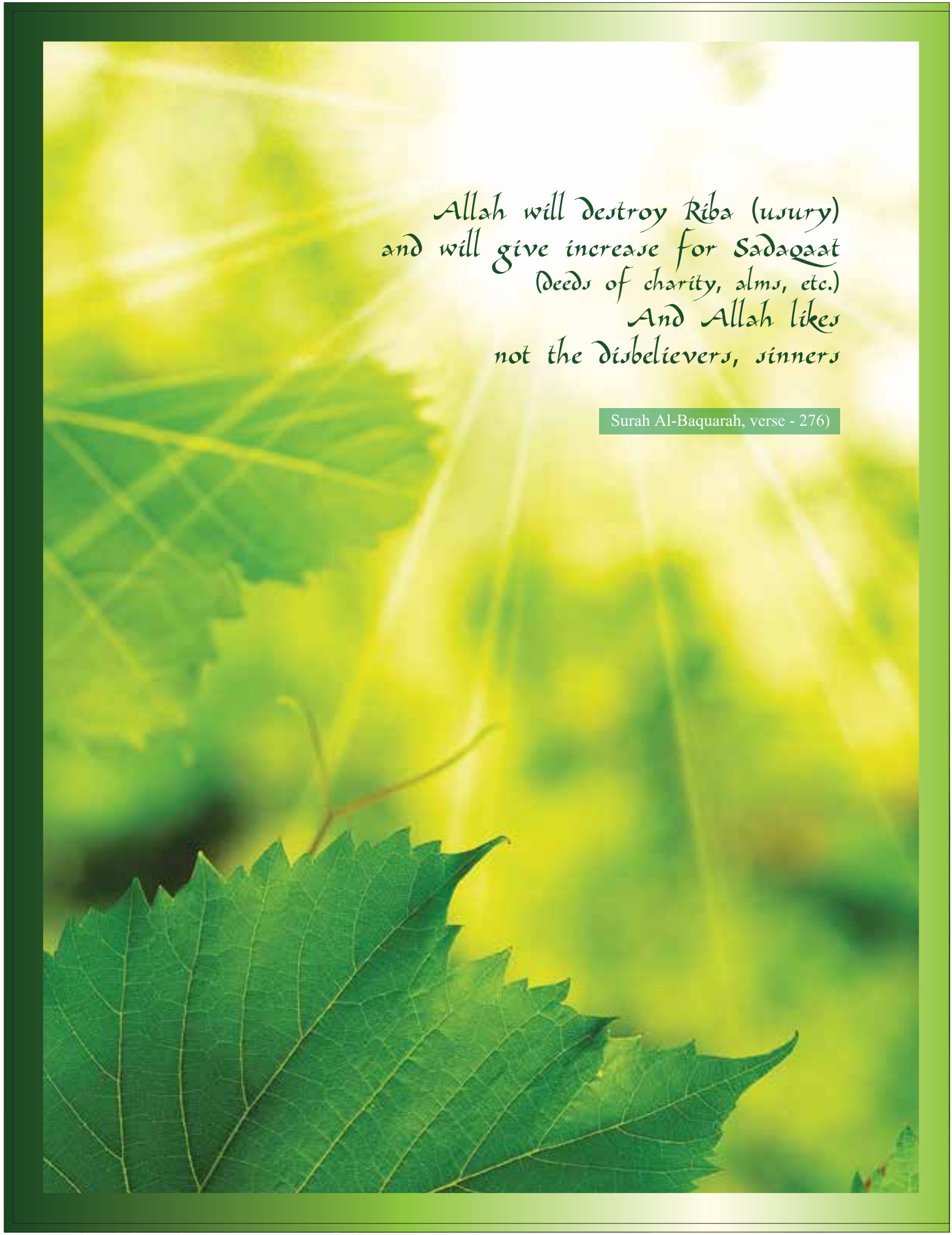
শরীয়াহ সুপারভাইজারী কমিটি শাহজালাল ইসলামী ব্যাংক লিমিটেডের শরীয়াহ নিরীক্ষা প্রতিবেদনসমূহ পর্যালোচনা ও যাবতীয় কার্যাবলী পর্যবেক্ষণ ও মূল্যায়ন করার পর নিম্নোক্ত মতামত ও পরামর্শ প্রদান করেন :

- সচেতনতা বৃদ্ধির লক্ষ্যে গৃহীত বিভিন্ন পদক্ষেপের কারণে বিগত বছরগুলোর তুলনায় শরীয়াহ সম্পর্কে আরও অধিক সচেতনতা বৃদ্ধি পেয়েছে।
- বিভিন্ন প্রকার মুদারাবাহ জমার বিপরীতে যে মুনাফা বন্টন করা হয়েছে, তা শরীয়াহ নীতিমালার আলোকেই করা হয়েছে।
- শরীয়াহ সুপারভাইজারী কমিটির পক্ষ থেকে সময় সময় ব্যবস্থাপনা কর্তৃপক্ষকে যেসব দিক-নির্দেশনা প্রদান করা হয়েছে, ব্যাংকের যাবতীয় কর্মকাণ্ডে সে সবার পরিপূর্ণ বাস্তবায়নের প্রতি ব্যবস্থাপনা কর্তৃপক্ষকে আরও সচেতন থাকতে পরামর্শ দেয়া হয়।
- দেশের আর্থ-সামাজিক অবস্থার উন্নয়নে ও অপেক্ষাকৃত সুবিধাবঞ্চিত মানুষের দারিদ্র বিমোচনে বিদ্যমান বিনিয়োগ প্রকল্পসমূহের পাশাপাশি আরও নতুন নতুন ক্ষুদ্র বিনিয়োগ বিশেষভাবে কৃষি খাতের উন্নয়নে কার্যকর বিনিয়োগ প্রকল্প গ্রহণ করা একান্ত প্রয়োজন, যাতে পল্লী অঞ্চলের জনগণের মধ্যে শরীয়াহভিত্তিক অর্থনীতির সুফল আরও ব্যাপক আকারে প্রসার লাভ করতে পারে।
- বাই'য়ে মুয়াজ্জাল ও বাই'য়ে মুরাবাহা বিনিয়োগসহ সকল ক্ষেত্রে ব্যবস্থাপনা কর্তৃপক্ষকে ব্যাংক কর্তৃক মালামাল ক্রয়-বিক্রয় নিশ্চিত করার জন্য অপরিহার্য ডকুমেন্টস সম্পর্কে আরও সজাগ থাকতে হবে। পাশাপাশি, ধাপে ধাপে মুদারাবা ও মুশারাকা বিনিয়োগ পদ্ধতির অনুশীলনেও বাস্তব পদক্ষেপ গ্রহণ করতে হবে।
- শাখা পর্যায়ে শরীয়াহ নিরীক্ষা কার্যক্রম আরও ব্যাপকভাবে পরিচালনা করে ব্যাংকিং সেবায় শরীয়াহ নীতিমালা সম্পূর্ণরূপে বাস্তবায়ন করার সার্বিক ব্যবস্থা গ্রহণ করতে হবে।
- শরীয়াহ নীতিমালা পরিপালনের লক্ষ্যে শরীয়াহ সুপারভাইজারী কমিটির পক্ষ থেকে সময় সময় প্রদত্ত পরামর্শসমূহ বাস্তবায়নে ব্যাংক কর্তৃপক্ষকে আরও বেশী সচেতন হতে হবে।
- ইসলামী ব্যাংকিং-এর সাফল্য ও অগ্রযাত্রা সম্পর্কে সচেতনতা বৃদ্ধির লক্ষ্যে ব্যাংকের গ্রাহক ও কর্মকর্তাবৃন্দকে এ বিষয়ে আরও বেশী উদ্বুদ্ধ করার জন্য কেন্দ্রীয় ও শাখা পর্যায়ে “সেমিনার, সিম্পোজিয়াম, গ্রাহক সমাবেশ ও প্রীতিসম্মেলন” আয়োজনের উপর অত্যধিক গুরুত্ব আরোপ করা প্রয়োজন।

পরিশেষে মহান রাক্বুল আলামীনের দরবারে প্রার্থনা, তিনি যেন অকল্যাণকর ও সমাজে বৈষম্য সৃষ্টিকারী সুদী ধারার মূলোৎপাটন করে গোটা বিশ্বে কল্যাণমুখী সুখম অর্থ ব্যবস্থা প্রতিষ্ঠার প্রয়াসে অংশগ্রহণের দৃঢ় প্রত্যয় ও শক্তি আমাদের দান করেন। আমীন!

وآخر دعوانا ان الحمد لله رب العالمين

মুফতী আবদুর রহমান  
চেয়ারম্যান, শরীয়াহ সুপারভাইজারী কমিটি



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

Surah Al-Baqarah, verse - 276

*Islamic banking  
is based on  
fairness and justice  
to all parties concerned*

## **Financial Statements**



# **INDEPENDENT AUDITORS' REPORT**

## **TO THE SHAREHOLDERS OF SHAHJALAL ISLAMI BANK LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Shahjalal Islami Bank Limited and its subsidiary, ("the Group") as well as the financial statements of Shahjalal Islami Bank Limited ("the Bank"), which comprise the consolidated balance sheet and the separate balance sheet as at 31 December 2013, and the consolidated and separate profit & loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements and Internal Controls**

Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRSs) as explained in note # 2.01 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and separate financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

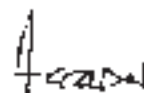
In our opinion, the consolidated financial statements of the Group and also separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2013, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note # 2.01.

## Report on Other Legal and Regulatory Requirement

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report the following:

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) 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 of the Group and the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
  - i) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note # 2.02 of the financial statements appeared to be materially adequate;
  - ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities;
- (c) financial statements of the subsidiary, namely, Shahjalal Islami Bank Securities Limited has been audited by other auditor and properly reflected in the consolidated financial statements;
- (d) 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;
- (e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- (f) the expenditure incurred was for the purposes of the Bank's business;
- (g) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
- (h) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- (i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (j) the information and explanation required by us have been received and found satisfactory; and
- (k) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 3,500 person hours for the audit of the books and accounts of the Bank.

Dhaka, 17 April 2014



**ACNABIN**  
Chartered Accountants

# Shahjalal Islami Bank Limited

and its subsidiary

## Consolidated Balance Sheet

As at 31 December 2013

	Note	31.12.2013 Taka	31.12.2012 Taka
<b>Property and Assets</b>			
Cash			
Cash in hand (Including Foreign Currencies)	3	1,314,434,823	1,042,509,898
Balance with Bangladesh Bank & Sonali Bank Ltd (Including Foreign Currencies)	4	8,892,585,315	11,761,384,356
		<b>10,207,020,138</b>	<b>12,803,894,254</b>
<b>Balance with other Banks and Financial Institutions</b>			
Inside Bangladesh		3,316,214,792	738,939,891
Outside Bangladesh		212,509,409	586,878,365
	5	<b>3,528,724,201</b>	<b>1,325,818,256</b>
<b>Placement with other Banks &amp; Financial Institutions</b>			
	6	<b>7,782,793,287</b>	<b>9,253,993,287</b>
<b>Investments in Shares &amp; Securities</b>			
Government		5,470,000,000	3,450,000,000
Others		3,477,039,195	3,173,427,062
	7	<b>8,947,039,195</b>	<b>6,623,427,062</b>
<b>Investments</b>			
General Investment etc.		80,097,241,560	85,268,896,636
Bills Purchased and Discounted		8,006,971,069	13,059,660,088
	8	<b>88,104,212,629</b>	<b>98,328,556,724</b>
<b>Fixed Assets Including Premises</b>			
	9	<b>2,999,682,826</b>	<b>2,942,311,788</b>
<b>Other Assets</b>			
	10	<b>2,764,109,423</b>	<b>2,917,130,847</b>
<b>Non Banking Assets</b>			
		-	-
<b>Total Property and Assets</b>		<b>124,333,581,699</b>	<b>134,195,132,218</b>
<b>Liabilities and Capital</b>			
<b>Liabilities</b>			
<b>Placement from other Banks &amp; Financial Institutions</b>			
<b>Deposits and Other Accounts</b>			
Mudaraba Savings Deposits		7,344,808,815	6,136,647,103
Mudaraba Term Deposits		50,770,110,029	61,917,110,700
Other Mudaraba Deposits		26,787,871,208	23,108,960,306
Al-Wadeeah Current & Other Deposit Accounts		10,484,532,462	8,986,633,572
Bills Payable		753,448,659	1,217,449,372
	12	<b>96,140,771,173</b>	<b>101,366,801,053</b>
<b>Other Liabilities</b>			
	13	<b>7,290,925,958</b>	<b>7,113,895,542</b>
<b>Deferred Tax Liabilities</b>			
	14	<b>137,735,011</b>	<b>126,205,868</b>
<b>Total Liabilities</b>		<b>113,139,432,141</b>	<b>124,306,902,464</b>
<b>Capital/Shareholders' Equity</b>			
Paid-up Capital	15	6,678,983,028	5,565,819,188
Statutory Reserve	16	3,435,586,547	2,959,021,259
Retained Earnings	17	852,701,604	1,136,611,648
<b>Total Shareholders' Equity</b>		<b>10,967,271,180</b>	<b>9,661,452,095</b>
Non-controlling Interest	15.7	<b>226,878,379</b>	<b>226,777,659</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>124,333,581,699</b>	<b>134,195,132,218</b>

**Shahjalal Islami Bank Limited**  
and its subsidiary  
**Consolidated Off-balance Sheet Items**  
As at 31 December 2013

	Note	31.12.2013 Taka	31.12.2012 Taka
<b>Contingent liabilities</b>			
Acceptances & endorsements		15,884,198,983	19,687,910,313
Letters of guarantee	18	5,710,919,593	6,028,888,274
Irrevocable letters of credit	19	17,358,106,335	18,294,263,697
Bills for collection		6,480,140,157	3,858,165,207
Other contingent liabilities		-	-
<b>Total</b>		<b>45,433,365,068</b>	<b>47,869,227,491</b>
<b>Other commitments</b>			
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		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Total off-balance sheet items including contingent liabilities</b>		<b>45,433,365,068</b>	<b>47,869,227,491</b>

The annexed notes form an integral part of these financial statements.



**Chairman**



**Director**



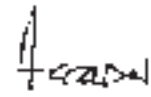
**Director**



**Managing Director**

This is the Consolidated balance sheet referred to in our separate report of even date.

Dhaka, 17 April 2014



**ACNABIN**  
Chartered Accountants

**Shahjalal Islami Bank Limited**  
**and its subsidiary**  
**Consolidated Profit and Loss Account**  
For the year ended 31 December 2013

	Note	2013 Taka	2012 Taka
<b>Operating income</b>			
Investment Income	21	13,751,274,429	15,428,381,633
Less: Profit paid on Deposits	22	10,713,162,091	11,207,879,986
<b>Net Investment Income</b>		<b>3,038,112,338</b>	<b>4,220,501,647</b>
Income from Investment in Shares/securities	23	313,740,419	152,641,439
Commission, Exchange and Brokerage	24	1,457,069,479	1,768,078,266
Other Operating Income	25	404,864,515	428,134,466
		<b>2,175,674,413</b>	<b>2,348,854,171</b>
<b>Total Operating Income</b>		<b>5,213,786,751</b>	<b>6,569,355,818</b>
<b>Operating expenses</b>			
Salaries and Allowances	26	1,456,425,887	1,067,482,632
Rent, Taxes, Insurances, Electricity etc.	27	336,636,533	290,230,484
Legal Expenses	28	1,012,930	774,451
Postage, Stamps, Telecommunication etc.	29	31,728,080	35,893,891
Stationery, Printings, Advertisements etc.	30	65,884,788	69,100,768
Chief Executive's Salary & Fees	31	14,755,500	14,222,516
Directors' Fees & Expenses	32	6,314,074	5,507,416
Shariah Supervisory Committee's Fees & Expenses	33	459,581	334,780
Auditors' Fees	34	375,000	375,000
Depreciation & Repairs of Bank's Assets	35	141,764,085	125,485,499
Zakat Expenses	36	76,557,351	60,655,118
Other Expenses	37	296,105,248	271,326,278
		<b>2,428,019,057</b>	<b>1,941,388,834</b>
<b>Total Operating Expenses</b>		<b>2,428,019,057</b>	<b>1,941,388,834</b>
<b>Profit / (Loss) before Provision</b>	20	<b>2,785,767,694</b>	<b>4,627,966,984</b>
Specific provision for Classified Investment		174,060,000	650,000,000
General Provision for Unclassified Investment		68,000,000	117,500,000
General Provision for Off-Balance Sheet Items		64,340,000	100,000,000
Provision for deminution in value of Investments in Shares		72,000,000	176,200,000
Provision for Other Assets		600,000	-
		<b>379,000,000</b>	<b>1,043,700,000</b>
<b>Total Provision</b>	38	<b>379,000,000</b>	<b>1,043,700,000</b>
<b>Total Profit / (Loss) before taxes</b>		<b>2,406,767,694</b>	<b>3,584,266,984</b>
<b>Provision for taxation for the period</b>			
Deferred tax	39	11,529,142	18,865,203
Current tax	39b	1,089,318,749	1,819,198,257
		<b>1,100,847,891</b>	<b>1,838,063,460</b>
<b>Net Profit / (Loss) after Tax</b>		<b>1,305,919,803</b>	<b>1,746,203,524</b>
Net profit after tax attributable to:			
Equity holders of SJIBL		1,305,819,083	1,744,450,415
Non-controlling interest		100,720	1,753,109
		<b>1,305,919,803</b>	<b>1,746,203,524</b>
<b>Retained earnings from previous year</b>		1,136,611,648	1,212,241,262
Add: Net profit after tax (attributable to equity holders of SJIBL)		1,305,819,083	1,744,450,415
<b>Profit available for appropriation</b>		<b>2,442,430,731</b>	<b>2,956,691,677</b>

**Shahjalal Islami Bank Limited**  
**and its subsidiary**  
**Consolidated Profit and Loss Account**  
For the year ended 31 December 2013

**Appropriation:**

Statutory reserve  
Dividend  
Retained earnings

Note	2013 Taka	2012 Taka
	476,565,288	706,916,191
	1,113,163,840	1,113,163,838
	852,701,603	1,136,611,648
	<b>2,442,430,731</b>	<b>2,956,691,677</b>
	<b>1.96</b>	<b>2.61</b>

**Consolidated earnings per share**

The annexed notes form an integral part of these financial statements.



**Chairman**



**Director**



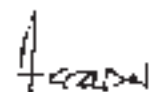
**Director**



**Managing Director**

This is the Consolidated Profit and Loss Account referred to in our separate report of even date.

Dhaka, 17 April 2014



**ACNABIN**  
Chartered Accountants

# Shahjalal Islami Bank Limited

and its subsidiary

## Consolidated Cash Flow Statement

For the year ended 31 December 2013

	Note	2013 Taka	2012 Taka
<b>Cash flows from operating activities</b>			
Investment Income receipt in cash	41	14,412,106,280	15,717,570,431
Profit Paid on Deposits	42	(11,120,245,935)	(11,223,834,667)
Dividend Receipts		15,449,265	8,851,911
Fees & Commission receipt in cash		1,457,069,479	1,768,078,266
Cash Payments to Employees		(1,471,181,387)	(1,081,705,148)
Cash Payments to Suppliers		(65,884,788)	(69,100,768)
Income Tax Paid		(1,733,272,535)	(1,628,498,211)
Receipts from other Operating activities	43	431,111,080	526,518,286
Payment for other Operating activities	44	(768,225,588)	(679,970,333)
		<b>1,156,925,871</b>	<b>3,337,909,766</b>
<b>(i) Operating Profit before changes in Operating Assets</b>			
<b>Changes in Operating Assets and Liabilities</b>			
Increase/decrease in Investment to Customers		10,224,344,095	(15,770,891,914)
Increase/decrease in Other Assets	45	(205,472,110)	(1,625,484,916)
Increase/decrease in Deposits from other Banks		124,368,430	100,277,550
Increase/decrease in Deposits received from Customers		(5,350,398,310)	18,862,181,821
Increase/decrease in Other liabilities on account of customers		394,584,067	143,161,891
Increase/decrease in Other Liabilities	46	423,025,252	72,201,076
		<b>5,610,451,424</b>	<b>1,781,445,508</b>
		<b>6,767,377,295</b>	<b>5,119,355,274</b>
<b>(ii) Cash flows from operating assets and liabilities</b>			
<b>Net cash flow from operating activities (A)=(i+ii)</b>			
<b>Cash flows from investing activities</b>			
Proceeds from sale of Securities		1,860,360,630	826,712,969
Payment for purchases of securities		(4,183,972,763)	(2,961,602,297)
Proceeds from Sale of fixed assets		1,164,999	-
Purchases of Property, Plant & Equipments		(180,098,331)	(1,484,921,799)
Purchase/Sale of subsidiaries		-	-
		<b>(2,502,545,465)</b>	<b>(3,619,811,127)</b>
<b>Net cash used in investing activities (B)</b>			
<b>Cash flows from financing activities</b>			
Receipts from issue of Debt Instruments		(4,658,800,000)	1,811,388,348
Payments for redemption of Debt Instruments		-	-
Receipts from issue of ordinary shares		-	-
Dividend Paid in cash		-	(121,500,000)
		<b>(4,658,800,000)</b>	<b>1,689,888,348</b>
<b>Net cash used in financing activities (C)</b>			
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>			
Add: Effect of Exchange rate changes on cash & cash equivalents		-	-
Add: Cash and cash equivalents at the beginning of the year		14,129,712,510	10,940,280,014
<b>Cash &amp; cash equivalents at the end of the year</b>	47	<b>13,735,744,339</b>	<b>14,129,712,510</b>

The annexed notes form an integral part of these financial statements.



Chairman



Director



Director



Managing Director

Dhaka, 17 April 2014

**Shahjalal Islami Bank Limited**  
**and its subsidiary**  
**Consolidated Statement of Changes in Equity**  
For the year ended 31 December 2013

**For the year ended 31 December 2013**

(Amount in taka)

Particulars	Paid-up Capital	Statutory Reserve	Non-controlling Interest	Retained Earnings	Total
Balance as at 01 January 2013	5,565,819,188	2,959,021,259	-	1,136,611,648	9,661,452,095
Bonus shares issued for the year 2012	1,113,163,840	-	-	(1,113,163,840)	-
Net profit for the year	-	476,565,288	-	829,253,796	1,305,819,085
<b>Total Shareholders' Equity as at 31 December 2013</b>	<b>6,678,983,028</b>	<b>3,435,586,547</b>	<b>-</b>	<b>852,701,604</b>	<b>10,967,271,180</b>
<b>Non-controlling interest</b>	<b>-</b>	<b>-</b>	<b>226,878,379</b>	<b>-</b>	<b>226,878,379</b>
Add: General Provision for Unclassified Investment					877,479,000
Add: General Provision for Off-Balance Sheets					454,340,000
<b>Total Equity as on 31 December 2013</b>					<b>12,525,968,559</b>

**For the year ended 31 December 2012**

(Amount in taka)

Particulars	Paid-up Capital	Statutory Reserve	Non-controlling Interest	Retained Earnings	Total
Balance as at 01 January 2012	4,452,655,350	2,252,105,068	-	1,212,241,262	7,917,001,680
Bonus shares issued for the year 2011	1,113,163,838	-	-	(1,113,163,838)	-
Net profit for the year	-	706,916,191	-	1,037,534,224	1,744,450,415
<b>Total Shareholders' Equity as at 31 December 2012</b>	<b>5,565,819,188</b>	<b>2,959,021,259</b>	<b>-</b>	<b>1,136,611,648</b>	<b>9,661,452,095</b>
<b>Non-controlling interest</b>	<b>-</b>	<b>-</b>	<b>226,777,659</b>	<b>-</b>	<b>226,777,659</b>
Add: General Provision for Unclassified Investment					1,042,979,000
Add: General Provision for Off-Balance Sheets					441,000,000
<b>Total Equity as on 31 December 2012</b>					<b>11,372,208,754</b>

  
**Chairman**

Dhaka, 17 April 2014

  
**Director**

  
**Managing Director**

# Shahjalal Islami Bank Limited

## Balance Sheet

As at 31 December 2013

	Note	31.12.2013 Taka	31.12.2012 Taka
<b>Property and Assets</b>			
<b>Cash</b>			
Cash in hand (Including Foreign Currencies)	3a	1,314,434,823	1,042,509,898
Balance with Bangladesh Bank & Sonali Bank Ltd (Including Foreign Currencies)	4a	8,892,585,315	11,761,384,356
		<b>10,207,020,138</b>	<b>12,803,894,254</b>
<b>Balance with other Banks and Financial Institutions</b>			
Inside Bangladesh		3,313,631,925	729,262,926
Outside Bangladesh		212,509,409	586,878,365
	5a	<b>3,526,141,334</b>	<b>1,316,141,291</b>
<b>Placement with other Banks &amp; Financial Institutions</b>			
	6a	<b>7,782,793,287</b>	<b>9,253,993,287</b>
<b>Investments in Shares &amp; Securities</b>			
Government		5,470,000,000	3,450,000,000
Others		1,751,261,849	1,712,531,384
	7a	<b>7,221,261,849</b>	<b>5,162,531,384</b>
<b>Investments</b>			
General Investment etc.		77,699,642,267	83,125,258,828
Bills Purchased and Discounted		8,006,971,069	13,059,660,088
	8a	<b>85,706,613,336</b>	<b>96,184,918,916</b>
<b>Fixed Assets Including Premises</b>			
	9a	<b>2,955,154,502</b>	<b>2,898,030,960</b>
<b>Other Assets</b>			
	10a	<b>4,564,448,539</b>	<b>5,203,582,404</b>
<b>Non Banking Assets</b>			
		-	-
<b>Total Property and Assets</b>			
		<b>121,963,432,985</b>	<b>132,823,092,496</b>
<b>Liabilities and Capital</b>			
<b>Liabilities</b>			
<b>Placement from other Banks &amp; Financial Institutions</b>			
	11a	<b>8,300,000,000</b>	<b>14,500,000,000</b>
<b>Deposits and Other Accounts</b>			
Mudaraba Savings Deposits		7,344,808,815	6,136,647,103
Mudaraba Term Deposits		50,965,910,029	62,602,100,344
Other Mudaraba Deposits		26,932,646,832	23,234,044,157
Al-Wadeeah Current & Other Deposit Accounts		10,484,532,462	8,986,633,572
Bills Payable		753,448,659	1,217,449,372
	12a	<b>96,481,346,797</b>	<b>102,176,874,548</b>
<b>Other Liabilities</b>			
	13a	<b>6,093,067,120</b>	<b>6,373,689,869</b>
<b>Deferred Tax Liabilities</b>			
	14a	<b>137,735,011</b>	<b>126,205,868</b>
<b>Total Liabilities</b>			
		<b>111,012,148,928</b>	<b>123,176,770,286</b>
<b>Capital/Shareholders' Equity</b>			
Paid-up Capital	15	6,678,983,028	5,565,819,188
Statutory Reserve	16	3,435,586,547	2,959,021,259
Retained Earnings	17a	836,714,482	1,121,481,763
<b>Total Shareholders' Equity</b>			
		<b>10,951,284,057</b>	<b>9,646,322,210</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>			
		<b>121,963,432,985</b>	<b>132,823,092,496</b>

# Shahjalal Islami Bank Limited

## Off-balance Sheet Items

As at 31 December 2013

	Note	31.12.2013 Taka	31.12.2012 Taka
<b>Contingent liabilities</b>			
Acceptances & endorsements		15,884,198,983	19,687,910,313
Letters of guarantee	18	5,710,919,593	6,028,888,274
Irrevocable letters of credit	19	17,358,106,335	18,294,263,697
Bills for collection		6,480,140,157	3,858,165,207
Other contingent liabilities		-	-
<b>Total</b>		<b>45,433,365,068</b>	<b>47,869,227,491</b>
<b>Other commitments</b>			
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		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Total off-balance sheet items including contingent liabilities</b>		<b>45,433,365,068</b>	<b>47,869,227,491</b>

The annexed notes form an integral part of these financial statements.



**Chairman**



**Director**



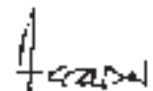
**Director**



**Managing Director**

This is the balance sheet referred to in our separate report of even date.

Dhaka, 17 April 2014



**ACNABIN**  
Chartered Accountants

# Shahjalal Islami Bank Limited

## Profit and Loss Account

For the year ended 31 December 2013

	Note	2013 Taka	2012 Taka
<b>Operating income</b>			
Investment Income	21a	13,614,537,283	15,242,206,232
Less: Profit paid on Deposits	22a	10,577,539,943	11,169,642,938
<b>Net Investment Income</b>		<b>3,036,997,340</b>	<b>4,072,563,294</b>
Income from Investment in Shares/securities	23a	229,917,248	133,321,674
Commission, Exchange and Brokerage	24a	1,364,703,899	1,642,185,413
Other Operating Income	25a	399,798,242	421,096,378
		<b>1,994,419,389</b>	<b>2,196,603,465</b>
<b>Total Operating Income</b>		<b>5,031,416,729</b>	<b>6,269,166,759</b>
<b>Operating expenses</b>			
Salaries and Allowances	26a	1,415,302,636	1,015,821,095
Rent, Taxes, Insurances, Electricity etc.	27a	319,540,452	264,483,686
Legal Expenses	28a	790,639	746,951
Postage, Stamps, Telecommunication etc.	29a	29,292,913	29,680,621
Stationery, Printings, Advertisements etc.	30a	64,931,338	68,087,924
Chief Executive's Salary & Fees	31	14,755,500	14,222,516
Directors' Fees & Expenses	32	6,314,074	5,507,416
Shariah Supervisory Committee's Fees & Expenses	33	459,581	334,780
Auditors' Fees	34a	350,000	350,000
Depreciation & Repairs of Bank's Assets	35a	134,702,868	118,058,977
Zakat Expenses	36	76,557,351	60,655,118
Other Expenses	37a	274,592,937	244,136,717
		<b>2,337,590,289</b>	<b>1,822,085,802</b>
<b>Profit / (Loss) before Provision</b>	20a	<b>2,693,826,440</b>	<b>4,447,080,957</b>
Specific provision for Classified Investment		174,060,000	650,000,000
General Provision for Unclassified Investment		-	42,500,000
General Provision for Off-Balance Sheet Items		64,340,000	100,000,000
Provision for deminution in value of Investments in Shares		72,000,000	120,000,000
Provision for Other Assets		600,000	-
		<b>311,000,000</b>	<b>912,500,000</b>
<b>Total Provision</b>	38a	<b>311,000,000</b>	<b>912,500,000</b>
<b>Total Profit / (Loss) before taxes</b>		<b>2,382,826,440</b>	<b>3,534,580,957</b>
Deferred Tax Expenses	39	11,529,142	18,865,203
Current Tax Expenses	39a	1,066,335,450	1,786,186,274
		<b>1,077,864,592</b>	<b>1,805,051,477</b>
<b>Net Profit after Taxation</b>		<b>1,304,961,848</b>	<b>1,729,529,480</b>
<b>Profit available for distribution</b>			
Retained Earnings from previous year		8,317,923	98,868,474
Add: Retained Earnings of Current year		828,396,560	1,022,613,289
		<b>836,714,483</b>	<b>1,121,481,763</b>

# Shahjalal Islami Bank Limited

## Profit and Loss Account

For the year ended 31 December 2013

	Note	2013 Taka	2012 Taka
<b>Appropriations</b>			
Statutory Reserve	16	476,565,288	706,916,191
Retained Earnings	17a	828,396,560	1,022,613,289
		<b>1,304,961,848</b>	<b>1,729,529,480</b>
<b>Earnings Per Share (EPS)</b>			
	40a	<b>1.95</b>	<b>2.59</b>

The annexed notes form an integral part of these financial statements.



**Chairman**



**Director**



**Director**



**Managing Director**

This is the profit and loss account referred to in our separate report of even date.

Dhaka, 17 April 2014



**ACNABIN**  
Chartered Accountants

# Shahjalal Islami Bank Limited

## Cash Flow Statement

For the year ended 31 December 2013

	Note	2013 Taka	2012 Taka
<b>Cash flows from operating activities</b>			
Investment Income receipt in cash	41a	13,905,471,010	15,152,507,827
Profit Paid on Deposits	42a	(10,932,002,613)	(11,089,749,280)
Dividend Receipts		15,449,265	8,851,911
Fees & Commission receipt in cash		1,364,703,899	1,642,185,413
Cash Payments to Employees		(1,430,058,136)	(1,030,043,611)
Cash Payments to Suppliers		(64,931,338)	(68,087,924)
Income Tax Paid		(1,714,706,297)	(1,587,946,124)
Receipts from other Operating activities	43a	398,633,243	421,096,378
Payments for other Operating activities	44a	(726,404,155)	(620,049,019)
		<b>816,154,878</b>	<b>2,828,765,570</b>
<b>(i) Operating Profit before changes in Operating Assets</b>			
<b>Cash flows from investing activities</b>			
Investment to Customers		10,478,305,579	(15,592,457,233)
Increase/decrease of Other Assets	45a	562,668,121	(1,029,172,148)
Increase/decrease of Deposits from other Banks		124,368,430	100,277,550
Increase/decrease of Deposits received from Customers		(5,819,896,181)	18,726,546,117
Increase/decrease of Other liabilities on account of customers		394,584,067	143,161,891
Increase/decrease of Other Liabilities	46a	16,626,701	(44,783,209)
		<b>5,756,656,717</b>	<b>2,303,572,968</b>
		<b>6,572,811,595</b>	<b>5,132,338,539</b>
<b>(ii) Cash flows from operating assets and liabilities</b>			
<b>Net cash flow from operating activities (A)=(i+ii)</b>			
<b>Cash flows from investing activities</b>			
Proceeds from sale of Securities		826,374,616	337,055,723
Payment for purchases of securities		(2,885,105,081)	(2,122,668,180)
Proceeds from Sale of fixed assets		1,164,999	-
Purchases of Property, Plant & Equipments		(173,320,202)	(1,476,668,457)
Purchase/Sale of subsidiaries		-	-
		<b>(2,230,885,668)</b>	<b>(3,262,280,914)</b>
<b>Cash flows from financing activities</b>			
Receipts from issue of Debt Instruments		(4,728,800,000)	1,311,388,348
Payments for redemption of Debt Instruments		-	-
Receipts from issue of ordinary shares		-	-
Dividend Paid in cash		-	-
		<b>(4,728,800,000)</b>	<b>1,311,388,348</b>
		<b>(386,874,073)</b>	<b>3,181,445,973</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>			
Add: Effect of Exchange rate changes on cash & cash equivalents		14,120,035,545	10,938,589,572
Cash and cash equivalents at the beginning of the year		14,120,035,545	10,938,589,572
		<b>13,733,161,472</b>	<b>14,120,035,545</b>

The annexed notes form an integral part of these financial statements.

  
Chairman

  
Director

  
Director

  
Managing Director

Dhaka, 17 April 2014

# Shahjalal Islami Bank Limited

## Statement of Changes in Equity

For the year ended 31 December 2013

### For the year ended 31 December 2013

(Amount in taka)

Particulars	Paid-up Capital	Statutory Reserve	Retained Earnings	Total
Balance as at 01 January 2013	5,565,819,188	2,959,021,259	1,121,481,763	9,646,322,210
Bonus shares issued for the year 2012	1,113,163,840	-	(1,113,163,840)	-
Net profit for the year 2013	-	476,565,288	828,396,559	1,304,961,847
<b>Total Shareholders' Equity as at 31 December 2013</b>	<b>6,678,983,028</b>	<b>3,435,586,547</b>	<b>836,714,482</b>	<b>10,951,284,057</b>

### Total Equity for the purpose of Capital Adequacy

<b>Equity as per above</b>	<b>10,951,284,057</b>
Add: General Provision for Unclassified Investment	734,479,000
Add: General Provision for Off-Balance Sheets	454,340,000
<b>Total Equity as at 31 December 2013</b>	<b>12,140,103,057</b>

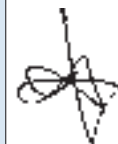
### For the year ended 31 December 2012

(Amount in taka)

Particulars	Paid-up Capital	Statutory Reserve	Retained Earnings	Total
Balance as at 01 January 2012	4,452,655,350	2,252,105,068	1,212,032,312	7,916,792,730
Bonus shares issued for the year 2011	1,113,163,838	-	(1,113,163,838)	-
Net profit for the year 2012	-	706,916,191	1,022,613,289	1,729,529,480
<b>Total Shareholders' Equity as at 31 December 2012</b>	<b>5,565,819,188</b>	<b>2,959,021,259</b>	<b>1,121,481,763</b>	<b>9,646,322,210</b>

### Total Equity for the purpose of Capital Adequacy

<b>Equity as per above</b>	<b>9,646,322,210</b>
Add: General Provision for Unclassified Investment	967,979,000
Add: General Provision for Off-Balance Sheets	441,000,000
<b>Total Equity as at 31 December 2012</b>	<b>11,055,301,210</b>



Chairman

Dhaka, 17 April 2014



Director



Director



Managing Director

**Shahjalal Islami Bank Limited**  
Liquidity Statement, Assets and Liabilities Maturity Analysis  
As at 31 December 2013

(Amount in taka)

Particulars	Upto 01 Month	01-03 Months	03-12 Months	01-05 Years	More than 05 years	Total
<b>Assets</b>						
Cash in hand	2,924,063,796	-	-	-	7,282,956,342	10,207,020,138
Balance with other Banks and Financial Institutions	543,872,601	2,982,268,733	-	-	-	3,526,141,334
Placement with other Banks & Financial Institutions	1,800,000,000	1,910,000,000	3,600,000,000	472,793,287	-	7,782,793,287
Investment in Shares & Securities	2,871,261,849	1,800,000,000	2,550,000,000	-	-	7,221,261,849
Investments	13,821,568,666	15,847,556,381	26,609,405,219	17,321,927,899	12,106,155,171	85,706,613,336
Fixed Assets including premises	177,309,270	257,098,442	1,063,855,621	1,368,236,534	88,654,635	2,955,154,502
Other Assets	45,207,442	65,550,791	271,244,653	2,198,874,315	1,983,571,338	4,564,448,539
Non-banking Assets	-	-	-	-	-	-
<b>Total assets (i)</b>	<b>22,183,283,624</b>	<b>22,862,474,346</b>	<b>34,094,505,492</b>	<b>21,361,832,035</b>	<b>21,461,337,486</b>	<b>121,963,432,985</b>
<b>Liabilities</b>						
Placement from other Banks & Financial Institutions	400,000,000	1,800,000,000	6,100,000,000	-	-	8,300,000,000
Deposits and other accounts	18,320,134,635	19,004,228,570	24,489,968,644	15,880,939,586	18,786,075,362	96,481,346,797
Other liabilities	365,584,027	1,584,197,451	3,168,394,903	670,237,383	304,653,356	6,093,067,120
Deferred tax Liabilities	-	-	-	-	137,735,011	137,735,011
<b>Total Liabilities (ii)</b>	<b>19,085,718,662</b>	<b>22,388,426,021</b>	<b>33,758,363,547</b>	<b>16,551,176,969</b>	<b>19,228,463,729</b>	<b>111,012,148,928</b>
<b>Net Liquidity Gap (i-ii)</b>	<b>3,097,564,962</b>	<b>474,048,325</b>	<b>336,141,946</b>	<b>4,810,655,066</b>	<b>2,232,873,757</b>	<b>10,951,284,057</b>

The annexed notes form an integral part of these financial statements.

  
Chairman

Chairman

  
Director

Director

  
Managing Director

Managing Director

Dhaka, 17 April 2014

# Shahjalal Islami Bank Limited

## Notes to the Financial Statements

For the year ended 31 December 2013

### 1.00 Status of the Bank

#### 1.01 Legal Form of the Bank

The Shahjalal Islami Bank Limited (hereinafter called 'the Bank'-'SJIBL') was established as a Public Limited Company (Banking Company) as on the 1st day of April 2001 under the Companies Act 1994 as interest free Islamic Shariah based commercial bank and commenced its operation on the 10th day of May 2001 with the permission of Bangladesh Bank. Presently the Bank is operating its business through head office having 92 branches, 06 SME centers, 39 ATM booths and 2,173 employees all over Bangladesh. The Bank has also a subsidiary company named 'Shahjalal Islami Bank Securities Limited' and an Off-shore Banking Unit. The Bank is listed with both the Stock Exchanges of the country, i.e. Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

The registered office of the Bank is located at Uday Sanz, 2/B Gulshan South Avenue, Gulshan-1, Dhaka-1212.

#### 1.02 Nature of Business

The Bank offers all kinds of commercial banking services to its customers through its branches following the provisions of the Bank Companies Act 1991, Bangladesh Bank's Directives, directives of other regulatory authorities and the principles of the Islamic Shariah.

#### 1.03 Shahjalal Islami Bank Securities Limited

Shahjalal Islami Bank Securities Limited is a subsidiary company of Shahjalal Islami Bank Limited incorporated as a public limited company under the Companies Act 1994 vide certification of incorporation no. C - 86917/10 dated September 06, 2010 and commenced its operation on the 25th day of May 2011. The main objective of the company to carry on business of stock broker/dealers in relation to shares and securities dealings and other services as mentioned in the Memorandum and Articles of Association of the Company. It has corporate membership of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. Shahjalal Islami Bank Limited hold 89.49% shares of Shahjalal Islami Bank Securities Limited. Financial Statements of the company are presented separately.

#### 1.04 Off-shore Banking Unit

Off-shore Banking Unit is a separate business unit of Shahjalal Islami Bank Limited, governed under the rules and Guidelines of Bangladesh Bank. The Bank obtained the Off-shore Banking Unit permission vide letter no. BRPD (P-3)744(99)/2008-2800 dated 24 July 2008. The Bank opened its Off-shore Banking Unit on 21 December 2008. The unit is located at Uday Sanz, Plot No-SE(A) 2/B Gulshan South Avenue, Gulshan-1, Dhaka-1212. The Off-shore Banking Unit is governed under the rules and guidelines of Bangladesh Bank. Separate Financial Statements of Off-shore Banking Unit are also presented.

### 2.00 Significant Accounting Policies

#### 2.01 Basis of preparation of the Financial Statements

The Financial Statements of the Bank have been prepared under the historical cost convention consistently with those of previous year. Although the operations of the Bank are in compliance with the rules of Islamic Shariah, the Financial Statements have been prepared in accordance with the 'First Schedule (Sec-38) of the Bank Companies Act 1991 as amended by BRPD Circular 14 dated 25 June 2003, BRPD Circular No.15 dated 09 November 2009 regarding Guidelines for Islamic Banking, other Bangladesh Bank Circulars, the Companies Act 1994, the Securities and Exchange Rules 1987 and International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) into Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standard (BFRS), Standards issued by the Accounting & Auditing Organization for Islamic Financial Institutions (AAOIFI) and other related laws and rules applicable in Bangladesh.

In case any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of BFRS, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail.

## Material departures from the requirements of BFRS are as follows:

### i) Investment in shares and securities

**BFRS:** As per requirements of BAS 39 investment in shares and securities generally falls either under “at fair value through profit and loss account” or under “available for sale” where any change in the fair value (as measured in accordance with BFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003 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 investment; otherwise investments are recognised at cost.

### ii) Revaluation gains/losses on Government securities

**BFRS:** As per requirement of BAS 39 where securities will fall under the category of 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 Held to Maturity (HTM) are measured at amortized cost method and interest income is recognized 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 recognized 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 amortized at the year end and gains or losses on amortization are recognized in other reserve as a part of equity.

### iii) Provision on investments (loans and advances)

**BFRS:** As per BAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

**Bangladesh Bank:** As per BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012) and BRPD circular No. 05 (29 May 2013) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

### iv) Recognition of interest in suspense

**BFRS:** Investment (Loans and advances) to customers are generally classified as 'loans and receivables' as per BAS 39 and interest income is recognised through effective interest rate method over the term of the loan. Once a investment (loan) is impaired, interest income is recognised in profit and loss account on the same basis based on revised carrying amount.

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

### v) Other comprehensive income

**BFRS:** As per BAS 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 has 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.

## vi) Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in BAS 39. As such full disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the financial statements.

## vii) Financial guarantees

**BFRS:** As per BAS 39, financial guarantees are contracts that require an entity 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 terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

**Bangladesh Bank:** As per BRPD 14, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin.

## viii) Cash and cash equivalent

**BFRS:** Cash and cash equivalent items should be reported as cash items as per BAS 7.

**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 and on short notice presented on the balance sheet, and treasury bills, prize bonds are shown in investments.

## ix) Non-banking assets

**BFRS:** No indication of Non-banking asset is found in any BFRS.

**Bangladesh Bank:** As per BRPD 14, there must exist a face items named Non-banking asset.

## x) Cash flow statement

**BFRS:** 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 14, cash flow is the mixture of direct and indirect methods.

## xi) Balance with Bangladesh Bank: (Cash Reserve Requirement)

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

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

## xii) Presentation of intangible asset

**BFRS:** An intangible asset must be identified and recognised, and the disclosure must be given as per BAS 38.

**Bangladesh Bank:** There is no regulation for intangible assets in BRPD 14.

## xiii) Off-balance sheet items

**BFRS:** There is no concept of off-balance sheet items in any BFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

**Bangladesh Bank:** As per BRPD 14, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

## xiv) Loans and advances/Investments net of provision

**BFRS:** Loans and advances/Investments should be presented net of provision.

**Bangladesh Bank:** As per BRPD 14, provision on loans and advances/investments are presented separately as liability and cannot be netted off against loans and advances.

## 2.02 The Bank's compliance with related pronouncement of Bangladesh Bank:

### i. Internal Control & Compliance Risk

Internal control is the process, effected by a company's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws, regulations, and internal policies.

Banking has a diversified and complex financial activity, which involves high risk in different modes. Consequently, the issues of internal control system has become most significant in banking industry through which bank identifies its weakness and takes appropriate measures to overcome the same.

In order to have efficient and effective internal control system, Shahjalal Islami Bank Limited Ltd has strengthened and segregated its Internal Control and Compliance Division into three separate units based on the relative guidelines framed by Bangladesh Bank:

1. Audit and Inspection
2. Compliance
3. Monitoring

Shahjalal Islami Bank Limited has an Internal Control and Compliance Manual, which, among others, includes the following:

- Objective of Internal Control
- Authorities of the Internal Control and Compliance Environment
- Organizational Structure of the Division and
- Policy Guidelines for Internal Control Risk Recognition & Assessment and mitigation there-against as per Regulatory Guidelines.

### ii. Risk Management

Shahjalal Islami Bank has plan for diversification of Investment by Size, Sector, Geographical Area, Economic Purpose and Securities and Development of a balanced Investment portfolio of the Bank.

Investment (Lending) is the principal function of a Bank. At the same time, there is an underlying/inherent risk in any Investment (Credit). Investment comprises a very large portion of a Bank's total activities. As such, due diligence and prudential judgment / decision is a precondition for a sound Investment practice and there-fore, is very important for profitability and success of a Bank.

The Bank has established control mechanisms to identify, measure and monitor the exposure to Investment (Lending), market and liquidity risks. In this context, the quality of assets of the Bank is given here under:

Total Assets	BDT 1,21,963 million
Total Investments	BDT 85,707 million
Classified Investments	BDT 5,543 million
Percentage of Investment to total Assets	70.27 %
Percentage of Classified Investments to total Investments	6.47 %

### a) Investment Risk

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

Investment involved 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 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 organizational structure and formulating Manual as per Guidelines of Bangladesh Bank. However, the bank has already formulated a comprehensive manual. 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 & amount limits. As per guidelines of Bangladesh Bank the Foreign Exchange business should be audited internally to review the key control issues such as various limits, compliance requirements and statutory management.

## **c) Asset Liability Risk Management**

The Asset Liability Management Committee (ALCO) that is formed with the senior executives headed by Managing Director conducted 12 meetings in 2013. The key agenda of the meetings were liquidity position, pricing, risk related to the Balance Sheet, maintaining CRR & SLR, Economic outlook & Market Status and rate of profit (interest). For managing properly Balance Sheet risk, the bank has already prepared a Manual of The Asset Liability Management according to the guidelines of Bangladesh Bank.

## **d) Money Laundering Risk Management**

Shahjalal Islami Bank limited is taking preventive measures against money laundering and terrorist financing in line with the Money laundering Prevention Act 2009, Anti Terrorism Act 2009 and guidelines issued by the Bangladesh Bank from time to time. Shahjalal Islami Bank applies risk sensitive customer due diligence measures, monitor business relationship and record in line with regulations. Regularly collect the correct and full documentation of Know Your Customer (KYC) which enables the prudential prevention of money laundering. Shahjalal Islami Bank has formed a committee of Anti Money Laundering headed by the Deputy managing Director as Chief Anti-Money laundering Compliance Officer & the committee regularly monitored and ensure the compliance of issues relating to Money Laundering through the trained personnel of head office & branches.

## **e) Information and Communication Technology Security Risk**

According to BRPD Circular No. 14 dated 23 October 2005 regarding "Guideline on Information and Communication Technology for Scheduled Banks", The Bank has followed IT Manual which deals operational risk, physical security control, potential for wide area disaster, data center disaster, recovery plan and backup/restore plan. The customers of SJIBL are enjoying 24 hours remote banking facilities through using SWIFT, REUTERS, SJIBL Visa Debit Card, Push-Pull Services & SMS banking facilities. The Bank joined Q Cash consortium 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.

## **f) Internal Audit**

The internal audit function, which is centrally controlled, monitors compliance with policies and standards and the effectiveness of internal control structure of the Bank. Internal Control & Compliance Division of the Bank carried out Internal Audit with a view to enrich the compliance culture and full control on the exertion of the Banking Operations. The division directly report simultaneously to the Board Audit Committee and Managing Director. Sometimes internal audit team conducts surprise visit to the branches. Regular monitoring has been done for the effectiveness of the control and compliance policies and procedures with the effect to evaluate the application of Internal Control System and Internal Audit Policy, Policy for financial risk, existing rules and regulations (internal and external), other obligations from controlling Authority, disclosure process of Financial Statements of the Bank. To establish Planning, Organizing and supervising culture and monitoring of Audit and Inspection of the Branches and different divisions of Head Office and surprise inspection of the Branches.

### **g) Fraud and Forgeries**

The Bank is operating its business by the public money. As a custodian of such money, Bank have to set up strong internal control structure, introduced corporate governance, practicing 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 is fully aware of its responsibility towards stakeholders specially depositors.

### **h) Market Risk**

Expert opinion for choosing core business area, finding out new business sector, arranging low cost fund to invest at lower rate, steps to avoid undue and unfair competition with the commercial banks etc. are effective measure to reduce the market risk.

### **i) Liquidity Risk**

Liquidity risk is more important area to think by the banking company to match with the financing and Investment (lending). Long term and stable financings is required for long-term investment. Beside, inflow of cash through collection of dues against Investment in time is also essential. Effective monitoring and follow-up is the important tools to ensure the required collection.

### **j) Profit (Interest) rate Risk**

The Bank monitored the overall profit rate movement of the market through ALCO meeting on a regular basis. The Asset Liability Committee efficiently monitors the sensitivity of profit rate of its entire portfolio. The committee also monitors the mismatches in its assets and liabilities and re-prices them accordingly; thereby the Bank was able to maintain a stable Net Profit Margin.

### **k) Operational Risk**

Operational Risk may arise from errors, frauds & forgeries, surprises and improper processes due to lack of effective internal control and compliance mechanism. Management has strengthened the Bank's control and compliance mechanism by restructuring its Internal Control & Compliance Division. Audit & Inspection Unit of this Division conducts Comprehensive /Surprise/Special Inspection of the Branches and important Divisions of Head Office periodically towards day to day operations and also the software based operational system, Compliance Unit ensures timely compliance of regulatory requirements and Monitoring Unit monitors the operational performance of the Bank.

## **2.03 Consolidation**

The consolidated Financial Statements include the Financial Statements of Shahjalal Islami Bank Limited, Off-shore Banking Unit and its subsidiary Shahjalal Islami Bank Securities Limited made up to the end of the financial year.

The consolidated Financial Statements have been prepared in accordance with Bangladesh Accounting Standard 27' Consolidated and Separate Financial Statements'. The consolidated Financial Statements are prepared to a common financial year ending 31 December 2013.

## **2.04 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.

## **2.05 Transactions Eliminated on Consolidation**

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

## **2.06 Use of estimates and judgments**

The preparation of Financial Statements requires the Bank to make certain estimates and to form judgments about the application of accounting policies which may affects 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 recognized its effects on present and future financial positions. The most significant areas where estimates and judgments have been made are on provision for investments, Income Taxes, Deferred Taxation & liquidity Statement.

## 2.07 Revenue Recognition

The revenue is recognized as follows complying the conditions of revenue recognition as provided in IAS-18.

- i) Income from Investments has been accounted for on accrual basis.
- ii) Income from Investment in Securities is recognized at the time of sale.
- iii) Dividend income on Investment in Subsidiary is accounted for when the right to receive payment is established.
- iv) Profit on Investment in Bangladesh Government Islamic Investment Bond (Islamic Bond) is recognized on accrual basis.
- v) Income from bills purchased and discounted is recognized at the time of realization.
- vi) Fees and commission income are recognized when earned.
- vii) Profit paid to mudaraba depositors is recognized on accrual basis as per provisional rate. The final profit is determined and to be paid to the depositors.
- viii) The proposed dividend for the year 2013 has not been recognized as a liability in the balance sheet in accordance with the BAS-10: Events After the Balance Sheet Date.

## 2.08 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, incomes which are irregular (doubtful) as per Shariah are also not included in the distributable income of the Bank. 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 organization).

## 2.09 Investment and Provisions

Investments are stated in the Balance Sheet net-off unearned income. Provision on Investment (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 and BRPD Circular No. 5 dated 29 May 2013. Provision against Off-Balance Sheet exposures in addition to existing provisioning arrangement is made as per BRPD Circular No.10 dated 18 September 2007. The rates of provision are given below:

### General Provision:

On Unclassified General investments	@	1%
On Investments to small & Medium enterprise	@	0.25%
On Investments to Housing Finance	@	2%
On Investments to professionals	@	2%
On Investments to Share Business	@	2%
On Investments to consumer finance (Other than Housing Finance & Loan for Professionals)	@	5%

### General Provision On Special Mention Accounts:

On Unclassified General investments	@	1%
On Investments to small & Medium enterprise	@	0.25%
On Investments to Housing Finance	@	2%
On Investments to professionals	@	2%
On Investments to Share Business	@	2%
On Investments to consumer finance (Other than Housing Finance & Loan for Professionals)	@	5%

**Specific Provision:**

On substandard Investments	@	20%
On doubtful Investments	@	50%
On bad/loss Investments	@	100%

<b>General Provision on Off-Balance Sheet Items</b>	@	1%
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**2.10 Provision for Nostra Accounts**

According to Foreign Exchange Policy Department of Bangladesh Bank vide the circular letter No. (FEPD)/01/2005-677 dated 13 September 2005, Bank is not required to make provision regarding the unreconciled debit balance of nostra account as on the reporting date in these financials. There are no unreconciled outstanding entries which are more than three months.

**2.11 Sharing of Investment Income**

The Investment income earned through deployment of Mudaraba Fund is shared among the Mudaraba Depositors at the ratio as determined by the Bank, but not less than 65% of the total shared investment income. In 2013, the sharing ratio among the Mudaraba fund providing were 84.53% which is more than the committed ratio of 65%.

**2.12 Investment in Securities****Islamic Investment Bond (Islami Bond)**

Investment in Bangladesh Government Islamic Investment Bond (Islami bond) is reported at cost price.

**Investment in Shares and 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. Provisions are made for any loss arising from diminution in value of investments.

**Investment in Subsidiary**

Investment in Subsidiary is accounted for under cost method of accounting in the Bank's Financial Statements in accordance with Bangladesh Accounting Standard 27 'Consolidated and Separate Financial Statements'.

**2.13 Fixed Assets and Depreciation**

- i) All Fixed Assets are stated at cost less accumulated depreciation as per BAS-16 "Property, Plant and Equipment".
- ii) Depreciation has been charged at the following rates:

Name of the Assets	Rates of Depreciation Per Annum	Method of Depreciation
Building	2.25	Reducing balance
Furniture & Fixtures other than residence	10	Reducing balance
Furniture & Fixtures- residence	20	Straight line
Office Appliances & Equipment	20	Reducing balance
Vehicles	20	Straight line
Books	20	Reducing balance

iii) For addition during the year, depreciation is charged for the remaining days of the year and for disposal depreciation is charge up to the date of disposal.

iv) Sale price of fixed assets are determined on the basis of fair value of the assets. Gain or loss on sale of assets are recognized in profit & loss account.

**2.14 Intangible Assets**

Intangible asset is an identifiable monetary asset without physical substance. An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the assets will flow to the entity and the cost of the asset can be measured reliably in accordance with BAS 38 "Intangible Assets".

Subsequent expenditure on intangible asset is capitalized only when it increase the future economic benefits embodied in the specific assets to which it relates. All other expensed as incurred.

The software used by Shahjalal Islami Bank Ltd. represents the value of computer application software licensed for the use of the bank. Software is carried at cost less accumulated amortization and any impairment losses. Initial cost comprises license fees paid at the time of purchase and other directly attributable expenditure that are carried in customizing the software for its intended use. Software is amortized using the reducing balance method @ 20% per annum.

## 2.15 Impairment of Assets

An asset is impaired when its carrying amount exceeds its recoverable amount as per BAS 36 "Impairment of Assets". The Bank assesses at the end of each reporting period whether there is any indication that an asset may be impaired and/or whenever events or changes in circumstances indicate that the carrying value of the asset may not be recovered. If any such indication exists, the Bank makes an estimate of the recoverable amount of the assets. The carrying amount of the asset is reduced to its recoverable amount, if the recoverable amount is less than its carrying amount and impairment losses are recognized in the profit and loss account. However, impairment of financial assets is guided by the relevant Bangladesh Bank Circulars/Instructions and BAS 39.

## 2.16 Foreign Currency Translations

The transactions in foreign currencies are converted into equivalent Taka currency using the ruling exchange rates on the dates of such transactions. At the Balance Sheet date related assets and liabilities are converted to Taka using exchange rates prevailing on that date.

## 2.17 Earning 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 "Earning Per Share". Diluted Earning per Share is not required to be calculated for the year, as there exist no dilution possibilities during the year. Due to issuance of bonus shares previous year's adjusted Earning Per Share is being calculated in accordance with IAS 33 (Note-40a).

## 2.18 Statement of liquidity

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

- a) Balance with other Banks and Financial Institutions, Investment in Securities are on the basis of their maturity term.
- b) Investments (Loans & Advances) are on the basis of their residual maturity term.
- c) Fixed assets are on the basis of their useful life.
- d) Other assets are on the basis of their adjustment.
- e) Financing (Borrowing) from Bangladesh Bank as per their maturity.
- f) 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.
- g) Other long-term liability on the basis of their maturity term.
- h) 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 "Cash Flow Statement"; and as prescribed by BRPD Circular No. 14 dated 25 June 2003 & guideline for Islamic Banking issued by Bangladesh Bank vide BRPD Circular No.15 dated November 2009.

## 2.20 Off Balance Sheet Items

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

## 2.21 Taxation

### Current Tax

Provision for current income tax has been made @ 42.50% as prescribed in the Finance Act, 2013 on the accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure & provisions as per Income Tax Ordinance 1984 in compliance with BAS-12 "Income Taxes".

### Deferred tax

The Bank has adopted deferred tax accounting policy as per Bangladesh Accounting Standard (BAS) 12. Accordingly deferred tax liability/asset is accounted for all temporary timing differences arising between the tax base of the assets and liabilities and their carrying value for financial reporting purpose. Deferred tax is computed at the prevailing tax rate as per Finance Act 2013.

## 2.22 Reporting Period

The Financial Statements cover one calendar year from 01 January to 31 December 2013.

## 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 recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

## 2.24 Statutory Reserve

The statutory reserve has been maintained @ 20% of profit before tax in accordance with provisions of section 24 of Bank Companies Act'1991 until such reserve equal to its paid up capital together with amount in the share premium account.

## 2.25 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 Earning).

Zakat is chargeable in the profit & Loss account of the Bank as per " Guidelines for Islamic Banking" issued by Bangladesh Bank through BRPD Circular No.15 dated 09.11.2009

## 2.26 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 recognized by the National Board of Revenue of Bangladesh. The Fund is administered by the Board of Trustees and is funded by fixed contributions equally from the employees and the bank. The fund is managed separately from the bank's assets, as per rules of the fund & section 399 of the Companies Act 1994.

### Gratuity Fund (Define Benefit Plan)

Gratuity benefits are given to the staff of the Bank in accordance with the approved Gratuity Fund Rules. National Board of Revenue has approved the gratuity fund as a recognized gratuity fund and the fund is operated by a separate Board of Trustees. Employees are entitled to get the benefit after 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 BAS-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 1st 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 employee's of Shahjalal Islami Bank Limited was established in the year 2007. This fund is mainly used for payment of scholarship to the meritorious students among the children of SJIBL's officers and sub-staff, to allow short-term quard/grant for the unexpected and certain needs of the staff of SJIBL and their family like accident, clinical treatment, marriage ceremony, etc.

## Incentive Bonus

The Bank usually paid incentive bonus among its employees. The Payment of incentive Bonus does not exceed 10% of disclosed net profit of the bank as per section 30(j) of Income tax Ordinance, 1984. This bonus amount is distributed among the employees on annual basis considering specific terms & regulations.

### 2.27 Reconciliation of books of Accounts.

Books of Account in regard to inter-Bank are reconciled and un-reconciled entries in case of inter-branch transactions on the reporting date are not mentionable, which are, due to the time-gap before finalizing the same. Inter-branch outstanding entries are less than 01 month, detail of which are disclosed in Note 10.4

### 2.28 Related Party Transactions

The Bank entered into transactions with the related parties complying with the requirements of Section 27(1) of the Bank Company Act 1991. All the related party transactions have been accounted for, the detail of which are disclosed in Note 50.00.

### 2.29 Corporate Governance

The Bank has given the priority to the compliance of the rules, regulations and guidelines of Bangladesh Bank, National Board of Revenue & Securities and Exchange Commission. The Bank has complied with all related accounting standards adopted by the Institute of Chartered Accountants of Bangladesh.

### 2.30 General Information

- i) Figures appearing in these Financial Statements have been rounded off to the nearest Taka.
- ii) Figures of previous year have been rearranged whenever necessary to conform to current Period's presentation.

### 2.31 Compliance with Financial Reporting Standards as applicable in Bangladesh

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of Bangladesh Financial Reporting Standards (BFRS). While reporting the financial statements, Shahjalal Islami Bank Ltd. applied all the applicable of BAS and BFRS as adopted by ICAB. Details are given below:

Sl. No.	BAS No.	BAS 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 Reporting Period	Complied
6	11	Construction Contracts	Not Applicable
7	12	Income Taxes	Complied
8	16	Property, Plant & Equipment	Complied
9	17	Leases	Complied
10	18	Revenue	Complied
11	19	Employee Benefits	Complied
12	20	Accounting for Government Grants and Discloser of Government Assistance	Not Applicable
13	21	The Effects of Changes in Foreign Exchanges Rates	Complied
14	23	Borrowing Costs	Complied
15	24	Related Party Disclosures	Complied
16	26	Accounting and Reporting by Retirement Benefit Plans	Complied
17	27	Consolidated and Separate Financial Statements	Complied

Sl. No.	BAS No.	BAS Title	Compliance Status
18	28	Investment in Associates	Not Applicable
19	31	Interest in Joint Venture	Not Applicable
20	32	Financial Instruments: Presentation	Complied *
21	33	Earnings per Share	Complied
22	34	Interim Financial Reporting	Complied
23	36	Impairment of Assets	Complied
24	37	Provisions, Contingent liabilities and Contingent Assets	Complied *
25	38	Intangible Assets	Complied
26	39	Financial Instruments: Recognition and Measurement	Complied *
27	40	Investment Property	Not Applicable
28	41	Agriculture	Not Applicable

Sl. No.	BFRS No.	BFRS Title	Compliance Status
1	1	First-time Adoption of Bangladesh Financial Reporting Standards	Not Applicable
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Not Applicable
4	4	Insurance contracts	Not Applicable
5	5	Non-Current Assets Held for Sale and Discontinued Operations	Not Applicable
6	6	Exploration for and Evaluation of Mineral	Not Applicable
7	7	Financial Instruments: Disclosures	Complied *
8	8	Operating Segments	Complied
9	10	Consolidated Financial Statements	Complied
10	11	Joint Arrangements	Not Applicable
11	12	Disclosure of Interest in other Entities	Complied
12	13	Fair Value Measurement	Complied

\* Subject to departure disclosed in note no. 2.01

			31.12.2013 Taka	31.12.2012 Taka
<b>3</b>	<b>Consolidated Cash in hand (Including foreign currencies)</b>			
	Shahjalal Islami Bank Ltd (note-3a)		1,314,434,823	1,042,509,898
	Shahjalal Islami Bank Securities Ltd		-	-
			<b>1,314,434,823</b>	<b>1,042,509,898</b>
<b>3a</b>	<b>Cash in hand of the Bank (Including foreign currencies)</b>			
	In local currency		1,291,855,636	1,017,172,506
	In foreign currencies (Note-3a.1)		22,579,187	25,337,392
			<b>1,314,434,823</b>	<b>1,042,509,898</b>
<b>3a.1</b>	<b>In Foreign Currency</b>			
	<u>Foreign Currency</u>	<u>Amount in FC</u>	<u>Exchange Rate</u>	
	US Dollar	273,661.42	77.7512	21,277,504
	Great Britain Pound	7,987.62	77.7512	621,047
	Euro	8,754.03	77.7512	680,636
			<b>22,579,187</b>	<b>25,337,392</b>
<b>4</b>	<b>Consolidated Balance with Bangladesh Bank and it's agent bank(s)</b>			
	Shahjalal Islami Bank Ltd (note-4a)		8,892,585,315	11,761,384,356
	Shahjalal Islami Bank Securities Ltd		-	-
			<b>8,892,585,315</b>	<b>11,761,384,356</b>
<b>4a</b>	<b>Balance with Bangladesh Bank of the Bank (Including foreign currencies)</b>			
	In local currency		7,163,803,646	9,831,343,471
	In foreign currencies		1,609,628,973	1,855,861,745
			8,773,432,619	11,687,205,216
	Balance with Sonali Bank Ltd. as agent of Bangladesh Bank			
	In local currency		119,152,696	74,179,140
	In foreign currencies		-	-
			119,152,696	74,179,140
			<b>8,892,585,315</b>	<b>11,761,384,356</b>
<b>4a.1</b>	<b>Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)</b>			
	Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 33 of the Bank Company Act, 1991 and subsequent BCD Circular No.13 dated May 24, 1992; BRPD Circular No. 12 dated September 20, 1999; BRPD Circular No. 22 dated November 6, 2003, BRPD Circular No. 12 dated August 25, 2005; DOS Circular No.01 dated March 03, 2009 and MPD Circular No. 04 & 05 dated December 01, 2010 and MPD Circular No. 02 dated December 10, 2013.			
<b>4a.2</b>	<b>Cash Reserve Ratio (CRR): 6% of Average Demand and Time Liabilities</b>			
	Required Reserve		6,131,718,000	6,293,736,000
	Actual Reserve held with Bangladesh Bank (In local currency)		7,163,803,646	9,831,343,471
	<b>CRR Surplus</b>		<b>1,032,085,646</b>	<b>3,537,607,471</b>
	Maintained (%)		7.01%	9.37%
<b>4a.3</b>	<b>Statutory Liquidity Ratio (SLR): 11.50% of Average Demand and Time Liabilities</b>			
	Required Reserve		11,752,459,130	12,062,994,000
	Actual Reserve held (note-4a.4)		15,677,020,138	16,253,894,254
	<b>SLR Surplus</b>		<b>3,924,561,008</b>	<b>4,190,900,254</b>
	Maintained (%)		15.34%	15.50%

	31.12.2013 Taka	31.12.2012 Taka
<b>4a.4 Held for Statutory Liquidity Ratio</b>		
Cash in hand (Note-3a)	1,314,434,823	1,042,509,898
Balance with Bangladesh Bank and its agent Bank (note-4a)	8,892,585,315	11,761,384,356
Bangladesh Bank Islami Investment Bond (note-7a)	5,470,000,000	3,450,000,000
	<b>15,677,020,138</b>	<b>16,253,894,254</b>
<b>5 Consolidated Balance with Other Banks and Financial Institutions</b>		
<b>Inside Bangladesh</b>		
Shahjalal Islami Bank Ltd (note-5a.1)	3,313,631,925	729,262,926
Shahjalal Islami Bank Securities Ltd	147,358,491	134,760,816
	3,460,990,416	864,023,742
Less: Inter Company Transaction	144,775,624	125,083,851
	<b>3,316,214,792</b>	<b>738,939,891</b>
<b>Outside Bangladesh</b>		
Shahjalal Islami Bank Ltd (note-5a.2)	212,509,409	586,878,365
Shahjalal Islami Bank Securities Ltd	-	-
	<b>212,509,409</b>	<b>586,878,365</b>
	<b>3,528,724,201</b>	<b>1,325,818,256</b>
<b>5a Balance with Other Banks and Financial Institutions of the Bank (Other than mudaraba Fund)</b>		
Inside Bangladesh (note-5a.1)	3,313,631,925	729,262,926
Outside Bangladesh (note-5a.2)	212,509,409	586,878,365
	<b>3,526,141,334</b>	<b>1,316,141,291</b>
<b>5a.1 Inside Bangladesh</b>		
<b>Current Account</b>		
Sonali Bank Limited (Other than as agent of Bangladesh Bank)	198,435	557,436
National Bank Limited, Narayangonj Branch	22,414	25,794
Standard Chartered Bank, Motijheel Branch	1,476,619	5,394,234
Islami Bank Bangladesh Limited, Dinajpur Branch	153,363	12,660,013
One Bank Limited, Motijheel Branch	1,500	1,500
Agrani Bank Limited, Naogaon Branch	36,674	5,522,473
Janata Bank Limited, Dinajpur Branch	3,832	3,832
Social Islami Bank Limited - Coxsbazar Branch	1,307	-
Off-Shore Banking Unit	2,326,857	2,149,565
	4,221,001	26,314,847
Less: Off-Shore Banking Unit	2,326,857	2,149,565
	1,894,144	24,165,282
<b>Mudaraba Special Notice Deposit</b>		
Export Import Bank of Bangladesh Limited	277,712	213,099,930
Trust Bank Limited, Principal Branch	13,523,647	8,288,284
Prime Bank Limited, Islami Banking Branch	1,464,088,385	243,179,567
Islami Bank Bangladesh Limited	8,056,187	486,187
Social Islami Bank Limited	22,150	3,385,902
Agrani Bank-Corporate Branch (Islami Banking Wing)	450,000,000	-
AB Bank Limited, Islami Banking Branch	-	32,472
	1,935,968,081	468,472,342
<b>Mudaraba Saving Deposit</b>		
Dhaka Bank Limited, Islami Banking Branch	7,407,390	1,097,213
Social Islami Bank Limited	182,334,618	173,812
Al-Arafah Islami Bank Limited	322,337	310,919

	<b>31.12.2013</b> <b>Taka</b>	<b>31.12.2012</b> <b>Taka</b>
Islami Bank Bangladesh Limited	47,567,790	10,400,418
Southeast Bank Limited, Islami Banking Branch	1,114,954,726	222,571,159
Export Import Bank of Bangladesh Limited	19,367,682	2,058,538
First Security Islami Bank Limited	2,512,584	13,243
AB Bank Limited, Islamic Banking Branch	1,302,573	-
	<b>1,375,769,700</b>	<b>236,625,302</b>
	<b>3,313,631,925</b>	<b>729,262,926</b>

## 5a.2 Outside Bangladesh (NOSTRO Account) [as on 31 December 2013]

<u>Current Account</u>	<u>Currency</u>	<u>F.C. Amount</u>	<u>Rate</u>	<u>Taka</u>
Standard Chartered Bank, New York	USD	52,974.68	77.7512	4,118,844.94
Mashreq Bank psc, New York	USD	627,781.72	77.7512	48,810,782.07
CITI N.A., New York	USD	(81,874.08)	77.7512	(6,365,807.91)
HSBC Limited, New York	USD	21,539.93	77.7512	1,674,755.41
Standard Chartered Bank, Mumbai	USD	222,198.53	77.7512	17,276,202.35
Habib American Bank, USA	USD	120,103.52	77.7512	9,338,192.80
ICICI Bank, Hong Kong	USD	82,957.62	77.7512	6,450,054.50
WACHOVIA BANK, NY, USA	USD	42,750.56	77.7512	3,323,907.34
JPMORGAN CHASE BANK, N.A.	USD	3,062.74	77.7512	238,131.71
Sonali Bank (UK) Ltd	USD	239,463.90	77.7512	18,618,605.58
Commerzbank AG Frankfurt	USD	44,184.80	77.7512	3,435,421.22
Bank Aljazira	USD	59,815.00	77.7512	4,650,688.03
AB Bank Ltd., Mumbai	ACUD	256,148.16	77.7512	19,915,826.82
IFIC Bank Ltd., Karachi	ACUD	952.98	77.7512	74,095.34
Standard Chartered Bank, Mumbai	ACUD	242,511.31	77.7512	18,855,545.37
Nepal Bangladesh Bank, Nepal	ACUD	11,123.75	77.7512	864,884.91
Standard Chart. Bank, Colombo	ACUD	61,816.31	77.7512	4,806,292.28
HSBC - Mumbai	ACUD	129,341.93	77.7512	10,056,490.27
ICICI Bank, Mumbai	ACUD	138,758.62	77.7512	10,788,649.22
Habib Metropolitan Bank Ltd.	ACUD	214,062.66	77.7512	16,643,628.69
United Bank of India, Kolkata	ACUD	109,551.12	77.7512	8,517,731.04
Standard Chartered Bank, Frankfurt	EURO	59,594.74	106.8301	6,366,512.03
Mashreq Bank, London	EURO	625.66	106.8301	66,839.32
Unicredito Italiano SPA	EURO	218.69	106.8301	23,362.67
COMMERZBANK AG	EURO	4,776.28	106.8301	510,250.47
Wells Fargo Bank, N. A. London, UK	EURO	5,326.33	106.8301	569,012.37
Standard Chartered Bank, Tokyo	YEN	1,196,397.00	0.7394	884,615.94
HSBC Limited, Australia	AUD	819.29	68.9420	56,483.49
BPCP - Geneva, Switzerland	CHF	1,258.57	87.2041	109,752.46
Habib Bank AG Zurich	CHF	3,075.31	87.2041	268,179.64
Scotia Canada	CAD	2,811.47	72.6036	204,122.84
Standard Chartered Bank London	GBP	10,341.79	128.0951	1,324,732.62
Sonali Bank (UK) Ltd	GBP	254.68	128.0951	32,623.26
				<b>212,509,409</b>

### Currency wise Distribution:

#### Foreign Currency

EURO  
ACUD  
AUD  
CAD  
CHF  
GBP  
USD  
YEN

BDT	Composition
7,535,977	3.55%
90,523,144	42.60%
56,483	0.03%
204,123	0.10%
377,932	0.18%
1,357,356	0.64%
111,569,778	52.50%
884,616	0.42%
<b>212,509,409</b>	<b>100%</b>

For details comparative statement of 2013 & 2012 of foreign currency amount and rate thereof see "Annexure-C

**5a.3** In accordance to Bangladesh Bank Foreign Exchange Policy Department, Circular FEPD (DEMO/01/2005-677) dated 13-09-2005, the quarterly review of NOSTRO Accounts for the quarter ended 31 December 2013 reflect the true state of the NOSTRO Account entries are correctly recorded after reviewed a separate audit certificate have also been given by the auditor. The status of all outstanding unmatched entries are given below:

**as on 31 December 2013**

(Amount in US\$)

Particulars	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	22	1,896,324.56	77	3,048,897.87	63	670,938.67	159	5,994,794.38
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		-		-		-		-
<b>Total</b>	<b>22</b>	<b>1,896,324.56</b>	<b>77</b>	<b>3,048,897.87</b>	<b>63</b>	<b>670,938.67</b>	<b>159</b>	<b>5,994,794.38</b>

**as on 31 December 2012**

(Amount in US\$)

Particulars	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	45	3,166,216.36	112	5,751,685.65	186	5,378,019.45	303	11,146,963.31
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		-		-		-		-
<b>Total</b>	<b>45</b>	<b>3,166,216.36</b>	<b>112</b>	<b>57,51,685.65</b>	<b>186</b>	<b>5,378,019.45</b>	<b>303</b>	<b>11,146,963.31</b>

	31.12.2013 Taka	31.12.2012 Taka
<b>5a.4 Maturity-wise groupings of balance with other banks and financial institutions</b>		
On Demand	543,872,601	632,339,924
Not more than 3 months	2,982,268,733	683,801,367
More than 3 months but less than 1 year	-	-
More than 1 year but less than 5 years	-	-
More than 5 years	-	-
	<b>3,526,141,334</b>	<b>1,316,141,291</b>
<b>6 Consolidated Placement with other Banks &amp; Financial Institutions</b>		
Shahjalal Islami Bank Ltd (note-6a)	7,782,793,287	9,253,993,287
Shahjalal Islami Bank Securities Ltd	195,800,000	684,989,644
	7,978,593,287	9,938,982,931
Less: Inter Company Transaction	195,800,000	684,989,644
	<b>7,782,793,287</b>	<b>9,253,993,287</b>
<b>6a Placement with other Banks &amp; Financial Institutions of the Bank</b>		
Placement with other Banks (note-6a.1)	6,322,793,287	7,873,993,287
Placement with Financial Institutions (note-6a.2)	1,460,000,000	1,380,000,000
	<b>7,782,793,287</b>	<b>9,253,993,287</b>
<b>6a.1 Mudaraba Term Deposits-other Banks</b>		
AB Bank Limited, Islami Banking Branch	400,000,000	400,000,000
Dhaka Bank Ltd, Islami Banking Branch	200,000,000	200,000,000
Al-Arafah Islami Bank Ltd.	200,000,000	700,000,000
ICB Islamic Bank Limited	372,793,287	373,993,287
Social Islami Bank Limited	1,700,000,000	1,700,000,000
Export Import Bank of Bangladesh Limited	500,000,000	1,250,000,000
Premier Bank Ltd, Islami Banking Branch	1,150,000,000	1,150,000,000
Jamuna Bank Limited, Islami Banking Branch	1,000,000,000	700,000,000
Southeast Bank Ltd, Islami Banking Branch	800,000,000	-
Bank Asia Ltd, Islami Banking Branch	-	200,000,000
The City Bank Limited, Islami Banking Branch	-	1,000,000,000
First Security Islami Bank Limited	-	200,000,000
	<b>6,322,793,287</b>	<b>7,873,993,287</b>
<b>6a.2 Mudaraba Term Deposits-Financial Institutions</b>		
Midas Financing Limited	50,000,000	100,000,000
Prime Finance & Investment Ltd.	150,000,000	100,000,000
Bangladesh Industrial Finance Company Ltd	50,000,000	150,000,000
Premier Leasing International Ltd.	100,000,000	100,000,000
Uttara Finance & Investment Ltd	200,000,000	200,000,000
First Lease Finance & Investment Ltd	100,000,000	50,000,000
Fareast Finance & Investment Ltd	250,000,000	50,000,000
Hajj Finance Company Limited	100,000,000	20,000,000
Lanka Bangla Finance Limited	200,000,000	-
Industrial and Infrastructure Development Finance Company Ltd	160,000,000	-
Union Capital Limited	100,000,000	-
Peoples Leasing & Financial Services Ltd	-	340,000,000
Phoenix Finance & Investments Ltd	-	20,000,000
International Leasing & Financial Services Ltd	-	250,000,000
	<b>1,460,000,000</b>	<b>1,380,000,000</b>
	<b>7,782,793,287</b>	<b>9,253,993,287</b>

	<b>31.12.2013</b> <b>Taka</b>	<b>31.12.2012</b> <b>Taka</b>
<b>6a.3 Maturity-wise groupings of placement with other Banks and Financial Institutions</b>		
On Demand	-	-
Not more than 3 months	3,710,000,000	3,420,000,000
More than 3 months but less than 1 year	3,600,000,000	5,460,000,000
More than 1 year but less than 5 years	472,793,287	373,993,287
More than 5 years	-	-
	<b>7,782,793,287</b>	<b>9,253,993,287</b>
<b>7 Consolidated Investment in Securities</b>		
<b>Government</b>		
Shahjalal Islami Bank Ltd (note-7a)	5,470,000,000	3,450,000,000
Shahjalal Islami Bank Securities Ltd	-	-
	<b>5,470,000,000</b>	<b>3,450,000,000</b>
<b>Others</b>		
Shahjalal Islami Bank Ltd (note-7a)	1,751,261,849	1,712,531,384
Shahjalal Islami Bank Securities Ltd	1,725,777,346	1,460,895,678
	<b>3,477,039,195</b>	<b>3,173,427,062</b>
	<b>3,477,039,195</b>	<b>3,173,427,062</b>
	<b>8,947,039,195</b>	<b>6,623,427,062</b>
<b>7a Investment in Securities of the Bank</b>		
<b>Government</b>		
Government Bond (Islamic Investment Bond) (note-7a.2)	5,470,000,000	3,450,000,000
	<b>5,470,000,000</b>	<b>3,450,000,000</b>
<b>Others</b>		
Mudaraba Perpetual Bond, Islami Bank Bangladesh Ltd.	47,550,542	47,550,542
Investment in Shares (note-7a.3)	1,703,711,307	1,664,980,842
	<b>1,751,261,849</b>	<b>1,712,531,384</b>
	<b>7,221,261,849</b>	<b>5,162,531,384</b>
<b>7a.1 Maturity-wise Grouping of Investment in Securities:</b>		
On demand	-	-
Not more than 3 months	4,669,261,849	2,110,531,384
More than 3 months but less than 1 year	2,550,000,000	1,150,000,000
More than 1 year but less than 5 years	-	1,900,000,000
More than 5 years	2,000,000	2,000,000
	<b>7,221,261,849</b>	<b>5,162,531,384</b>

**7a.2** Bangladesh Bank has 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 funds is to be considered as a component of Statutory Liquidity Ratio (SLR).

The mobilized fund from Islamic Bond is investment by Bangladesh Bank and a portion of realized profit distributes among the bond holders 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 depended on fund deployment of Bangladesh Bank which is not prefixed.

### 7a.3 Investment in shares

#### Quoted

	31.12.2013 Taka	31.12.2012 Taka
Makson Spinning Mills Limited	63,955,630	63,955,630
Metro Spinning Mills Limited	65,855,505	65,855,505
Beacon Pharmaceuticles Limited	39,266,541	39,266,541
Eastern Housing Limited	166,063,283	172,040,794
Fine Foods Limited	128,883,872	128,883,872
Quasem Drycells Limited	93,847,373	118,062,557
Export Import Bank of Bangladesh Limited	125,900,109	118,355,157
RAK Ceramics (Bangladesh) Limited	2,530,904	2,046,451
The Dacca Dyeing & Mfg. Co. Limited	168,426,131	177,918,614
Beximco Pharmaceuticles Limited	34,502,217	30,685,664
AIBL 1st Islamic Mutual Fund	74,473,910	64,269,660
Beximco Limited	84,445,608	40,418,403
Al-Arafah Islami Bank Limited	69,756,057	77,660,385
Islami Bank Bangladesh Limited	23,890,110	92,929,941
Social Islami Bank Limited	62,256,470	62,256,470
First Security Islami Bank Ltd.	27,223,407	22,874,559
M.I. Cement Factory Ltd	22,077,010	19,934,910
MJL Bangladesh Ltd	108,096,369	87,307,224
Fareast Islami Life Ins. Co. Ltd	37,752,841	13,949,128
Lafarge Surma Cement Limited	95,722,569	43,057,994
Navana CNG Limited	11,301,846	12,554,168
Confidence Cement Ltd	2,435,137	1,440,500
Square Textile Ltd	28,016,134	3,120,128
Titas Gas Transmission And Distribution Co. Ltd	70,636,988	15,082,354
Padma Islami Life Insurance Limited	3,979,399	-
Power Grid Company of Bangladesh Ltd.	5,497,534	-
Khulna Power Company Ltd.	21,602,734	-
GBB Power Limited	4,105,077	-
Summit Power Limited	4,453,638	-
Orion Pharma Ltd.	19,812,909	-
Orion Infusion Ltd.	5,532,718	-
Envoy Textiles Ltd.	3,679,193	-
Shinepukur Ceramics Limited	3,255,279	-
FUWANG	571,802	-
United Airways (BD.) Ltd.	605,752	-
Aftab Automobiles Limited	10,967,255	-
Singer Bangladesh Ltd.	2,000,376	-
Unique Hotel and Resorts Ltd	3,331,620	-
Goldenson Limited	-	52,587,644
Jamuna Oil Company Limited	-	47,584,482
Square Pharmaceuticles Ltd	-	16,622,934
Grameenphone Ltd	-	15,752,883
Meghna Petroleum Limited	-	51,506,290

#### Un-Quoted

Lanka Bangla Securities Ltd	5,000,000	5,000,000
Market Stabilization Fund, Asset Management Co. Ltd	2,000,000	2,000,000

**1,703,711,307**

**1,664,980,842**

See annexure-A for details regarding unrealised gain/(loss) & provision.

	31.12.2013 Taka	31.12.2012 Taka
<b>8 Consolidated Investments (Loans and Advances)</b>		
Shahjalal Islami Bank Ltd (note-8a)	77,699,642,267	83,125,258,828
Shahjalal Islami Bank Securities Ltd	4,629,190,581	4,779,254,946
	82,328,832,848	87,904,513,774
Less: Inter Company Transaction (Investment)	2,231,591,288	2,635,617,138
	80,097,241,560	85,268,896,636
<b>Bills Purchased and Discounted :</b>		
Shahjalal Islami Bank Ltd (note-8a)	8,006,971,069	13,059,660,088
Shahjalal Islami Bank Securities Ltd	-	-
	<b>8,006,971,069</b>	<b>13,059,660,088</b>
	<b>88,104,212,629</b>	<b>98,328,556,724</b>
<b>8a Investments of the Bank (Loans and Advances)</b>		
<b>Country-wise Classification of Investments:</b>		
<b>Inside Bangladesh</b>		
Gross Murabaha, Bai-Muajjal etc	84,600,309,824	88,565,037,009
Less: Profit receivable on Murabaha, Bai-Muajjal etc (Mark-up profit on unearned income)	6,900,667,557	5,439,778,181
Net Murabaha, Bai-Muajjal etc	<b>77,699,642,267</b>	<b>83,125,258,828</b>
Bills purchased and discounted-net (note- 8a.2)	8,006,971,069	13,059,660,088
<b>Outside Bangladesh</b>	-	-
	<b>85,706,613,336</b>	<b>96,184,918,916</b>
<b>8a.1 Maturity wise Classification of Investments:</b>		
<b>With a residual maturity of</b>		
Re-payable on Demand	3,428,264,533	1,251,115,530
Not more than 3 months	38,533,693,356	23,504,534,607
Over 3 months but not more than 1 year	30,845,810,140	35,744,060,899
Over 1 year but not more than 5 years	8,570,661,334	22,456,172,141
Over 5 years	4,328,183,973	13,229,035,739
	<b>85,706,613,336</b>	<b>96,184,918,916</b>
<b>8a.2 Bills Purchased and Discounted :</b>		
Payable inside Bangladesh	4,949,317,333	11,515,428,173
Payable outside Bangladesh	3,575,950,698	2,370,577,889
Gross Bills Purchased and Discounted	<b>8,525,268,031</b>	<b>13,886,006,062</b>
Less: Profit receivable on Bills Purchased and Discounted	518,296,962	826,345,973
Net Bills Purchased and Discounted	<b>8,006,971,069</b>	<b>13,059,660,088</b>
<b>8a.3 Maturity wise Classification of Bills Purchased and Discounted:</b>		
Re-payable:-		
Within 1 month	2,322,021,610	3,522,120,706
Over 1 month but less than 3 months	1,861,620,774	5,181,942,678
Over 3 months but less than 6 months	746,249,704	3,454,628,452
6 months or more	3,077,078,981	900,968,253
	<b>8,006,971,069</b>	<b>13,059,660,088</b>
<b>8a.4 Investments on the basis of significant concentration:</b>		
Investments to allied concern of Directors (Note # 50.5)	2,585,084,205	602,143,000
Investments to Executives/Officers	758,017,643	596,492,919
Investments to Customer Groups	41,017,605,001	40,695,661,609
Industrial Investment	39,870,745,163	47,230,301,628
Others	1,475,161,325	7,060,319,760
	<b>85,706,613,336</b>	<b>96,184,918,916</b>

### Investments allowed to individual customer exceeding 10% of Bank's total capital:

Total outstanding amount to such customers at end of the year	:	24,191.80 million	24,398.22 million
Number of such types of customers	:	13	16
Amount of Classified Investments thereon	:	Nil	Nil
Measures taken for recovery	:	Not applicable	Not applicable

The amount represents the sum of total Investments (both Funded and Non-Funded) to each customer exceeding Tk. 1,214.01 million which is computed @ 10% of total capital of the bank i.e. Tk.12,140.10 million (Note # 15.5.c) as at 31 December 2013.

For details please refer to Annexure-D

### 8a.5 Sector-wise Classification of Investments:

Sector	As at 31 December 2013		As at 31 December 2012	
	Amount	Composition	Amount	Composition
Agriculture & Fishing	744,946,587	0.87%	757,904,123	0.79%
Cotton & Textile	7,360,707,352	8.59%	10,254,502,468	10.66%
Garments	12,515,630,561	14.60%	14,850,126,903	15.44%
Cement	454,510,634	0.53%	752,926,555	0.78%
Pharmaceuticals & Chemicals	1,369,011,257	1.60%	2,711,628,930	2.82%
Real Estate	7,593,431,024	8.86%	8,816,942,501	9.17%
Transport	1,798,711,463	2.10%	2,265,746,102	2.36%
Information Technology	213,137,006	0.25%	185,925,500	0.19%
Non Banking Financial Institutions	4,888,540,064	5.70%	4,204,787,610	4.37%
Steel & Engineering	4,115,910,320	4.80%	5,436,980,100	5.65%
Paper & Paper Products	1,366,331,800	1.59%	1,751,921,308	1.82%
Services Industries	3,187,407,137	3.72%	3,018,125,602	3.14%
Trading	10,847,730,649	12.66%	13,162,645,202	13.68%
Import Financing	4,989,640,034	5.82%	754,545,300	0.78%
Consumer Financing	79,703,496	0.09%	179,955,094	0.19%
Share business	2,629,214,325	3.07%	3,389,956,302	3.52%
Staff Investment	758,017,643	0.88%	596,492,919	0.62%
Others	20,794,031,984	24.26%	23,093,806,397	24.01%
<b>Total</b>	<b>85,706,613,336</b>	<b>100.00%</b>	<b>96,184,918,916</b>	<b>100.00%</b>

### 8a.6 Geographical Location-wise Investments:

Area	As at 31 December 2013		As at 31 December 2012	
	Amount	Composition	Amount	Composition
i) Inside Bangladesh (note-8a.6.1)				
a) In Rural Areas	5,412,732,634	6.32%	5,097,490,053	5.30%
b) In Urban Areas	80,293,880,702	93.68%	91,087,428,863	94.70%
<b>Sub-total</b>	<b>85,706,613,336</b>	<b>100.00%</b>	<b>96,184,918,916</b>	<b>100.00%</b>
ii) Outside Bangladesh	-	-	-	-
<b>Total</b>	<b>85,706,613,336</b>	<b>100.00%</b>	<b>96,184,918,916</b>	<b>100.00%</b>

### 8a.6.1 Inside Bangladesh

Division	As at 31 December 2013		As at 31 December 2012	
	Amount	Composition	Amount	Composition
Dhaka	67,887,100,392	79.21%	78,842,416,563	81.97%
Chittagong	12,154,663,657	14.18%	11,662,744,496	12.13%
Sylhet	1,199,710,390	1.40%	1,438,510,558	1.50%
Rajshahi	948,361,459	1.11%	785,581,969	0.82%
Rangpur	881,185,395	1.03%	787,132,826	0.82%
Khulna	2,482,284,022	2.90%	2,395,100,404	2.49%
Barisal	153,308,021	0.18%	273,432,100	0.28%
<b>Total</b>	<b>85,706,613,336</b>	<b>100.00%</b>	<b>96,184,918,916</b>	<b>100.00%</b>

### 8a.7 Grouping of Investments as per Classification Rules of Bangladesh Bank:

Status	As at 31 December 2013		As at 31 December 2012	
	Amount	Composition	Amount	Composition
Unclassified (including staff Investment)	79,288,382,176	92.51%	92,831,821,039	96.51%
Special Mention Account (SMA)	875,539,129	1.02%	510,830,739	0.53%
Substandard	938,766,740	1.10%	405,964,430	0.42%
Doubtful	495,865,185	0.58%	296,222,844	0.31%
Bad or loss	4,108,060,106	4.79%	2,140,079,864	2.22%
<b>Total</b>	<b>85,706,613,336</b>	<b>100.00%</b>	<b>96,184,918,916</b>	<b>100.00%</b>

31.12.2013  
Taka

31.12.2012  
Taka

### 8a.8 Particulars of provision for Investments:

Status	Rate	Basis for Provision	31.12.2013 Taka	31.12.2012 Taka
<b>Standard</b>				
Unclassified (excluding staff Investments)	1%	59,254,129,726	592,541,297	723,658,420
Staff Investments	0%	746,989,461	-	-
Consumer Financing (Other than HF & LP)	5%	88,706,940	4,435,347	7,508,389
Small & Medium Enterprise	0.25%	14,637,342,859	36,593,357	35,048,672
Housing Finance(HF)	2%	2,423,822,997	48,476,460	45,609,044
Loan for professionals (LP)	2%	36,477,522	729,550	586,521
Share Business	2%	2,092,728,857	41,854,577	67,799,126
Short Term Agri Credit	5%	8,183,814	409,191	
<b>Special Mention Account</b>				
Consumer Financing (Other than HF & LP)	5%	1,491,435	74,572	711,979
Small & Medium Enterprise	0.25%	193,976,096	484,940	4,523,041
Housing Finance	2%	40,770,961	815,419	2,827,448
Loan for professionals	2%	510,384	10,208	2,499
Others	1%	629,784,708	6,297,847	16,204,693
			732,722,766	904,479,831
Substandard	20%	550,065,023	110,013,005	29,777,098
Doubtful	50%	333,222,393	166,611,197	39,619,721
Bad or loss	100%	2,093,880,692	2,093,880,692	938,170,578
			2,370,504,893	1,007,567,397
Required provision for Investments			3,103,227,659	1,912,047,227
Total provision maintained {note # 13a.1(a) & (b)}			2,246,316,063	2,040,988,403
<b>Surplus/(Shortfall) Provision</b>			<b>(856,911,596)</b>	<b>128,941,176</b>

The Bank has maintained provision on unclassified Investment amounting to Tk. 73,44,79,000 (note # 13a.1.b) and for classified Investment Tk.1,511,837,063 (note # 13a.1.a) totaling Tk.2,246,316,063.

The Bangladesh Bank has extended time for maintaining shortfall provision of Tk.100 Crore against it's classified investment. The Bank has kept substantial provision against the shortfall in March 2014 and the Management is confident that shortfall provision will be provided as per approval of Bangladesh Bank by operating profit of 2014.

		31.12.2013 Taka	31.12.2012 Taka
<b>8a.9 Particulars of provision for Off-Balance Sheet</b>			
	<b>Basis for Provision</b>		
	<b>Status</b>	<b>Rate 1%</b>	<b>Rate 1%</b>
	Acceptances & endorsements	15,884,198,983	158,841,990
	Letter of Guarantee	5,710,919,593	57,109,196
	Irrevocable Letters of Credit	17,358,106,335	173,581,063
	Bills for collection	6,480,140,157	64,801,402
	Required provision for Off Balance Sheet Items	45,433,365,068	454,333,651
	Provision maintained {note # 13a.1(c)}	454,340,000	441,000,000
	<b>Surplus Provision</b>	<b>6,349</b>	<b>889,377</b>
<b>8a.10 Particulars of Investments:</b>			
(i)	Debts considered good in respect of which the banking company is fully secured	71,769,937,041	80,649,784,565
(ii)	Debts considered good for which the banking company holds no other security than the debtor's personal security	13,678,775,488	15,351,113,059
(iii)	Debts considered good and secured by personal security of one or more parties in addition to the personal security of the debtors	257,900,807	184,021,292
(iv)	Debts considered bad or doubtful not provided for	-	-
		<b>85,706,613,336</b>	<b>96,184,918,916</b>
(v)	Debts due by directors or officers of the banking company or any of them either severally or jointly with any other person	758,017,643	596,492,919
(vi)	Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies as members (Note 50.5).	2,585,084,205	602,143,000
(vii)	Maximum total amount of investments, including temporary investments made at any time during the period to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons.	758,017,643	596,492,919
(viii)	Maximum total amount of advances including temporary advances granted during the period to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private companies as members	2,585,084,205	602,143,000
(ix)	Due from Banking Companies	-	-

	31.12.2013 Taka	31.12.2012 Taka
(x) Total amount of advance on which Profit is not credited:	5,542,692,031	3,353,097,877
a. Movement of Classified Investments:		
Opening Balance	2,842,267,138	1,522,507,000
Increase/ (Decrease) during the year	2,700,424,893	1,319,760,138
	<b>5,542,692,031</b>	<b>2,842,267,138</b>
b. Amount of provision kept against classified Investment as bad or Loss on the reporting day of Balance Sheet	1,511,837,063	1,073,009,403
c. Amount of Profit charged in suspense Account	385,810,146	81,178,461
(xi) Cumulative amount of written off Investments	-	-
<b>9 Consolidated Fixed Assets including Premises, Furnitures &amp; Fixtures</b>		
<b>Cost:</b>		
Shahjalal Islami Bank Ltd (note-9a)	3,473,718,777	3,301,748,575
Shahjalal Islami Bank Securities Ltd	61,253,691	54,475,562
	3,534,972,468	3,356,224,137
<b>Accumulated Depreciation:</b>		
Shahjalal Islami Bank Ltd (note-9a)	518,564,275	403,717,614
Shahjalal Islami Bank Securities Ltd	16,725,367	10,194,734
	535,289,642	413,912,348
<b>Written Down Value</b>	<b>2,999,682,826</b>	<b>2,942,311,788</b>
<b>9a Fixed Assets including Premises, Furnitures &amp; Fixtures of the Bank</b>		
<b>Cost:</b>		
Opening balance	3,270,307,483	1,793,639,026
Addition during the year	153,792,202	1,476,668,457
Less: Disposal during the year	1,350,000	-
	3,422,749,685	3,270,307,483
<b>Accumulated Depreciation:</b>		
Opening balance	392,240,972	293,326,837
Addition during the year	110,860,893	98,914,135
Less: Adjustment on disposal during the year	1,350,000	-
	501,751,865	392,240,972
<b>Written Down Value</b>	<b>2,920,997,820</b>	<b>2,878,066,510</b>
<b>Intangible assets</b>		
<b>Cost:</b>		
Opening balance	31,441,092	31,441,092
Addition during the year	19,528,000	-
Less: Disposal during the year	-	-
	50,969,092	31,441,092
<b>Amortization:</b>		
Opening balance	11,476,642	6,485,530
Addition during the year	5,335,768	4,991,112
Less: Adjustment on disposal during the year	-	-
	16,812,410	11,476,642
<b>Carrying value</b>	<b>34,156,682</b>	<b>19,964,450</b>
<b>Total Carrying value</b>	<b>2,955,154,502</b>	<b>2,898,030,960</b>
For details please refer to Annexure-B		

	31.12.2013 Taka	31.12.2012 Taka
<b>10 Consolidated Others Assets</b>		
Shahjalal Islami Bank Ltd (note-10a)	4,564,448,539	5,203,582,404
Shahjalal Islami Bank Securities Ltd	1,864,943,853	1,098,744,383
	6,429,392,392	6,302,326,787
Less: Inter Company transaction	3,665,282,969	3,385,195,940
	<b>2,764,109,423</b>	<b>2,917,130,847</b>
<b>10a Others Assets of the Bank</b>		
Stock of Stationery, Stamps and printing materials etc. (valued at cost)	27,687,105	27,771,767
Advance rent and security deposit	152,345,015	129,968,631
Suspense Account (note-10a.1)	58,913,367	58,040,722
Profit receivable (note-10a.2)	418,627,826	495,093,570
Advance profit paid	158,404	272,823
Other Prepayments	14,338,475	4,630,178
Receivable from Shahjalal Islami Bank Securities Limited	1,727,397,827	1,447,529,812
Shahjalal Islami Bank Securities Ltd (note-10a.3)	1,915,000,000	1,915,000,000
Shahjalal Islami Bank Exchange House (USA) Ltd	39,575,361	40,593,972
Advance Insurance premium	3,964,490	3,890,592
Advance for new Branches	25,245,115	34,594,966
Other Receivables	63,712,359	25,369,397
SJIBL General Account-Net (note-10a.4)	117,483,195	1,020,825,974
	<b>4,564,448,539</b>	<b>5,203,582,404</b>
<b>10a.1 Suspense Account:</b>		
Sundry Debtors	16,941,411	35,889,050
Excise duty on MTDR	10,172,652	6,518,462
Advance against TA/DA	114,542	333,380
Advance against Petty Cash	412,000	215,000
Law charges	12,162,172	7,986,093
Stamp	100,289	-
ATM Card Fees	7,266	-
Others	19,003,035	7,098,737
	<b>58,913,367</b>	<b>58,040,722</b>

The detail breakup of unadjusted suspense accounts are given below:

(Amount in '000)

SI	Breakup	Less than 3 months	3 months to less than 6 months	6 months to less than 9 months	9 months to less than 12 months	12 months and more
1	Sundry Debtors	12,093	2,376	681	-	1,791
2	Advance against TA/DA	115	-	-	-	-
3	Advance against Petty Cash	412	-	-	-	-
4	Legal expenses	1,598	1,047	593	2,562	6,362
5	Others	25,823	131	2,760	569	-
	<b>Grand Total</b>	<b>40,041</b>	<b>3,554</b>	<b>4,034</b>	<b>3,131</b>	<b>8,153</b>

	31.12.2013 Taka	31.12.2012 Taka
<b>10a.2 Profit Receivable:</b>		
Placement to Other Bank-MTDR	122,141,646	159,029,214
Placement to Financial Institutions-MTDR	40,436,875	43,372,250
Placement to Islamic Investment Bond	141,701,700	107,436,027
Profit on Investment against MSD	99,173,532	151,522,688
On Investments	15,174,073	33,733,391
	<b>418,627,826</b>	<b>495,093,570</b>

**10a.3** Shahjalal Islami Bank Limited invested Tk. 191.50 crore in its Subsidiary Company named 'Shahjalal Islami Bank Securities Limited' as per approval of competent authority. The subsidiary commenced its operation from 25th May 2011. The total Paid-up Capital of the subsidiary company is Tk. 214.00 crore divided into 21,40,00,000 ordinary shares @ Tk. 10 each and bank hold 89.49% of its paid-up capital.

**10a.4** SJIBL General Account represents outstanding Inter-Branch and Head Office transactions (Net) originated but yet to be responded by the Balance Sheet date. The break-up of SJIBL general account are given below:

	Debit		Credit	
	No. of entry	Amount	No. of entry	Amount
Up to 3 months	680	371,324,656	911	253,821,461
Over 3 Months but within 6 months	-	-	-	-
Over 6 Months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
	680	371,324,656	911	253,821,461
<b>Net unreconcile amount</b>				<b>117,503,195</b>

There is no outstanding unreconciled entries more than 1 month. However, outstanding entries on Balance Sheet date are subsequently reconciled.

	31.12.2013 Taka	31.12.2012 Taka
<b>11 Consolidated Placement from other Banks &amp; Financial Institutions</b>		
Shahjalal Islami Bank Ltd (note-11a)	8,300,000,000	14,500,000,000
Shahjalal Islami Bank Securities Ltd	3,501,591,288	3,835,617,138
	11,801,591,288	18,335,617,138
Less: Inter Company transaction	2,231,591,288	2,635,617,138
	<b>9,570,000,000</b>	<b>15,700,000,000</b>
<b>11a Placement from other Banks &amp; Financial Institutions of the Bank</b>		
Islami Investment Bond from Bangladesh Bank (note-11a.1)	4,150,000,000	5,150,000,000
Mudaraba Term Deposit from other Banks (note-11a.2)	4,150,000,000	9,350,000,000
	<b>8,300,000,000</b>	<b>14,500,000,000</b>

**11a.1** The Bank has taken finance from Islami Investment Bond (Islamic Bond) at bank's own mudaraba savings rate (i.e. as on 31st December 2013 provisional rate was 4.00%) for 30/60/90/120/150/180 days tenor which introduced by the Government for Islami Banks and Financial Institutes in September 2004 through Bangladesh Bank. The borrowing has been secured by instruments of Mudaraba Term Deposit with other organisations, Accepted bills of different branches and Demand Promissory Notes.

	31.12.2013 Taka	31.12.2012 Taka
<b>11a.2 Mudaraba Term Deposit from other Banks</b>		
Dhaka Bank Ltd., Islami Banking Branch	200,000,000	200,000,000
Social Islami Bank Limited	1,700,000,000	2,000,000,000
Premier Bank, Islami Banking Branch	1,150,000,000	1,150,000,000
Export Import Bank of Bangladesh Limited	500,000,000	1,250,000,000
Al-Arafah Islami Bank Ltd	200,000,000	200,000,000
AB Bank Limited, Islami Banking Branch	400,000,000	700,000,000
Islami Bank Bangladesh Limited	-	3,500,000,000
Bank Asia Limited, Islami Banking Branch	-	300,000,000
Agrani Bank Limited, Islami Banking Branch	-	50,000,000
	<b>4,150,000,000</b>	<b>9,350,000,000</b>
<b>12 Consolidated Deposits and Other Accounts</b>		
<b>Al-Wadiah Current Deposit &amp; Other Accounts:</b>		
Shahjalal Islami Bank Ltd (note-12a)	10,484,532,462	8,986,633,572
Shahjalal Islami Bank Securities Ltd	-	-
	<b>10,484,532,462</b>	<b>8,986,633,572</b>
<b>Bills Payable:</b>		
Shahjalal Islami Bank Ltd (note-12a)	753,448,659	1,217,449,372
Shahjalal Islami Bank Securities Ltd	-	-
	<b>753,448,659</b>	<b>1,217,449,372</b>
<b>Mudaraba Savings Deposits:</b>		
Shahjalal Islami Bank Ltd (note-12a)	7,344,808,815	6,136,647,103
Shahjalal Islami Bank Securities Ltd	-	-
	<b>7,344,808,815</b>	<b>6,136,647,103</b>
<b>Mudaraba Term Deposits:</b>		
Shahjalal Islami Bank Ltd (note-12a)	50,965,910,029	62,602,100,344
Shahjalal Islami Bank Securities Ltd	-	-
	50,965,910,029	62,602,100,344
Less: Inter Company transaction	195,800,000	684,989,644
	<b>50,770,110,029</b>	<b>61,917,110,700</b>
<b>Other Mudaraba Deposits:</b>		
Shahjalal Islami Bank Ltd (note-12a)	26,932,646,832	23,234,044,157
Shahjalal Islami Bank Securities Ltd	-	-
	26,932,646,832	23,234,044,157
Less: Inter Company transaction	144,775,624	125,083,851
	<b>26,787,871,208</b>	<b>23,108,960,306</b>
<b>Total</b>	<b>96,140,771,173</b>	<b>101,366,801,053</b>
<b>12a Deposits and Other Accounts of the Bank</b>		
<b>Al-Wadiah Current Deposit &amp; Other Accounts:</b>		
Al-Wadiah Current Deposit	3,217,418,943	3,352,521,441
Foreign Currency Deposits	2,016,138,188	498,343,098
Non-Resident Taka Account	2,958,318	6,123,575
Sundry Deposits	5,250,343,870	5,131,795,023
	<b>10,486,859,319</b>	<b>8,988,783,137</b>
Less: Off-Shore Banking Units	2,326,857	2,149,565
	<b>10,484,532,462</b>	<b>8,986,633,572</b>

	31.12.2013 Taka	31.12.2012 Taka
<b>Bills Payable:</b>		
Payable inside Bangladesh		
Payment Order Issued	720,348,656	1,184,371,620
Demand Draft Payable	32,328,992	26,217,985
Instant Cash Payable	125,300	194,190
Bank Cheque Issued	481,274	6,198,581
Turbo Cash Payable	67,328	90,727
Electronic Fund Transfer	97,109	376,269
	<b>753,448,659</b>	<b>1,217,449,372</b>
Payable outside Bangladesh	-	-
	<b>753,448,659</b>	<b>1,217,449,372</b>
<b>Mudaraba Savings Deposits:</b>		
General Deposits	7,214,251,965	5,813,042,761
Deposit from Other Banks	130,556,850	323,604,342
	<b>7,344,808,815</b>	<b>6,136,647,103</b>
<b>Mudaraba Term Deposits:</b>		
General Deposits	50,965,910,029	62,602,100,344
	<b>50,965,910,029</b>	<b>62,602,100,344</b>
<b>Other Mudaraba Deposits:</b>		
Mudaraba Short Notice Deposits	2,619,189,704	2,480,147,391
Mudaraba Scheme Deposit (note-12a.1)	24,313,457,128	20,753,896,766
	<b>26,932,646,832</b>	<b>23,234,044,157</b>
	<b>96,481,346,797</b>	<b>102,176,874,548</b>
<b>12a.1 Mudaraba Scheme Deposits:</b>		
Millionaire Scheme	3,340,161,466	2,557,986,216
Multuple Benefit Scheme	5,968,608,307	5,077,377,778
Monthly Income Scheme	6,552,993,517	6,039,166,015
Monthly Deposit Scheme	8,128,094,314	6,756,044,115
Hajj Scheme	81,236,237	56,655,363
Cash Waqf	2,981,322	2,919,470
Housing Deposit Scheme	25,454,341	24,628,965
Lakhpoti Deposit Scheme	62,855,976	84,822,503
Mohor Deposit Scheme	71,942,186	87,730,246
Education Deposit Scheme	42,029,363	35,245,605
Marriage Deposit Scheme	37,100,099	31,320,490
	<b>24,313,457,128</b>	<b>20,753,896,766</b>
<b>12a.2 Deposits and Other Accounts:</b>		
General Deposits	95,919,366,807	101,739,262,988
Deposits from Other Banks (note: 12a.3)	561,979,990	437,611,560
	<b>96,481,346,797</b>	<b>102,176,874,548</b>
<b>12a.3 Deposit from Other Banks</b>		
<b>Mudaraba Special Notice Deposit:</b>		
Export Import Bank of Bangladesh Limited	33,966,916	13,471,057
AB Bank Limited	7,545,059	7,228,472
Jamuna Bank Limited	12,799,849	91,246,866
AI -Arafah Islami Bank Ltd	10,059,309	42,650
Social Islami Bank Limited	366,532,554	1,503,864
National Credit and Commerce Bank Ltd	519,452	514,309
	<b>431,423,139</b>	<b>114,007,218</b>

	31.12.2013 Taka	31.12.2012 Taka
<b>Mudaraba Savings Deposit:</b>		
Social Islami Bank Limited	110,822,976	306,356,517
ICB Islami Bank Limited	11,079	10,712
Export Import Bank of Bangladesh Ltd	4,157,064	4,081,216
Al -Arafah Islami Bank Ltd	2,234,969	196,753
Islami Bank Bangladesh Limited	13,330,764	12,959,144
	<b>130,556,852</b>	<b>323,604,342</b>
	<b>561,979,990</b>	<b>437,611,560</b>
<b>12a.4 Maturity wise classification of Deposits are as under</b>		
With a residual maturity of		
Repayable on demand	7,843,805,275	4,569,970,813
Within 1 month	10,476,329,360	14,250,906,625
Over 1 months but not more than 6 months	31,673,714,284	23,339,679,191
Over 6 months but not more than 1 year	11,820,482,931	20,005,439,306
Over 1 year but not more than 5 years	15,880,939,586	24,173,239,162
Over 5 years	18,786,075,362	15,837,639,451
	<b>96,481,346,797</b>	<b>102,176,874,548</b>
<b>13 Consolidated Other Liabilities</b>		
Shahjalal Islami Bank Ltd (note-13a)	6,093,067,120	6,373,689,869
Shahjalal Islami Bank Securities Limited	2,948,141,807	2,210,401,613
	9,041,208,927	8,584,091,482
Less: Inter Company transaction	1,750,282,969	1,470,195,940
	<b>7,290,925,958</b>	<b>7,113,895,542</b>
<b>13.1 Consolidated Provision for Taxation</b>		
<b>Provision for Current tax</b>		
Shahjalal Islami Bank Ltd (note-13a.2)	7,200,528,145	6,101,509,736
Shahjalal Islami Bank Securities Ltd	75,976,539	91,927,293
	<b>7,276,504,684</b>	<b>6,193,437,029</b>
<b>Advance tax</b>		
Shahjalal Islami Bank Ltd (note-13a.2)	6,590,842,521	4,876,136,224
Shahjalal Islami Bank Securities Ltd	48,817,201	69,309,516
	<b>6,639,659,722</b>	<b>4,945,445,740</b>
<b>Balance at the end of the year</b>	<b>636,844,962</b>	<b>1,247,991,289</b>
<b>13.2 Consolidated current tax expenses</b>		
Shahjalal Islami Bank Ltd (note-13a.2)	1,066,335,450	1,786,186,274
Shahjalal Islami Bank Securities Ltd	22,983,299	33,011,983
	<b>1,089,318,749</b>	<b>1,819,198,257</b>
<b>13.3 Provision against entries of NOSTRO Account</b>		
No provision is required as per Circular Letter No. FEPD(FEMO)/01/2005-677 dated 13 September 2005 for unreconciled NOSTRO debit entries as there is no outstanding entry over 3 months (note:5a.3).		
<b>13a Other Liabilities of the Bank</b>		
Profit Payable on Deposits	1,611,571,519	1,966,034,189
Provision for Investment {note 13a.1 (a) & (b)}	2,246,316,063	2,040,988,403
Provision for Off-Balance Sheet items {note 13a.1 (c)}	454,340,000	441,000,000
Provision for others {note 13a.1(d)}	10,600,000	6,500,000
Provisions for Investment in Securities {note 13a.1(e)}	557,500,000	370,000,000

	31.12.2013 Taka	31.12.2012 Taka
Provision for Taxation (note 13a.2)	609,685,624	1,225,373,512
Profit Suspense & Compensation Account {note 13(a).1 ( f)}	537,371,136	242,054,728
Other Payable	8,467,424	38,636,056
Outstanding Expenses	47,112,871	42,987,789
Unearned Income on Quard	10,102,483	115,192
	<b>6,093,067,120</b>	<b>6,373,689,869</b>
<b>13a.1 Provision for Investment:</b>		
<b>(a) Provision on Classified Investment:</b>		
Provision held at the beginning of the year	1,073,009,403	423,009,403
Provision transferred from General Provision on Unclassified Investment	114,500,000	-
Provision transferred from General Provision on Off-Balance Sheet item	51,000,000	-
Provision transferred from Compensation Realised A/C	99,267,660	-
Net charge to Profit & Loss Account	174,060,000	650,000,000
<b>Provision held at the end of the year</b>	<b>1,511,837,063</b>	<b>1,073,009,403</b>
<b>(b) General Provision on Unclassified Investment:</b>		
Provision held at the beginning of the year	967,979,000	925,479,000
Provision transferred to provision on Classified Investment	(114,500,000)	-
Provision transferred to provision for Investment in Securities	(115,500,000)	-
Provision transferred to Provision for other Assets	(3,500,000)	-
Addition during the year	-	42,500,000
<b>Balance at the end of the year</b>	<b>734,479,000</b>	<b>967,979,000</b>
<b>Total Provision for Investments (a+b)</b>	<b>2,246,316,063</b>	<b>2,040,988,403</b>
<b>(c) General Provision on Off-Balance Sheet items:</b>		
Provision held at the beginning of the year	441,000,000	341,000,000
Provision transferred to provision on Classified Investment	(51,000,000)	-
Addition during the year	64,340,000	100,000,000
<b>Balance at the end of the year</b>	<b>454,340,000</b>	<b>441,000,000</b>
<b>Total Provision for Investments &amp; Off-Balance Sheet (a+b+c)</b>	<b>2,700,656,063</b>	<b>2,481,988,403</b>
<b>(d) Provision for other Assets:</b>		
Provision held at the beginning of the year	6,500,000	6,500,000
Provision transferred from General Provision on Unclassified Investment	3,500,000	-
Addition during the year	600,000	-
<b>Balance at the end of the year</b>	<b>10,600,000</b>	<b>6,500,000</b>
<b>(e) Provision for Investment in Securities:</b>		
Provision held at the beginning of the year	370,000,000	250,000,000
Provision transferred from provision on Unclassified Investment	115,500,000	-
Addition during the year	72,000,000	120,000,000
<b>Balance at the end of the year</b>	<b>557,500,000</b>	<b>370,000,000</b>
<b>(f) Profit Suspense &amp; Compensation Account:</b>		
Balance at the beginning of the year	242,054,728	98,892,837
Amount transferred to suspense account during the year	394,584,067	184,480,891
Amount recovered from suspense account during the year	-	26,253,956
Amount written off/ waived during the year	-	15,065,044
Amount transferred to provision for Classified Investment	(99,267,660)	-
<b>Balance at the end of the year</b>	<b>537,371,136</b>	<b>242,054,728</b>

	31.12.2013 Taka	31.12.2012 Taka
<b>13a.2 Provision for Taxation</b>		
<b>Provision for Current tax</b>		
Balance at the beginning of the year	6,101,509,736	4,289,480,587
Add: Provision made during the year	1,066,335,450	1,786,186,274
Add: Provision made on other income during the year (Shariah non-allowable)	32,682,959	25,842,875
	<b>7,200,528,145</b>	<b>6,101,509,736</b>
<b>Advance tax</b>		
Balance at the beginning of the year	4,876,136,224	3,288,190,100
Paid during the year	1,714,706,297	1,587,946,124
	<b>6,590,842,521</b>	<b>4,876,136,224</b>
<b>Balance at the end of the year</b>	<b>609,685,624</b>	<b>1,225,373,512</b>
<b>13a.2(a) Provision for Current Tax made during the year</b>		
Income tax @ 42.50% on estimated taxable Business profit	1,087,389,818	1,808,290,371
Income tax @ 20.00% on Dividend Income	3,089,853	1,770,382
Income tax @ 10% on Capital gain on sale of shares	8,392,653	1,903,946
Estimated total provision required	<b>1,098,872,324</b>	<b>1,811,964,699</b>
<b>Computation of Taxable Business Profit</b>		
Profit before Tax	2,382,826,440	3,534,580,957
Add: Inadmissible expenditures	428,007,766	896,405,247
Less: Allowable Expenditure & Separate consideration	252,269,927	176,185,332
<b>Estimated Taxable Business Profit for the year</b>	<b>2,558,564,278</b>	<b>4,254,800,872</b>
<b>14 Consolidated Deferred Tax Liability</b>		
Shahjalal Islami Bank Ltd (note-14a)	137,735,011	126,205,868
Shahjalal Islami Bank Securities Limited	-	-
	<b>137,735,011</b>	<b>126,205,868</b>
<b>14a Deferred Tax Liability of the Bank</b>		
Balance at the beginning of the year	126,205,868	107,340,666
Add: Provision made during the year	11,529,143	18,865,202
	<b>137,735,011</b>	<b>126,205,868</b>
<b>15 Capital</b>		
<b>15.1 Authorized Capital:</b>		
100,00,00,000 ordinary shares of Tk. 10 each	<b>10,000,000,000</b>	<b>6,000,000,000</b>
The shareholders of the Bank in its 11th Extra Ordinary General Meeting (EGM) held on 4th June 2013 approved to increase the Authorised capital of the Bank to Tk. 1000,00,00,000 from Tk. 600, 00,00,000.		
<b>15.2 Issued, Subscribed and Paid up Capital:</b>		
6,67,88,302 Ordinary Shares of Tk 10 each	<b>6,678,983,028</b>	<b>5,565,819,188</b>
Issued for cash: 184602500 shares of Tk. 10 each	1,846,025,000	1,846,025,000
Issued other than cash: 483295802 bonus shares of Tk 10 each	4,832,958,028	3,719,794,188
	<b>6,678,983,028</b>	<b>5,565,819,188</b>
<b>Holding</b>		
Sponsor Shareholders Group In year 2013: 44.72%; 2012: 45%	2,986,841,210	2,501,655,893
General Shareholders Group In year 2013: 55.28%; 2012: 55%	3,692,141,818	3,064,163,295
	<b>6,678,983,028</b>	<b>5,565,819,188</b>

## Classification of Shareholders by number of holding:

As at 31 December 2013

Range of Share Holding	No. of Shareholders	No. of shares	Percentage of holding shares
Upto 500	45,268	5,784,202	0.87%
501-5,000	34,864	59,547,507	8.92%
5,001-10,000	3,072	22,032,502	3.30%
10,001-20,000	1,510	21,812,073	3.27%
20,001-30,000	429	10,596,332	1.59%
30,001-40,000	215	7,572,292	1.13%
40,001-50,000	113	5,123,907	0.77%
50,001-1,00,000	219	15,434,021	2.31%
1,00,001-10,00,000	198	53,003,294	7.94%
Over 10,00,000	56	466,992,172	69.92%
<b>Total</b>	<b>85,944</b>	<b>667,898,302</b>	<b>100.00%</b>

As at 31 December 2012

Range of Share Holding	No. of Shareholders	No. of shares	Percentage of holding shares
Upto 500	39,748	6,034,393	1.08%
501-5,000	31,791	50,876,108	9.14%
5,001-10,000	2,056	14,748,847	2.65%
10,001-20,000	1,048	14,817,434	2.66%
20,001-30,000	287	7,089,085	1.27%
30,001-40,000	153	5,268,362	0.95%
40,001-50,000	88	4,001,031	0.72%
50,001-1,00,000	133	9,402,874	1.69%
1,00,001-10,00,000	157	42,127,931	7.57%
Over 10,00,000	54	402,215,853	72.27%
<b>Total</b>	<b>75,515</b>	<b>556,581,918</b>	<b>100.00%</b>

### 15.3 Consolidated Capital Adequacy:

Position of capital adequacy are given below:-

#### a) Core Capital (Tier -I):

- i) Paid-up Capital
- ii) Statutory Reserve (note-16)
- iii) Retained Earnings (note -17)
- iv) Non-controlling Interest

Less: Provision Shortfall

**Sub total of Core Capital (Tier-I):**

#### b) Supplementary Capital (Tier-II):

- i) General Provision {Note 13.1(b+c)}

#### c) Total Equity (a +b)

- d) Consolidated Total Risk Weighted Assets
- e) Required Capital (10% of risk weighted assets)
- f) Total Capital Surplus (c-e)**

	31.12.2013 Taka	31.12.2012 Taka
	6,678,983,028	5,565,819,188
	3,435,586,547	2,959,021,259
	852,701,604	1,136,611,648
	226,878,379	226,777,659
	<b>11,194,149,559</b>	<b>9,888,229,754</b>
	<b>1,000,000,000</b>	-
	<b>10,194,149,559</b>	<b>9,888,229,754</b>
	1,331,819,000	1,483,979,000
	<b>1,331,819,000</b>	<b>1,483,979,000</b>
	<b>11,525,968,559</b>	<b>11,372,208,754</b>
	90,254,600,000	91,719,000,000
	9,025,460,000	9,171,900,000
	<b>2,500,508,559</b>	<b>2,200,308,754</b>

### Consolidated Capital Adequacy Ratio:

Particulars	2013		2012	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Core Capital	5.00%	11.29%	5.00%	10.78%
Supplementary Capital		1.48%		1.62%
<b>Total</b>	<b>10.00%</b>	<b>12.77%</b>	<b>10.00%</b>	<b>12.40%</b>

### 15.4 Consolidated Risk Weighted Assets (RWA) for

	31.12.2013 Taka	31.12.2012 Taka
1. Investment (Credit) Risk		
On-Balance Sheet	65,652,300,000	68,075,400,000
Off-Balance Sheet	10,692,000,000	10,312,300,000
2. Market Risk	5,584,200,000	5,196,900,000
3. Operational Risk	8,326,100,000	8,134,400,000
<b>Consolidated Total Risk Weighted Assets (1+2+3)</b>	<b>90,254,600,000</b>	<b>91,719,000,000</b>

### 15.5 Capital Adequacy of the Bank:

Position of capital adequacy are given below:-

#### a) Core Capital (Tier-I):

i) Paid-up Capital	6,678,983,028	5,565,819,188
ii) Statutory Reserve (note-16)	3,435,586,547	2,959,021,259
iii) Retained Earnings (note-17(a))	836,714,482	1,121,481,763
	<b>10,951,284,057</b>	<b>9,646,322,210</b>

#### Less: Provision Shortfall

#### Sub total of Core Capital (Tier-I):

	<b>1,000,000,000</b>	-
	<b>9,951,284,057</b>	<b>9,646,322,210</b>

#### b) Supplementary Capital (Tier-II):

i) General Provision {Note 13.1(b+c)}	1,188,819,000	1,408,979,000
	<b>1,188,819,000</b>	<b>1,408,979,000</b>

#### c) Total Equity (a +b)

	<b>11,140,103,057</b>	<b>11,055,301,210</b>
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#### d) Total Risk Weighted Assets

	88,701,500,000	89,811,400,000
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#### e) Required Capital ( 10% of risk weighted assets)

	8,870,150,000	8,981,140,000
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#### f) Total Capital Surplus (c-e)

	<b>2,269,953,057</b>	<b>2,074,161,210</b>
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### Capital Adequacy Ratio:

Particulars	2013		2012	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Core Capital	5.00%	11.22%	5.00%	10.74%
Supplementary Capital		1.34%		1.57%
<b>Total</b>	<b>10.00%</b>	<b>12.56%</b>	<b>10.00%</b>	<b>12.31%</b>

### 15.6 Risk Weighted Assets (RWA) for

	31.12.2013 Taka	31.12.2012 Taka
1. Investment (Credit) Risk		
On-Balance Sheet	66,754,500,000	67,843,200,000
Off-Balance Sheet	10,692,000,000	10,312,300,000
2. Market Risk	3,170,000,000	3,670,300,000
3. Operational Risk	8,085,000,000	7,985,600,000
<b>Total Risk Weighted Assets (1+2+3)</b>	<b>88,701,500,000</b>	<b>89,811,400,000</b>

	<b>31.12.2013</b> <b>Taka</b>	<b>31.12.2012</b> <b>Taka</b>
<b>15.7 Non-controlling Interest</b>		
Opening balance	226,777,659	225,000,000
Share of current year's profit	100,720	1,777,659
	<b>226,878,379</b>	<b>226,777,659</b>
<b>16 Statutory Reserve</b>		
Opening balance	2,959,021,259	2,252,105,068
Add: Addition during the year	476,565,288	706,916,191
	<b>3,435,586,547</b>	<b>2,959,021,259</b>
<b>17 Consolidated Retained Earnings</b>		
Shahjalal Islami Bank Ltd (note-17a)	836,714,482	1,121,481,763
Shahjalal Islami Bank Securities Ltd	17,865,500	16,907,544
	854,579,983	1,138,389,307
Less: Non-controlling Interest	1,878,379	1,777,659
	<b>852,701,604</b>	<b>1,136,611,648</b>
<b>17.1 Consolidated Current year Retained Earnings</b>		
<u>Current Year</u>		
Shahjalal Islami Bank Ltd (note-17a)	828,396,560	1,022,613,289
Shahjalal Islami Bank Securities Ltd	957,956	16,674,044
	829,354,516	1,039,287,333
Less: Non-Controlling Interest	100,720	1,753,109
	<b>829,253,796</b>	<b>1,037,534,224</b>
<b>17a Retained Earnings of the Bank</b>		
Opening balance	1,121,481,763	1,212,032,312
Less: Issue of Bonus shares	1,113,163,840	1,113,163,838
Add: Transfer from Profit & Loss Account	828,396,560	1,022,613,289
	<b>836,714,482</b>	<b>1,121,481,763</b>
<b>18 Letters of Guarantees</b>		
Letters of Guarantees (Local)	5,553,399,260	4,721,267,439
Letters of Guarantees (Foreign)	141,271,841	1,307,620,835
Back to Back (EPZ)	16,248,493	-
	<b>5,710,919,593</b>	<b>6,028,888,274</b>
a) Claims against the Bank not acknowledged as debts		
b) Money for which the Bank is contingently liable in respect of guarantees given favoring: Directors or Officers	-	-
Government	-	-
Banks and other financial institutions	-	-
Others	5,710,919,593	6,028,888,274
	<b>5,710,919,593</b>	<b>6,028,888,274</b>
<b>19 Irrevocable Letters of Credit</b>		
Letter of credit	17,358,106,335	18,294,263,697
	<b>17,358,106,335</b>	<b>18,294,263,697</b>

	2013 Taka	2012 Taka
<b>20 Consolidated Income Statement</b>		
Income:		
Profit on Investment (note-21)	13,751,274,429	15,428,381,633
Income from Investment in securities (note-23)	214,364,623	124,750,065
Dividend income (note-23)	15,449,265	8,851,911
Commission, Exchange and Brokerage (note-24)	1,457,069,479	1,768,078,266
Gains less losses arising from dealing securities	-	-
Gains less losses arising from investment securities	83,926,531	19,039,463
Gains less losses arising from dealing in foreign currencies	-	-
Income from non-banking assets	-	-
Other operating income (note-25)	404,864,515	428,134,466
Profit less losses on interest rate changes	-	-
Nominal value of bonus share received	-	-
	<b>15,926,948,842</b>	<b>17,777,235,804</b>
Expenses:		
Profit paid on Deposits (note-22)	10,713,162,091	11,207,879,986
Administrative expenses	2,008,655,931	1,558,730,787
Other operating expenses	296,105,248	271,326,278
Depreciation on banking assets	123,257,878	111,331,769
	<b>13,141,181,148</b>	<b>13,149,268,820</b>
<b>Income over expenditure</b>	<b>2,785,767,694</b>	<b>4,627,966,984</b>
<b>20a Income Statement of the Bank</b>		
Income:		
Profit on Investment (note-21a)	13,614,537,283	15,242,206,232
Income from Investment in securities (note-23a)	130,541,452	105,430,300
Dividend income (note-23a)	15,449,265	8,851,911
Commission, Exchange and Brokerage (note-24a)	1,364,703,899	1,642,185,413
Gains less losses arising from dealing securities	-	-
Gains less losses arising from investment securities	83,926,531	19,039,463
Gains less losses arising from dealing in foreign currencies	-	-
Income from non-banking assets	-	-
Other operating income (note-25a)	399,798,242	421,096,378
Profit less losses on interest rate changes	-	-
Nominal value of bonus share received	-	-
	<b>15,608,956,672</b>	<b>17,438,809,697</b>
Expenses:		
Profit paid on Deposits (note-22a)	10,577,539,943	11,169,642,938
Administrative expenses	1,946,800,691	1,474,043,838
Other operating expenses	274,592,937	244,136,717
Depreciation on banking assets	116,196,661	103,905,247
	<b>12,915,130,232</b>	<b>12,991,728,740</b>
<b>Income over expenditure</b>	<b>2,693,826,440</b>	<b>4,447,080,957</b>
<b>21 Consolidated Profit on Investment:</b>		
Shahjalal Islami Bank Ltd (note-21a)	13,614,537,283	15,242,206,232
Shahjalal Islami Bank Securities Ltd	422,812,099	510,436,778
	14,037,349,382	15,752,643,010
Less: Inter company Transaction	286,074,953	324,261,377
	<b>13,751,274,429</b>	<b>15,428,381,633</b>

	2013 Taka	2012 Taka
<b>21a Profit on Investment of the Bank:</b>		
Profit on Investment (note-21a.1)	12,248,506,155	14,042,416,821
Profit on placement with other Banks & FIs	1,366,031,128	1,199,789,411
	<b>13,614,537,283</b>	<b>15,242,206,232</b>
<b>21a.1 Profit on Investment:</b>		
Profit on Murabaha	1,956,042,091	2,638,809,691
Profit on Bi-Muazzal	6,193,495,950	5,978,597,314
Profit on Hire-Purchase	2,676,980,871	2,552,153,717
Profit on Ijara	208,780,360	241,681,303
Profit on Bi-Salam	173,498,216	145,161,653
Profit on Inland Document Bill Purchased	701,912,896	1,874,449,884
Profit on Foreign Document Bill Purchased	130,804,104	84,454,983
Profit on Investment against Scheme Deposit	2,274,084	15,701,357
Profit on Investment against Mudaraba Term Deposit	100,246,434	174,153,793
Profit on Investment against Mudaraba Savings Deposit	10,184,272	15,529,769
Profit on Investment against Mudaraba Deposit Scheme	21,309,552	27,853,678
Profit on Investment against Monthly Income Scheme	10,004,057	169,886,488
Profit on Investment against EDF	34,723,883	35,293,069
Profit on Investment against Other Securities	21,263,590	545,250
Profit on Musharaka	37,722	-
Profit on Mudaraba	6,589,643	-
Profit on Istisnaa	358,431	-
Profit on Quard	-	9,059,973
Profit on Investment against Letter of Credit	-	55,845,137
Profit on Investment against Staff	-	23,239,762
	<b>12,248,506,155</b>	<b>14,042,416,821</b>
<b>21a.2 Investment income derived from the fund deployed</b>		
<b>Inside Bangladesh</b>		
i) Mudaraba deposits	11,497,582,059	10,391,388,448
ii) Other deposits/Fund	750,924,096	3,651,028,373
	<b>12,248,506,155</b>	<b>14,042,416,821</b>
<b>Outside Bangladesh</b>	-	-
	<b>12,248,506,155</b>	<b>14,042,416,821</b>
<b>22 Consolidated Profit paid on Deposits:</b>		
Shahjalal Islami Bank Ltd (note-22a)	10,577,539,943	11,169,642,938
Shahjalal Islami Bank Securities Ltd	447,371,889	458,558,758
	11,024,911,832	11,628,201,696
Less: Inter Company Transaction	311,749,741	420,321,710
	<b>10,713,162,091</b>	<b>11,207,879,986</b>
<b>22a Profit paid on Deposits of the Bank:</b>		
Profit on deposits	10,388,446,908	11,013,245,669
Profit paid on borrowings	189,093,035	156,397,269
	<b>10,577,539,943</b>	<b>11,169,642,938</b>
<b>23 Consolidated Income from Investment in Securities</b>		
Shahjalal Islami Bank Ltd (note-23a)	229,917,248	133,321,674
Shahjalal Islami Bank Securities Ltd	83,823,171	19,319,765
	<b>313,740,419</b>	<b>152,641,439</b>

	<b>2013 Taka</b>	<b>2012 Taka</b>
<b>23a Income from Investment in Securities of the Bank</b>		
Income from Investment in Islami Bond (note-23a.1)	123,751,452	98,830,300
Income from Investment in Shares (note-23a.2)	83,926,531	19,039,463
Dividend Income	15,449,265	8,851,911
Income from Investment in Mudaraba Perpetual Bond (MPB)	6,790,000	6,600,000
	<b>229,917,248</b>	<b>133,321,674</b>
<b>23a.1</b> Profit has been accrued during the year ended 31 December, 2013 from Islamic Investment Bond at an expected provisional profit rate of 3.50% on average Investment based on mudaraba profit sharing principle to the Islami Investment Bond on a daily product basis.		
<b>23a.2</b> Income from investment in Shares arises through sale of listed shares in the Stock Exchange.		
<b>24 Consolidated Commission, Exchange &amp; Brokerage:</b>		
Shahjalal Islami Bank Ltd (note-24a)	1,364,703,899	1,642,185,413
Shahjalal Islami Bank Securities Ltd	92,365,580	125,892,853
	<b>1,457,069,479</b>	<b>1,768,078,266</b>
<b>24a Commission, Exchange &amp; Brokerage of the Bank:</b>		
Other commission	544,353,473	646,211,495
Exchange earnings	820,350,426	995,973,918
	<b>1,364,703,899</b>	<b>1,642,185,413</b>
<b>25 Consolidated Other Operating Income:</b>		
Shahjalal Islami Bank Ltd (note-25a)	399,798,242	421,096,378
Shahjalal Islami Bank Securities Ltd	30,741,061	103,098,421
	430,539,303	524,194,799
Less: Inter Company Transaction	25,674,788	96,060,333
	<b>404,864,515</b>	<b>428,134,466</b>
<b>25a Other Operating Income of the Bank:</b>		
Postage, Telex, SWIFT & REUTERS	75,060,201	52,286,761
Incidental Charge	216,377	43,185
Supervision & Monitoring Charge	5,541,418	8,355,285
Other charges (note-25a.1)	318,980,246	360,411,147
	<b>399,798,242</b>	<b>421,096,378</b>
<b>25a.1 Other Charges</b>		
Rent receipts	1,175,230	918,470
Charges on A/C closing	1,035,772	1,606,938
Charges on standing order	89,923	363,098
Charges on clearing returned	824,207	739,908
Cheque processing charge	205,941	141,030
Service charges on Ijara	153,262	6,471,316
Service charges on scheme investment	2,373,018	6,639,067
Service charges on Quard	19,893,961	620,731
Passport endorsement charge	72,268	74,490
PO/DD Cancellation charge	46,454	45,932
Branch banking services	11,984,276	11,505,758
Account maintenance fee	47,130,098	43,820,145
Recoveries from cheque issue	11,133,431	418,835
Income from sale of forms	2,038,844	1,539,774
Service charge on SJIBL VISA Card	5,067,898	4,320,562
Management Fees	637,072	1,266,275
Banker to the Issue Commission	799,783	458,412
Notice pay earnings	2,668,128	2,614,000

	<b>2013 Taka</b>	<b>2012 Taka</b>
Rebate on Trade Finance	41,208,470	35,032,390
Discrepancy Fee	26,182,399	-
Profit on sale of Bank's Assets	1,164,999	-
Miscellaneous	143,094,812	241,814,016
	<b>318,980,246</b>	<b>360,411,147</b>
<b>26 Consolidated Salary &amp; Allowances:</b>		
Shahjalal Islami Bank Ltd (note- 26a)	1,415,302,636	1,015,821,095
Shahjalal Islami Bank Securities Ltd	41,123,251	51,661,537
	<b>1,456,425,887</b>	<b>1,067,482,632</b>
<b>26a Salary &amp; Allowances of the Bank:</b>		
Basic Salary	551,170,671	438,174,623
Allowances	478,711,400	354,087,359
Bonus	335,976,240	185,842,502
Bank's Contribution to Provident fund	49,444,325	37,716,612
	<b>1,415,302,636</b>	<b>1,015,821,095</b>
<b>27 Consolidated Rent, Taxes, Insurance, Electricity etc.:</b>		
Shahjalal Islami Bank Ltd (note- 27a)	319,540,452	264,483,686
Shahjalal Islami Bank Securities Ltd	17,096,081	25,746,798
	<b>336,636,533</b>	<b>290,230,484</b>
<b>27a Rent, Taxes, Insurance, Electricity etc of the Bank:</b>		
Rent, Rates & Taxes	188,886,560	157,607,355
Insurance	79,282,136	64,163,479
Electricity & Lighting	51,371,756	42,712,852
	<b>319,540,452</b>	<b>264,483,686</b>
<b>28 Consolidated Legal Expenses:</b>		
Shahjalal Islami Bank Ltd (note- 28a)	790,639	746,951
Shahjalal Islami Bank Securities Ltd	222,291	27,500
	<b>1,012,930</b>	<b>774,451</b>
<b>28a Legal Expenses of the Bank:</b>		
Legal Fees & Charge	79,204	110,486
Other Legal Expenses	711,435	636,465
	<b>790,639</b>	<b>746,951</b>
<b>29 Consolidated Postage, Stamps, Telecommunication etc:</b>		
Shahjalal Islami Bank Ltd (note- 29a)	29,292,913	29,680,621
Shahjalal Islami Bank Securities Ltd	2,435,167	6,213,270
	<b>31,728,080</b>	<b>35,893,891</b>
<b>29a Postage, Stamps, Telecommunication etc of the Bank:</b>		
Postage	1,447,682	1,601,480
Leased line	15,995,691	16,785,566
Telegram, Fax, Telex & Internet charges	3,954,943	4,509,148
Telephone charges	5,048,860	4,201,103
Mobile phone charges	2,730,737	2,583,324
Mobile Banking	115,000	-
	<b>29,292,913</b>	<b>29,680,621</b>
<b>30 Consolidated Stationery, Printing, Advertisements etc:</b>		
Shahjalal Islami Bank Ltd (note- 30a)	64,931,338	68,087,924
Shahjalal Islami Bank Securities Ltd	953,450	1,012,844
	<b>65,884,788</b>	<b>69,100,768</b>

	2013 Taka	2012 Taka
<b>30a Stationery, Printing, Advertisements etc of the Bank:</b>		
Table Stationery	9,015,332	8,285,130
Printing Stationery	7,914,932	7,878,020
Security Stationery	2,412,260	1,239,350
Computer Stationery	16,808,155	15,253,915
Advertisement	28,780,659	35,431,509
	<b>64,931,338</b>	<b>68,087,924</b>
<b>31 Chief Executive's Salary &amp; Fees of the Bank:</b>		
Basic Salary	7,155,000	6,656,833
Allowances	4,675,000	4,800,000
Bonus	2,210,000	2,100,000
Bank's Contribution to Provident Fund	715,500	665,683
	<b>14,755,500</b>	<b>14,222,516</b>
<b>32 Directors' Fees &amp; Meeting Expenses of the Bank:</b>		
Directors Fee	4,720,250	3,772,500
Meeting Expenses	1,593,824	1,734,916
	<b>6,314,074</b>	<b>5,507,416</b>
<b>33 Shariah Supervisory Committee's Fees &amp; Expenses of the Bank</b>		
Shariah Council Meeting Expenses	459,581	334,780
	<b>459,581</b>	<b>334,780</b>
<b>34 Consolidated auditors' Fees</b>		
Shahjalal Islami Bank Ltd (note-34a)	350,000	350,000
Shahjalal Islami Bank Securities Ltd	25,000	25,000
	<b>375,000</b>	<b>375,000</b>
<b>34a Auditors' Fees of the Bank</b>		
Auditors Fees	350,000	350,000
	<b>350,000</b>	<b>350,000</b>
<b>35 Consolidated depreciation and Repair of Bank's Assets:</b>		
Shahjalal Islami Bank Ltd (note-35a)	134,702,868	118,058,977
Shahjalal Islami Bank Securities Ltd	7,061,217	7,426,522
	<b>141,764,085</b>	<b>125,485,499</b>
<b>35a Depreciation and Repair of Bank's Assets:</b>		
<b>a) Depreciation of Bank's Assets (Annexure A):</b>		
Land & Building	9,558,563	8,774,009
Furniture & Fixtures	39,082,598	32,662,360
Office Appliance & Equipment	58,753,270	52,762,866
Vehicles	3,373,459	4,668,639
Books	93,003	46,261
<b>b) Amortization of Bank's Assets (Annexure A):</b>		
Software-Core Banking	5,335,768	4,991,112
	<b>116,196,661</b>	<b>103,905,247</b>
<b>c) Repair on Bank's Assets:</b>		
Office Premises	2,311,056	859,564
Office Appliance & Equipment	8,392,885	7,222,513
Office Furniture & Fixtures	3,827,052	1,206,671
Vehicles	1,259,810	1,207,671
Others	2,715,404	3,657,311
	<b>18,506,207</b>	<b>14,153,730</b>
	<b>134,702,868</b>	<b>118,058,977</b>

	2013 Taka	2012 Taka
<b>36 Zakat Expenses of the Bank</b>		
Zakat Expenses	76,557,351	60,655,118
	<b>76,557,351</b>	<b>60,655,118</b>
<b>37 Consolidated Other Expenses:</b>		
Shahjalal Islami Bank Ltd (note-37a)	274,592,938	244,136,717
Shahjalal Islami Bank Securities Ltd	21,512,310	27,189,561
	<b>296,105,248</b>	<b>271,326,278</b>
<b>37a Other Expenses of the Bank:</b>		
Petrol, Oil and Lubricants	6,415,356	6,062,763
Entertainment	26,648,973	37,331,280
Donation and Subscription	7,186,004	3,986,470
Traveling and Conveyance	16,457,484	15,323,180
Training Expenses	3,987,927	1,321,420
Car expenses	80,426,728	43,646,156
Gratuity expenses	34,514,331	56,256,168
Papers & Periodicals	1,046,456	1,087,477
Utility	4,834,706	2,752,933
Uniform & Liveries	752,361	849,540
Bank Charges	4,058,310	631,159
Business development & Promotion	20,830,882	19,778,746
Upkeep and cleaning of office premises	6,683,239	5,167,512
Security Service- Out-sourcing	18,580,069	10,347,054
Branch Opening Expenses	2,393,551	1,880,068
Credit Rating Expenses	289,000	200,000
SJIBL Card expenses	5,564,191	6,242,896
AGM & Meeting expenses	8,576,670	11,416,405
Brokerage House expenses	499,164	1,038,833
Capital Enhancement Fees	3,806,271	3,739,492
Contribution to Social Security Super Annuation Fund	1,000,000	1,000,000
Miscellaneous Expenses	20,041,264	14,077,165
	<b>274,592,937</b>	<b>244,136,717</b>
<b>38 Provision against Investment, Off-Balance Sheet &amp; Others</b>		
Shahjalal Islami Bank Ltd (note-38a)	311,000,000	912,500,000
Shahjalal Islami Bank Securities Ltd	68,000,000	131,200,000
	<b>379,000,000</b>	<b>1,043,700,000</b>
<b>38a Provision against Investment, Off-Balance Sheet &amp; Others of the Bank</b>		
Provision on unclassified investment	-	42,500,000
Provision on classified investment	174,060,000	650,000,000
Provision on Off-Balance Sheet	64,340,000	100,000,000
Provisions on Investment in Securities	72,000,000	120,000,000
Provision on Other Assets	600,000	-
	<b>311,000,000</b>	<b>912,500,000</b>
<b>39 Deferred Tax Expenses of the Bank</b>		
Closing deferred tax liability	137,735,011	126,205,869
Opening deferred tax liability	126,205,869	107,340,666
Deferred tax expense	<b>11,529,142</b>	<b>18,865,203</b>
<b>39a Tax Expenses of the Bank</b>		
Current tax	1,066,335,450	1,786,186,274
Deferred tax	11,529,142	18,865,203
	<b>1,077,864,592</b>	<b>1,805,051,477</b>

	<b>2013 Taka</b>	<b>2012 Taka</b>
<b>39b Consolidated Tax Expenses of the Bank</b>		
Current tax	1,089,318,749	1,819,198,257
Deferred tax	11,529,142	18,865,203
	<b>1,100,847,891</b>	<b>1,838,063,460</b>
<b>40 Consolidated Earnings Per Share (EPS)</b>		
Calculation of Earnings Per Share ( note # 2.17):		
Net Profit after Tax	1,305,819,083	1,744,450,415
Number of Ordinary Shares outstanding (Denominator)	667,898,303	667,898,303
	<b>1.96</b>	<b>2.61</b>
<b>40a Earnings Per Share of the Bank (EPS)</b>		
Calculation of Earnings Per Share ( note # 2.17):		
Net Profit after Tax	1,304,961,848	1,729,529,480
Number of Ordinary Shares outstanding (Denominator)	667,898,303	667,898,303
	<b>1.95</b>	<b>2.59</b>
Earnings per share has been calculated in accordance with BAS - 33: "Earnings Per Share (EPS)". Previous year's Earnings per Share of Tk. 3.13 has been restated to Tk. 2.59 due to issuance of 11,13,16,384 bonus shares of 2012 during the year-2013.		
<b>41 Consolidated Investment Profit receipt</b>		
Shahjalal Islami Bank Ltd (note-41a)	13,905,471,010	15,152,507,827
Shahjalal Islami Bank Securities Ltd	506,635,270	565,062,604
	<b>14,412,106,280</b>	<b>15,717,570,431</b>
<b>41a Investment Profit receipt of the Bank</b>		
Investment Profit receipt (note 21a & 23a)	13,829,005,266	15,366,675,995
Add: Opening profit Receivable (note-10a.2)	495,093,570	280,925,402
Less: Closing profit receivable (note-10a.2)	418,627,826	495,093,570
	<b>13,905,471,010</b>	<b>15,152,507,827</b>
<b>42 Consolidated Profit Paid on Deposits</b>		
Shahjalal Islami Bank Ltd (note-42a)	10,932,002,613	11,089,749,280
Shahjalal Islami Bank Securities Ltd	188,243,322	134,085,387
	<b>11,120,245,935</b>	<b>11,223,834,667</b>
<b>42a Profit Paid on Deposits of the Bank</b>		
Profit Paid on Deposits (note-22a)	10,577,539,943	11,169,642,938
Add: Opening profit payable on deposit (note-13a)	1,966,034,189	1,886,140,531
Less: Closing profit payable on deposit (note-13a)	1,611,571,519	1,966,034,189
	<b>10,932,002,613</b>	<b>11,089,749,280</b>
<b>43 Consolidated Cash Receipt from other Operating activities (note-25)</b>		
Shahjalal Islami Bank Ltd (note-43a)	398,633,243	421,096,378
Shahjalal Islami Bank Securities Ltd	32,477,837	105,421,908
	<b>431,111,080</b>	<b>526,518,286</b>
<b>43a Cash Receipt from other Operating activities of the Bank (note-25a)</b>		
Postage & Telex Charge Recovery	75,060,201	52,286,761
Incidental Charge	216,377	43,185
Supervision & Monitoring Charge	5,541,418	8,355,285
Other charges ( except income from sale of fixed assets)	317,815,247	360,411,147
	<b>398,633,243</b>	<b>421,096,378</b>
<b>44 Consolidated Cash Payment for other Operating activities</b>		
Shahjalal Islami Bank Ltd (note-44a)	726,404,155	620,049,019
Shahjalal Islami Bank Securities Ltd	41,821,433	59,921,314
	<b>768,225,588</b>	<b>679,970,333</b>

	2013 Taka	2012 Taka
<b>44a Cash Payment for other Operating activities of the Bank</b>		
Rent, Taxes, Insurance, Lighting etc. (note-27a)	319,540,452	264,483,686
Legal Expenses (note-28a)	790,639	746,951
Postage, Stamp, Telegram & Telephone (note-29a)	29,292,913	29,680,621
Directors' Fee & Expenses (note-32)	6,314,074	5,507,416
Shariah Supervisory Committee's Fees & Expenses (note-33)	459,581	334,780
Auditors' Fee(note-34a)	350,000	350,000
Repair, Maintenance of Bank's Assets (note-35a.b)	18,506,207	14,153,730
Zakat Expenses (note-36)	76,557,351	60,655,118
Other Expenses (note-37a)	274,592,937	244,136,717
	<b>726,404,155</b>	<b>620,049,019</b>
<b>45 Cash Increase/ Decrease in Consolidated Other Assets (note-10)</b>		
Shahjalal Islami Bank Ltd (note-45a)	4,145,820,713	4,708,488,834
Shahjalal Islami Bank Securities Ltd	1,864,197,258	1,096,261,012
	6,010,017,971	5,804,749,846
Less: Cash Increase/ (Decrease) through Inter Company transaction	2,849,200,320	2,849,404,305
	<b>3,160,817,651</b>	<b>2,955,345,541</b>
<b>Cash (Increase)/ Decrease in Other Assets</b>	<b>(205,472,110)</b>	<b>(1,625,484,916)</b>
<b>45a Cash Increase/ Decrease in Other Assets of the Bank (note-10a)</b>		
Stock of Stationery and Stamps	27,687,105	27,771,767
Advance deposits and rent	152,345,015	129,968,631
Suspense Account	58,913,367	58,040,722
Advance Profit paid	158,404	272,823
Other Prepayments	14,338,475	4,630,178
Receivable from Shahjalal Islami Bank Securities Limited	1,727,397,827	1,447,529,812
Shahjalal Islami Bank Securities Ltd (note 10a.3)	1,915,000,000	1,915,000,000
Shahjalal Islami Bank Exchange House (USA) Ltd	39,575,361	40,593,972
Advance for new Branches	25,245,115	34,594,966
Advance Insurance premium	3,964,490	3,890,592
Other Receivables	63,712,359	25,369,397
SJIBL General Account-Net	117,483,195	1,020,825,974
	<b>4,145,820,713</b>	<b>4,708,488,834</b>
<b>Cash (Increase)/ Decrease in Other Assets</b>	<b>562,668,121</b>	<b>(1,029,172,148)</b>
<b>46 Cash Increase/ Decrease in Consolidated Other Liabilities (note-13)</b>		
Shahjalal Islami Bank Ltd (note- 46a)	187,083,251	170,456,550
Shahjalal Islami Bank Securities Ltd	1,798,744,001	1,392,549,435
	1,985,827,252	1,563,005,985
Less: Cash Increase/ (Decrease) through Inter Company transaction	934,200,320	934,404,305
	<b>1,051,626,932</b>	<b>628,601,680</b>
<b>Cash Increase/ (Decrease) in Other Liabilities</b>	<b>423,025,252</b>	<b>72,201,076</b>
<b>46a Cash Increase/ Decrease in Other Liabilities of the Bank(note-13a)</b>		
Other Payable	8,467,424	38,636,056
Taxation on other income & prior years	121,400,472	88,717,513
Outstanding Expenses	47,112,871	42,987,789
Unearned Income on Quard	10,102,483	115,192
	<b>187,083,251</b>	<b>170,456,550</b>
<b>Cash Increase/ (Decrease) in Other Liabilities</b>	<b>16,626,701</b>	<b>(44,783,209)</b>

	2013 Taka	2012 Taka
<b>47 Consolidated Cash and Cash Equivalent</b>		
Shahjalal Islami Bank Ltd (note-47a)	13,733,161,472	14,120,035,545
Shahjalal Islami Bank Securities Ltd	343,158,491	819,750,460
	14,076,319,963	14,939,786,005
Less: Cash Increase/ (Decrease) through Inter Company transaction	340,575,624	810,073,495
	<b>13,735,744,339</b>	<b>14,129,712,510</b>
<b>47a Cash and Cash Equivalent of the Bank</b>		
Cash in Hand	1,314,434,823	1,042,509,898
Balance with Bangladesh Bank & Sonali Bank Ltd (as agent of Bangladesh Bank)	8,892,585,315	11,761,384,356
Balance with Other Banks & Financial Institutions	3,526,141,334	1,316,141,291
	<b>13,733,161,472</b>	<b>14,120,035,545</b>

#### 48 Number of Employees of the Bank

The number of employees engaged for the whole period or part thereof who received a total remuneration of Tk.36,000 or above were 2,173.

#### 49 Audit Committee of the Bank

##### a) Particulars of Audit Committee

Pursuant to the BRPD Circular no. 12 dated 23 December, 2002 the Board of Director's of the Bank formed a three members Audit Committee called "Board Audit Committee". The Board of Directors in its Meeting No. 183 held on 28-11-2013 reconstituted the Committee by the following members:-

Name	Status with the Bank	Status with the Committee	Educational Qualification
Mosharraf Hossain	Independent Director	Chairman	Masters
Akkas Uddin Mollah	Director	Member	BA
Alhaj Syed Nurul Arefeen	Director	Member	MBA
Tofazzal Hossain	Director	Member	Masters
Farida Parvin Nuru	Independent Director	Member	BA

The members of the Board Audit Committee are all having good exposure in the banking business. They are all playing active role in the Board Meeting.

##### b) Meeting of Audit Committee

During 1 January to 31 December 2013, the Audit Committee of the Board conducted 19 (Nineteen) meetings in which among others, the following issues were discussed:-

- i) The duties and responsibilities of the Committee as stated in BRPD Circular no. 12 dated 23 December 2002.
- ii) Regular review of the Internal and External (including Bangladesh Bank) Inspection & Audit Report with a view to implementing the suggestion of Internal and External Auditors in respect of Internal Control structure and techniques.
- iii) Minimization of expenditure in all operational activities where possible.
- iv) Reviewing the Accounting procedure with a view to ascertain that the International Financial Reporting Standard (IFRS) has been applied in maintaining books and records of the Bank.

## 50 Related Party Disclosures of the Bank:

### 50.1 Name of the Directors and their interest in different entities:

A.K. Azad	Chairman	<ul style="list-style-type: none"> <li>i) Ha-Meem Fashion Ltd.</li> <li>ii) Ha-Meem Apparels Ltd.</li> <li>iii) Ha-Meem Washing Ltd.</li> <li>iv) Ha-Meem Design Ltd.</li> <li>v) Ha-Meem Denim Ltd.</li> <li>vi) That's It Packaging Ltd.</li> <li>vii) That's It Sportswear Ltd.</li> <li>viii) That's It Fashions Ltd.</li> <li>ix) That's It Garments Ltd.</li> <li>x) That's It Knit Ltd.</li> <li>xi) New Modern Garments Ltd.</li> <li>xii) Modern Washing &amp; Dyeing Ind. Ltd.</li> <li>xiii) Asha Fashions Ltd.</li> <li>xiv) Sajid Apparels Ltd.</li> <li>xv) Sajid Washing &amp; Dyeing Ltd.</li> <li>xvi) Nishat Jute Mills Ltd.</li> <li>xvii) Rifat Garments Ltd.</li> <li>xviii) Refat Sports Wear Ltd.</li> <li>xix) Sakib Poly Industries Ltd.</li> <li>xx) Ecochem Bangladesh (Pvt) Ltd.</li> <li>xxi) Enzyme Bangladesh Ltd.</li> <li>xxii) The Daily Samokal</li> <li>xxiii) Dhaka Chamber of Commerce &amp; Ind.</li> </ul>
Alhaj Syed Nurul Arefeen	Vice Chairman	<ul style="list-style-type: none"> <li>i) Solar Trading Co.</li> <li>ii) Solar Precured Tyre Retreading Ltd</li> <li>iii) Universal Yarn Dyeing Ltd.</li> <li>iv) Solar Autos</li> <li>v) Solar Telecommunications</li> <li>vi) Solar Transport</li> <li>vii) Shahjalal Islami Bank Securities Ltd.</li> </ul>
Alhaj Mohammed Faruque	Vice Chairman	<ul style="list-style-type: none"> <li>i) F &amp; T Property Investment Company</li> </ul>
Sajjatuz Jumma	Director	<ul style="list-style-type: none"> <li>i) Fresco Flour Industries Ltd.</li> <li>ii) Farina Industries Ltd.</li> <li>iii) Desh Electronics Ltd.</li> <li>iv) Milling Engineers Ltd.</li> <li>v) Prime University</li> <li>vi) Prime Foundation</li> <li>vii) Desh Land Mark Ltd.</li> </ul>
Anwer Hossain Khan	Director	<ul style="list-style-type: none"> <li>i) Modern Group of Companies</li> <li>ii) Anwer Khan Modern Medical College</li> <li>iii) Modern Diagnostic Centre Limited</li> <li>iv) Anwer Khan Modern Hospital Ltd.</li> <li>v) Hazi Sakawat Anwara Eye Hospital Ltd.</li> <li>vi) Modern Diabetic Centre Ltd.</li> <li>vii) Dhaka Telecommunication</li> <li>viii) Modern Environmental Technologies</li> <li>ix) Fareast Finance &amp; Investment Ltd.</li> <li>x) Fareast Stocks &amp; Bonds Ltd.</li> <li>xi) Prime University</li> </ul>

Tofazzal Hossain	Director	<ul style="list-style-type: none"> <li>i) Everbest Textiles Pvt. Ltd.</li> <li>ii) Beauty Food &amp; Beverage Ltd.</li> <li>iii) Rajkamal Everest Corporation Ltd.</li> <li>iv) Fareast Finance and Investment Ltd</li> <li>v) Prime University</li> <li>vi) Beauty Enterprise</li> </ul>
Md. Sanaullah Shahid	Director	<ul style="list-style-type: none"> <li>i) Electra International Ltd.</li> </ul>
Shams Uddin Khan	Director	<ul style="list-style-type: none"> <li>i) Kushiara Financial Services Ltd. (UK)</li> <li>ii) Kushiara Cash &amp; Carry Ltd (UK)</li> <li>iii) Bangla Frozen (UK)</li> <li>iv) Holiday Planet</li> <li>v) Pritom In (Pvt.) Ltd.</li> <li>vi) Shamsuddin Khan &amp; Harun Miah Ltd.</li> <li>vii) Shahjalal Islami Bank Securities Ltd.</li> </ul>
Mohammed Farooq	Director	<ul style="list-style-type: none"> <li>i) Famous Perfumery Suppliers</li> <li>ii) F.S. Printing &amp; Packaging Ltd.</li> <li>iii) Famous Group of Companies Ltd.</li> <li>iv) Famous General Agencies Ltd.</li> <li>v) Famous Printing &amp; Packaging Ltd.</li> <li>vi) Famous Flavour &amp; Fragrance Ltd.</li> <li>vii) Matcon Ltd.</li> <li>viii) Famous Ibercham Flavours &amp; Fragrance Ltd.</li> <li>ix) Shahjalal Islami Bank Securities Ltd.</li> <li>x) Green Soap &amp; Chemical Co. Ltd.</li> </ul>
Md. Abdul Berek	Director	<ul style="list-style-type: none"> <li>i) Arju Electronics</li> <li>ii) Jony Electronics</li> <li>iii) Rony Electronics</li> </ul>
Mohammed Solaiman	Director	<ul style="list-style-type: none"> <li>i) Paradise Corporation (Pvt.) Ltd.</li> <li>ii) Central Hospital Ltd.</li> <li>iii) Eden Multicare Hospital Ltd.</li> <li>iv) Hurdco International School</li> <li>v) M/s. Paradise Electronics</li> <li>vi) Shahjalal Islami Bank Securities Ltd.</li> </ul>
Abdul Halim	Director	<ul style="list-style-type: none"> <li>i) Abdul Halim &amp; Brothers</li> <li>ii) Motor Cycle Bitan</li> <li>iii) Karnafuli Motors</li> <li>iv) Pacific Automobiliies</li> <li>v) Fair Car</li> <li>vi) Bangladesh Motor Cycle Association</li> <li>vii) M/s. Excellent Motors</li> <li>viii) M/s. Exclusive Motors</li> <li>ix) Shahjalal Islami Bank Securities Ltd.</li> </ul>
Mohiuddin Ahmed	Director	<ul style="list-style-type: none"> <li>i) Mohiuddin Auto House</li> <li>ii) M/s. Rupsha Trading Corporation</li> <li>iii) Pacific Automobile</li> <li>iv) Southeast University</li> <li>v) Shahjalal Islami Bank Securities Ltd.</li> <li>vi) Bangladesh Chamber of Commerce &amp; Ind.</li> </ul>
Akkas Uddin Mollah	Director	<ul style="list-style-type: none"> <li>i) Russel Spinning Mills Ltd.</li> <li>ii) Russel Garments</li> <li>iii) Russel Knitting</li> <li>iv) Shahan Colors Limited</li> </ul>

		v) Ekram Sweaters Ltd. vi) Tania Cotton Mills Limited vii) Russel Washing Plant
Khandaker Sakib Ahmed	Director	i) Zuiria Trade International. ii) Z. Agrovat Enterprise. iii) Five Star Cargo Corporation.
Engr.Md. Towhidur Rahman	Director	i) Fresh Foods Ltd. ii) Sea Fresh Ltd. iii) Libas Textile iv) Euro Trend v) Fresh Trading vi) Prime University
Mohammed Younus	Director	i) Sonali Papers and Board Mills Ltd. ii) Younus Newsprint Mills Ltd. iii) Younus Fine Paper Mills Ltd. iv) Younus Offset Paper Mills Ltd. v) Younus Paper Mills Ltd. vi) Ananta Paper Mills Limited vii) Universal Paper & Board Mills Ltd. viii) Sobhan Ice & Cold Storage Ltd. ix) Younus Specialized Cold Storage Ltd. x) Younus Cold Storage Limited xi) Sharif Cold Storage Limited xii) Five Star Ice & Cold Storage Ltd. xiii) Nowpara Cold Storage Ltd. xiv) Garib-E-Newaj Cold Storage Ltd. xv) Siddheswari Cold Storage Ltd. xvi) Europa Cold Storage Ltd. xvii) Akco Industries & Cold Storage Ltd. xviii) Combined Cold Storage Ltd. xix) Younus Spinning Mills Limited xx) Quality Accessories Limited xxi) Younus Filament Industries Ltd. xxii) Younus Plastic Industries Limited xxiii) International Television Channel Ltd. (NTV)
Mosharraf Hossain	Independent Director	N/A
Farida Parvin Nuru	Independent Director	i) Viceroy Group of Restaurant ii) Property Management Ltd. iii) Shahjalal Islami Bank Securities Ltd.
Farman R. Chowdhury	Managing Director	i) Shahjalal Islami Bank Securities Ltd.

**50.2** Significant Contracts where Bank is a party and wherein Directors have interest: Nil

**50.3** Shares issued to Directors & Executives without consideration or exercise at discount: Nil

**50.4** Landing Policies to related parties:  
Landing to related parties is effected as per requirements of Section 27(1) of the Bank Company Act, 1991

## 50.5 Investment (Loan and Advances) to Directors and their related Concern (Note # 8(a).4):

SL	Name of the Party	Related By	Nature of Investment	Amount in Tk.	Status
i)	Paradise Corporation (Pvt) Ltd.	Mohammed Solaiman	Bai-Muajjal/L/C/ MPI-TR	37,976,142	Regular
ii)	Solar Trading Company	Alhaj Syed Nurul Arefeen	Bai-Muajjal/L/C/ MPI-TR	66,594,385	SMA & DF
iii)	Beauty Enterprise	Md. Tofazzal Hossain	Bai-Muajjal	50,943,704	SMA
iv)	Fareast Finance & Investment Ltd.	Anwer Hossain khan	Ijara (Machi)	137,911,122	Regular
v)	Anwer Khan Modern Hospital Ltd.	Anwer Hossain khan	Bai-Muajjal	92,022,095	Regular
vi)	M/S. Rony Electronics	Md. Abdul Barek	Bai-Muajjal	44,123,844	Regular
vii)	M/s. Rupsha Trading Corporation	Md. Mohiuddin Ahmed	L/C /MPI-TR/Bai Muajjal	32,038,000	Regular
viii)	M/s. Excellent Motors	Abdul Halim	MPI TR	6,506,000	Regular
ix)	M/s. Excellent Motors	Abdul Halim	Guarantor	25,864,000	Regular
x)	Shahjalal Islami Bank Securities Ltd.	Subsidiary	Bai-Muajjal	2,091,104,913	Regular
				<b><u>2,585,084,205</u></b>	

**50.6** Business other than Banking business with any related concern of the Directors as per Section 18 (2) of the Bank Companies Act 1991 Nil

**50.7** Investments in Securities of Directors and their related concern: Nil

### 51 Events After Reporting Period:

The Board of Directors of the Bank at it's 192nd meeting held on 17 April 2014 has recommended 10% stock dividend for the year 2013. This dividend is subject to the final approval by the shareholders at the forthcoming Annual General Meeting (AGM) of the Bank.



**Chairman**



**Director**



**Director**



**Managing Director**

Dhaka, 17 April 2014

## Shahjalal Islami Bank Limited

### Investment in Shares & Securities (listed with Stock Exchanges)

As at December 31, 2013

SI No	Name of Company	No. of Shares/ Securities	Market price per share	Market value Dec 31, 2013	Cost price 31 Dec 2013	Unrealised Gain/(loss)
	<b>Quoted</b>					
1	Makson Spinning Mills Limited	1,199,046	19.90	23,861,015	63,955,630	(40,094,615)
2	Metro Spinning Mills Limited	1,132,093	21.60	24,453,209	65,855,505	(41,402,296)
3	Beacon Pharmaceuticals Limited	901,950	13.20	11,905,740	39,266,541	(27,360,801)
4	Eastern Housing Limited	1,853,156	48.80	90,434,013	166,063,283	(75,629,270)
5	Fine Foods Limited	1,793,236	23.80	42,679,017	128,883,872	(86,204,855)
6	Quasem Drycells Limited	1,339,954	39.70	53,196,174	93,847,373	(40,651,199)
7	Export Import Bank of Bangladesh Limited	5,743,390	12.90	74,089,731	125,900,109	(51,810,378)
8	RAK Ceramics (Bangladesh) Limited	15,000	53.30	799,500	2,530,904	(1,731,404)
9	The Dacca Dyeing & Mfg. Co. Limited	4,375,828	24.60	107,645,369	168,426,131	(60,780,762)
10	Beximco Pharmaceuticals Limited	650,000	47.20	30,680,000	34,502,217	(3,822,217)
11	AIBL 1st Islamic Mutual Fund	8,336,000	7.20	60,019,200	74,473,910	(14,454,710)
12	Beximco Limited	1,523,817	32.20	49,066,907	84,445,608	(35,378,701)
13	Al-Arafah Islami Bank Limited	2,946,352	19.10	56,275,323	69,756,057	(13,480,734)
14	Islami Bank Bangladesh Limited	650,000	34.60	22,490,000	23,890,110	(1,400,110)
15	Social Islami Bank Limited	2,938,375	13.30	39,080,388	62,256,470	(23,176,083)
16	First Security Islami Bank Ltd.	1,431,900	15.10	21,621,690	27,223,407	(5,601,717)
17	M.I. Cement Factory Ltd	249,600	78.20	19,518,720	22,077,010	(2,558,290)
18	MJL Bangladesh Ltd	1,218,000	75.10	91,471,800	108,096,369	(16,624,569)
19	Fareast Islami Life Ins. Co. Ltd	380,000	96.00	36,480,000	37,752,841	(1,272,841)
20	Lafarge Surma Cement Limited	2,775,000	33.50	92,962,500	95,722,569	(2,760,069)
21	Navana CNG Limited	169,000	64.00	10,816,000	11,301,846	(485,846)
22	Confidence Cement Ltd	19,500	123.90	2,416,050	2,435,137	(19,087)
23	Square Textile Ltd	309,350	90.40	27,965,240	28,016,134	(50,894)
24	Titas Gas Transmission And Distribution Co. Ltd	882,000	73.80	65,091,600	70,636,988	(5,545,388)
25	Padma Islami Life Insurance Limited	65,000	61.80	4,017,000	3,979,399	37,601
26	Power Grid Company of Bangladesh Ltd.	100,000	52.80	5,280,000	5,497,534	(217,534)
27	Khulna Power Company Ltd.	423,100	49.10	20,774,210	21,602,734	(828,524)
28	GBB Power Limited	140,000	29.90	4,186,000	4,105,077	80,923
29	Summit Power Limited	117,300	38.40	4,504,320	4,453,638	50,682
30	Orion Pharma Ltd.	300,000.00	58.70	17,610,000	19,812,909	(2,202,909)
31	Orion Infusion Ltd.	126,200.00	40.70	5,136,340	5,532,718	(396,378)
32	Envoy Textiles Ltd.	64,000	54.30	3,475,200	3,679,193	(203,993)
33	Shinepukur Ceramics Limited	158,200	18.30	2,895,060	3,255,279	(360,219)
34	FUWANG	25,100	23.60	592,360	571,802	20,558
35	United Airways (BD.) Ltd.	36,000	16.40	590,400	605,752	(15,352)
36	Aftab Automobiles Limited	112,000	90.70	10,158,400	10,967,255	(808,855)
37	Singer Bangladesh Ltd.	10,550	186.80	1,970,740	2,000,376	(29,636)
38	Unique Hotel and Resorts Ltd	40,000	78.00	3,120,000	3,331,620	(211,620)
	<b>Un-Quoted</b>					
1	Lanka Bangla Securities Ltd	-	-	5,000,000	5,000,000	-
2	Market Stabilization Fund, Asset Management Co. Ltd	-	-	2,000,000	2,000,000	-
	<b>Total</b>			<b>1,146,329,216</b>	<b>1,703,711,307</b>	<b>(557,382,092)</b>

## Shahjalal Islami Bank Limited

### Fixed Assets Schedule

As on 31 December 2013

(Amount in taka)

Particulars	Cost				Rate	Depreciation				Written Down Value	
	Balance as on 01.01.2013	Additions during the year	Adjustment during the year	Balance as on 31.12.2013		Balance as on 01.01.2013	Adjustment during the year	Charge during the year	Balance as on 31.12.2013	As on 31.12.2013	As on 31.12.2012
Land	1,876,724,350	-	-	1,876,724,350		-	-	-	-	1,876,724,350	1,876,724,350
Building	462,275,894	-	-	462,275,894	2.25%	29,450,860	-	9,558,563	39,009,423	423,266,471	432,825,034
Head Office Building under construction	-	2,500,000.00	-	2,500,000		-	-	-	-	2,500,000	-
Furniture & Fixtures	435,648,216	89,389,671	-	525,037,887	10%-20%	127,760,582	-	39,082,598	166,843,180	358,194,707	307,887,633
Office Equipment	466,273,816	52,705,985	-	518,979,801	20%	215,687,538	-	58,753,270	274,440,808	244,538,993	250,586,278
Vehicles	28,737,766	9,121,841	1,350,000	36,509,607	20%	19,143,971	1,350,000	3,373,459	21,167,430	15,342,177	9,593,795
Books	647,441	74,705	-	722,146	20%	198,021	-	93,003	291,024	431,122	449,420
<b>Sub-total</b>	<b>3,270,307,483</b>	<b>153,792,202</b>	<b>1,350,000</b>	<b>3,422,749,685</b>		<b>392,240,972</b>	<b>1,350,000</b>	<b>110,860,893</b>	<b>501,751,865</b>	<b>2,920,997,820</b>	<b>2,878,066,510</b>
<b>Software-Amortization</b>											
Software-Core Banking	31,441,092	19,528,000	-	50,969,092	20%	11,476,642	-	5,335,768	16,812,410	34,156,682	19,964,450
<b>Sub-total</b>	<b>31,441,092</b>	<b>19,528,000</b>	<b>-</b>	<b>50,969,092</b>		<b>11,476,642</b>	<b>-</b>	<b>5,335,768</b>	<b>16,812,410</b>	<b>34,156,682</b>	<b>19,964,450</b>
<b>Total</b>	<b>3,301,748,575</b>	<b>173,320,202</b>	<b>1,350,000</b>	<b>3,473,718,777</b>		<b>403,717,614</b>	<b>1,350,000</b>	<b>116,196,661</b>	<b>518,564,275</b>	<b>2,955,154,502</b>	<b>2,898,030,960</b>

## Shahjalal Islami Bank Limited

Balance with other banks in foreign currency

[Referred to Note 5.2 of these financial statements]

SL No.	Name of the Banks	Currency Name	2013			2012		
			Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT.	Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT.
1	Standard Chartered Bank, New York	USD	52,974.68	77.7512	4,118,844.94	2,973.55	79.7524	237,147.75
2	Mashreq Bank psc, New York	USD	627,781.72	77.7512	48,810,782.07	1,935,496.01	79.7524	154,360,451.99
3	CITI N.A., New York	USD	(81,874.08)	77.7512	(6,365,807.91)	1,545,598.02	79.7524	123,265,151.53
4	HSBC Limited, New York	USD	21,539.93	77.7512	1,674,755.41	128,480.93	79.7524	10,246,662.52
5	Standard Chartered Bank, Mumbai	USD	222,198.53	77.7512	17,276,202.35	222,198.58	79.7524	17,720,870.03
6	Habib American Bank, USA	USD	120,103.52	77.7512	9,338,192.80	38,425.59	79.7524	3,064,533.02
7	ICICI Bank, Hong Kong	USD	82,957.62	77.7512	6,450,054.50	19,821.95	79.7524	1,580,848.09
8	WACHOVIA BANK, NY, USA	USD	42,750.56	77.7512	3,323,907.34	250,943.81	79.7524	20,013,371.11
9	JPMORGAN CHASE BANK, N.A.	USD	3,062.74	77.7512	238,131.71	61,576.08	79.7524	4,910,840.16
10	Sonali Bank (UK) Ltd	USD	239,463.90	77.7512	18,618,605.58	115,640.87	79.7524	9,222,636.92
11	Commerzbank AG Frankfurt	USD	44,184.80	77.7512	3,435,421.22	141,810.61	79.7524	11,309,736.49
12	Bank Aljazira	USD	59,815.00	77.7512	4,650,688.03	-	-	-
13	AB Bank Ltd., Mumbai	ACUD	256,148.16	77.7512	19,915,826.82	1,825.27	79.7524	145,569.66
14	IFC Bank Ltd., Karachi	ACUD	952.98	77.7512	74,095.34	952.98	79.7524	76,002.44
15	Standard Chartered Bank, Mumbai	ACUD	242,511.31	77.7512	18,855,545.37	1,142,324.48	79.7524	91,103,118.86
16	Nepal Bangladesh Bank, Nepal	ACUD	11,123.75	77.7512	864,884.91	3,738.75	79.7524	298,174.29
17	Standard Chart. Bank, Colombo	ACUD	61,816.31	77.7512	4,806,292.28	52,345.11	79.7524	4,174,648.15
18	HSBC - Mumbai	ACUD	129,341.93	77.7512	10,056,490.27	273,945.35	79.7524	21,847,799.13
19	ICICI Bank, Mumbai	ACUD	138,758.62	77.7512	10,788,649.22	343,195.72	79.7524	27,370,682.34
20	Habib Metropolitan Bank Ltd.	ACUD	214,062.66	77.7512	16,643,628.69	-	-	-
21	United Bank of India, Kolkata	ACUD	109,551.12	77.7512	8,517,731.04	-	-	-
22	Standard Chartered Bank, Frankfurt	EURO	59,594.74	106.8301	6,366,512.03	128,907.80	105.4486	13,593,147.04
23	Mashreq Bank, London	EURO	625.66	106.8301	66,839.32	3,219.93	105.4486	339,537.11
24	Unicredito Italiano SPA	EURO	218.69	106.8301	23,362.67	1,192.51	105.4486	125,748.51
25	COMMERZBANK AG	EURO	4,776.28	106.8301	510,250.47	4,537.02	105.4486	478,422.41
26	Wells Fargo Bank, N. A. London, UK	EURO	5,326.33	106.8301	569,012.37	43,029.41	105.4486	4,537,391.04
27	Standard Chartered Bank, Tokyo	YEN	1,196,397.00	0.7394	884,615.94	172,413.00	0.9269	159,809.61
28	HSBC Limited, Australia	AUD	819.29	68.9420	56,483.49	-	-	-
29	BPCP - Geneva, Switzerland	CHF	1,258.57	87.2041	109,752.46	1,240.92	87.3616	108,408.76
30	Habib Bank AG Zurich	CHF	3,075.31	87.2041	268,179.64	4,492.61	87.3616	392,481.60
31	Scotia Canada	CAD	2,811.47	72.6036	204,122.84	6,090.80	80.0405	487,510.68
32	Standard Chartered Bank London	GBP	10,341.79	128.0951	1,324,732.62	9,961.24	128.9676	1,284,677.22
33	Sonali Bank (UK) Ltd	GBP	254.68	128.0951	32,623.26	10,136.80	128.9676	1,307,318.77
34	UBAF Hong Kong Ltd.	USD	-	-	-	93,692.96	79.7524	7,472,238.42
35	HSBC, Karachi, Pakistan	ACU	-	-	-	658,818.59	79.7524	52,542,363.72
36	HSBC Ltd, Sydney, Australia	AUD	-	-	-	4,776.00	82.7032	394,990.48
37	Bayerische Hypo-Und Vereinbank	EUR	-	-	-	2,974.90	105.4486	313,699.04
38	The National Comm. Bank, KSA	SAR	-	-	-	112,494.00	21.2667	2,392,376.15
	<b>Total</b>				<b>212,509,409.09</b>			<b>586,878,365.04</b>

## Details of information on Investment more than 10% of Banks total capital (funded &amp; non-funded)

SI No	Name of client	Outstanding			% of Investments to Total Capital		
		Funded	Non-funded	Total	Funded	Non-funded	Total
1	Reedisha Knitex Ltd.	-	16,293.65	16,293.65			
	Reedisha Textrip Ltd.	3,071.56	3,075.57	6,147.13			
	Reedisha Trading & Distribution Co.	10.01	650.36	660.37			
	P.A. Knit Composite Ltd.	7,136.57	293.25	7,429.82			
	<b>Group-total</b>	<b>10,218.14</b>	<b>20,312.83</b>	<b>30,530.97</b>	8.42%	16.73%	25.15%
2	Moonlight Garments Ltd.	208.69	2,592.56	2,801.25			
	Ehsan Garments Ltd.	-	2,592.72	2,592.72			
	Nourish Poultry & Hatchery Ltd.	5,976.82	3,691.97	9,668.79			
	Nourish Agro Ltd.	3,548.40	2,182.69	5,731.09			
	Telnet Communication Ltd.	-	97.21	97.21			
	Ehsan Packaging & Printing Ltd.	91.53	-	91.53			
	<b>Group-total</b>	<b>9,825.44</b>	<b>11,157.15</b>	<b>20,982.59</b>	8.09%	9.19%	17.28%
3	Nassa Basics Ltd.	6,074.93	13,830.99	19,905.92			
	Nassa Spinning Ltd.	4,000.89	-	4,000.89			
	Nassa Basic Wash Ltd.	933.86	-	933.86			
	Nassa Basics Ltd.	-	20.46	20.46			
	<b>Group-total</b>	<b>11,009.68</b>	<b>13,851.45</b>	<b>24,861.13</b>	9.07%	11.41%	20.48%
4	Meghna Group	304.69	15,076.50	15,381.19			
	Meghna Seed Crushing Mills Ltd.	363.74	4,543.50	4,907.24			
	<b>Group-total</b>	<b>668.43</b>	<b>19,620.00</b>	<b>20,288.43</b>	0.55%	16.16%	16.71%
5	Chittagong Denim Mills Ltd	2,027.83	3,650.80	5,678.63			
	Smart Jeans Ltd	1,864.38	10,611.24	12,475.62			
	<b>Group-total</b>	<b>3,892.21</b>	<b>14,262.04</b>	<b>18,154.25</b>	3.21%	11.75%	14.95%
6	Summit Shipping	333.43	-	333.43			
	Surmi Cold Storage	2,252.03	-	2,252.03			
	Summit Ind. & Mercantile Corp. Ltd	10,885.76	37.50	10,923.26			
	<b>Group-total</b>	<b>13,471.22</b>	<b>37.50</b>	<b>13,508.72</b>	11.10%	0.03%	11.13%
7	Amotex Ltd./Standard Stiches Ltd.	124.05	17,434.58	17,558.63			
	<b>Group-total</b>	<b>124.05</b>	<b>17,434.58</b>	<b>17,558.63</b>	0.10%	14.36%	14.46%
8	Partex Denim Ltd.	4,762.54	4,107.22	8,869.76			
	Partex Spinning Mills Ltd.	-	130.90	130.90			
	Partex PVC Ind. Ltd	1,093.19	59.21	1,152.40			
	Partex Rotor Mills Ltd.	3,761.79	1,158.00	4,919.79			
	Amber Cotton Mills Ltd.	285.07	52.80	337.87			
	Amber Cotton Mills Ltd.	313.23	-	313.23			
	<b>Group-total</b>	<b>10,215.82</b>	<b>5,508.13</b>	<b>15,723.95</b>	8.41%	4.54%	12.95%
9	Super Oil Refinery Ltd.	3,045.34	10,154.00	13,199.34			
	Super Board Mills Ltd	59.86	10.86	70.72			
	T.K. Chemical Ltd.	2,535.35	597.33	3,132.68			
	<b>Group-total</b>	<b>5,640.55</b>	<b>10,762.19</b>	<b>16,402.74</b>	4.65%	8.86%	13.51%
10	Bangladesh Steel Re-Rolling Mills & Its sister Concerns.	6,745.88	9,060.64	15,806.52			
	<b>Group-total</b>	<b>6,745.88</b>	<b>9,060.64</b>	<b>15,806.52</b>	5.56%	7.46%	13.02%
11	M/S. S.K Steel	13,520.50	-	13,520.50			
	<b>Group-total</b>	<b>13,520.50</b>	<b>-</b>	<b>13,520.50</b>	11.14%	0.00%	11.14%
12	Bangla Trac Limited	9,730.98	3,110.41	12,841.39			
	B-Trac Engineering Ltd.	815.65	12.30	827.95			
	Bangla Trac Power Ltd.	562.97	87.00	649.97			
	Bangla Trac Miaki Green Power Ltd	610.63	17.28	627.91			
	<b>Group-total</b>	<b>11,720.23</b>	<b>3,226.99</b>	<b>14,947.22</b>	9.65%	2.66%	12.31%
13	Lanka Bangla Securities Ltd.	945.92	10,000.00	10,945.92			
	Lanka Bangla Finance Ltd.	1,941.53	-	1,941.53			
	Lanka Bangla Finance Ltd.	6,576.16	-	6,576.16			
	Lanka Bangla Investment Ltd.	168.72	-	168.72			
	<b>Group-total</b>	<b>9,632.33</b>	<b>10,000.00</b>	<b>19,632.33</b>	7.93%	8.24%	16.17%
<b>Total</b>	<b>106,684.48</b>	<b>135,233.50</b>	<b>241,917.98</b>				

Bank's total Capital as on 31 December 2013 is Tk. 121,401.03 lac

## Highlights of Performance of Bank

(Amount in Taka)

SI No	PARTICULARS	2013	2012
1	Paid up Capital	6,678,983,028	5,565,819,188
2	Total Capital ( Core + Supplementary)	12,140,103,057	11,055,301,210
3	Capital Surplus	3,269,953,057	2,074,161,210
4	Total Assets	121,963,432,985	132,823,092,496
5	Total Deposit	96,481,346,797	102,176,874,548
6	Total Investment (Loans & Advance)	85,706,613,336	96,184,918,916
7	Total Contingent Liabilities and Commitment	45,433,365,068	47,869,227,491
8	Investment Deposit Ratio ( % )	88.88%	89.64%
9	Percentage of Classified Investment against total Investments	6.47%	2.96%
10	Profit after Tax and Provision	1,304,961,848	1,729,529,480
11	Amount of Classified Investment	5,542,692,031	2,842,267,138
12	Provisions kept against classified Investment	1,511,837,063	1,073,009,403
13	Provisions surplus	(856,911,596)	128,941,176
14	Cost of Fund	11.65%	11.88%
15	Profit Earning Assets	100,434,289,583	110,419,868,065
16	Non-Profit Earning Assets	21,529,143,402	22,403,224,430
17	Return on Investment in Securities (ROI)	2.84%	2.16%
18	Return on Assets (ROA)	1.02%	1.44%
19	Income from Investment in Securities	229,917,248	133,321,674
20	Earning Per Share	1.95	2.59
21	Net Income Per Share	1.95	2.59
22	Price Earning Ratio (Times)	8.60	11.01

# Shahjalal Islami Bank Limited

## Off-Shore Banking Unit

### Balance Sheet

As at 31 December 2013

	Note	2013		2012	
		USD	Taka	USD	Taka
<b>Property and Assets</b>					
<b>Cash</b>					
Cash in hand (Including Foreign Currencies)		-	-	-	-
Balance with Bangladesh Bank & Sonali Bank Ltd. (Including Foreign Currencies)		-	-	-	-
<b>Balance with other Banks and Financial Institutions</b>					
Inside Bangladesh		29,926.96	2,326,857	26,952.98	2,149,565
Outside Bangladesh		-	-	-	-
	3	<b>29,926.96</b>	<b>2,326,857</b>	<b>26,952.98</b>	<b>2,149,565</b>
<b>Investments</b>					
General Investment etc.		-	-	-	-
Bills Purchased and Discounted		36,515,802.23	2,839,147,442	22,014,743.96	1,755,728,666
	4	<b>36,515,802.23</b>	<b>2,839,147,442</b>	<b>22,014,743.96</b>	<b>1,755,728,666</b>
<b>Fixed Assets Including Premises</b>					
	5	2,110.00	164,055	2,384.26	190,150
<b>Other Assets</b>					
		-	-	-	-
<b>Non Banking Assets</b>					
		-	-	-	-
<b>Total Assets</b>		<b>36,547,839.19</b>	<b>2,841,638,354</b>	<b>22,044,081.20</b>	<b>1,758,068,381</b>
<b>LIABILITIES AND CAPITAL</b>					
<b>Liabilities</b>					
<b>Placement from other Banks &amp; Financial Institutions</b>	6	<b>35,395,000.00</b>	<b>2,752,003,724</b>	<b>22,036,000.00</b>	<b>1,757,423,886</b>
<b>Deposits and Other Accounts</b>					
Mudaraba Savings Deposits		100.00	7,775	100.00	7,975
Mudaraba Term Deposits		1,067,731.23	83,017,384	-	-
Other Mudaraba Deposits		-	-	-	-
Al-Wadeeah Current & Other Deposit Accounts		38,850.02	3,020,636	7,981.20	636,520
Bills Payable		-	-	-	-
	7	<b>1,106,681.25</b>	<b>86,045,795</b>	<b>8,081.20</b>	<b>644,495</b>
<b>Other Liabilities</b>	8	<b>46,157.94</b>	<b>3,588,835</b>	-	-
<b>Total Liabilities</b>		<b>36,547,839.19</b>	<b>2,841,638,354</b>	<b>22,044,081.20</b>	<b>1,758,068,381</b>
<b>Capital/Shareholders' Equity</b>					
Paid-up Capital		-	-	-	-
Statutory Reserve		-	-	-	-
Deficit in profit and loss account/Retained Earnings		-	-	-	-
<b>Total Shareholders' Equity</b>		-	-	-	-
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>36,547,839.19</b>	<b>2,841,638,354</b>	<b>22,044,081.20</b>	<b>1,758,068,381</b>

# Shahjalal Islami Bank Limited

## Off-Shore Banking Unit

As at 31 December 2013

	Note	2013		2012	
		USD	Taka	USD	Taka
<b>Contingent liabilities</b>					
Acceptances & endorsements		-	-	-	-
Letters of guarantee		-	-	-	-
Irrevocable letters of credit (including back to back bills)		-	-	-	-
Bills for collection		-	-	-	-
Other contingent liabilities		-	-	-	-
<b>Total</b>		-	-	-	-
<b>Other commitments</b>					
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		-	-	-	-
<b>Total</b>		-	-	-	-

The annexed notes form an integral part of these financial statements.



**Chairman**



**Director**



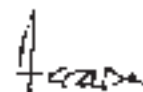
**Director**



**Managing Director**

This is the balance sheet referred to in our separate report of even date.

Dhaka, 17 April 2014



**ACNABIN**  
Chartered Accountants

# Shahjalal Islami Bank Limited

## Off-Shore Banking Unit

### Profit and Loss Account

For the year ended 31 December 2013

	Note	2013		2012	
		USD	Taka	USD	Taka
Investment Income	9	1,304,564.49	101,431,455	670,922.72	53,507,697
Less: Profit paid on Deposits & Borrowing	10	142,888.95	11,109,787	64,108.10	5,112,775
<b>Net Investment Income</b>		<b>1,161,675.54</b>	<b>90,321,668</b>	<b>606,814.62</b>	<b>48,394,922</b>
Commission, Exchange and Brokerage	11	45.00	3,499	5.00	399
Other Operating Income	12	39,507.66	3,071,768	5,756.54	459,098
		39,552.66	3,075,267	5,761.54	459,497
<b>Total Operating Income</b>		<b>1,201,228.20</b>	<b>93,396,935</b>	<b>612,576.16</b>	<b>48,854,419</b>
Salaries and Allowances	13	32,535.77	2,529,695	21,515.96	1,715,949
Rent, Taxes, Insurances, Electricity etc.	14	745.17	57,938	2,183.11	174,108
Legal Expenses		-	-	-	-
Postage, Stamps, Telecommunication etc.	15	83.33	6,479	147.50	11,763
Stationery, Printings, Advertisements etc.	16	280.02	21,772	431.82	34,439
Auditors' Fees		-	-	-	-
Depreciation & Repairs of Bank's Assets	17	1,331.17	103,500	541.23	43,164
Other Expenses	18	51.68	4,018	73.75	5,882
<b>Total Operating Expenses</b>		<b>35,027.14</b>	<b>2,723,402</b>	<b>24,893.37</b>	<b>1,985,306</b>
<b>Profit before Provision</b>		<b>1,166,201.06</b>	<b>90,673,532</b>	<b>587,682.79</b>	<b>46,869,113</b>
Specific provisions for Classified Investment		-	-	-	-
General Provisions for Unclassified Investment		-	-	-	-
Provisions for Other Assets		-	-	-	-
<b>Total Provision</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Profit before Provisions for Taxation</b>		<b>1,166,201.06</b>	<b>90,673,532</b>	<b>587,682.79</b>	<b>46,869,113</b>
Deferred Tax Expenses		-	-	-	-
Current Tax Expenses		-	-	-	-
		-	-	-	-
<b>Net Profit after Taxation</b>		<b>1,166,201.06</b>	<b>90,673,532</b>	<b>587,682.79</b>	<b>46,869,113</b>
Retained Earnings from previous year		-	-	-	-
Add: Retained Earnings of Current year		1,166,201.06	90,673,532	587,682.79	46,869,113
<b>Retained Earnings carried forward</b>		<b>1,166,201.06</b>	<b>90,673,532</b>	<b>587,682.79</b>	<b>46,869,113</b>
Less: Retained earnings transferred to central operation		1,166,201.06	90,673,532	587,682.79	46,869,113
		-	-	-	-

The annexed notes form an integral part of these financial statements.

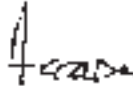
  
Chairman

  
Director

  
Director

  
Managing Director

This is the balance sheet referred to in our separate report of even date.

  
ACNABIN

Chartered Accountants

Dhaka, 17 April 2014

# Shahjalal Islami Bank Limited

## Off-Shore Banking Unit Cash Flow Statement

For the year ended 31 December 2013

	2013		2012	
	USD	Taka	USD	Taka
<b>Cash Flow from Operating Activities</b>				
Investment Income receipt in cash	1,304,564.49	101,431,455	670,922.72	53,507,697
Profit Paid on Borrowing	(142,888.95)	(11,109,787)	(64,108.10)	(5,112,775)
Fees & Commission receipt in cash	45.00	3,498.80	5.00	399
Cash Payments to Employees	(32,535.77)	(2,529,695)	(21,515.96)	(1,715,949)
Cash Payments to Suppliers	(280.02)	(21,772)	(431.82)	(34,439)
Receipts from other Operating activities	39,507.66	3,071,768	5,756.54	459,098
Payments for other Operating activities	(946.42)	(73,585)	(2,404.36)	(191,753)
<b>(i) Operating Profit before changes in Operating Assets</b>	<b>1,167,465.99</b>	<b>90,771,882</b>	<b>588,224.02</b>	<b>46,912,277</b>
<b>Changes in Operating Assets and Liabilities</b>				
Increase/decrease of Investment to Customers	(14,501,058.27)	(1,083,418,776)	(19,938,908.49)	(1,585,532,576)
Increase/decrease of Other Assets	-	-	-	-
Increase/decrease of Deposits from other Banks	-	-	-	-
Increase/decrease of Deposits received from Customers	1,098,600.05	85,401,300	8,081.20	644,495
Increase/decrease of Other liabilities on account of customers	-	-	-	-
Increase/decrease of Other Liabilities	46,157.94	3,588,835	-	-
<b>(ii) Cash flows from operating assets and liabilities</b>	<b>(13,356,300.28)</b>	<b>(994,428,641)</b>	<b>(19,930,827.29)</b>	<b>(1,584,888,081)</b>
<b>Net cash flow from operating activities (A)=(i+ii)</b>	<b>(12,188,834.29)</b>	<b>(903,656,759)</b>	<b>(19,342,603.27)</b>	<b>(1,537,975,804)</b>
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of fixed assets	-	-	-	-
Purchases of Property, Plant & Equipments	(990.69)	(72,253)	(2,925.49)	(233,315)
<b>Net cash used in investing activities (B)</b>	<b>(990.69)</b>	<b>(72,253)</b>	<b>(2,925.49)</b>	<b>(233,315)</b>
<b>Cash flows from Financing Activities</b>				
Borrowing from Shahjalal Islami Bank Ltd	13,359,000.00	994,579,838	19,959,000.00	1,587,132,318
Profit transferred to Shahjalal Islami Bank Ltd	(1,166,201.06)	(90,673,532)	(587,682.79)	(46,869,113)
<b>Net cash flow from financing activities (C)</b>	<b>12,192,798.94</b>	<b>903,906,305</b>	<b>19,371,317.21</b>	<b>1,540,263,205</b>
<b>Net Increase/(Decrease) in Cash (A+B+C)</b>	<b>2,973.96</b>	<b>177,293</b>	<b>25,788.45</b>	<b>2,054,087</b>
Add: Cash and cash equivalents at the beginning of the year	26,953.00	2,149,565	1,164.53	95,478
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>29,926.96</b>	<b>2,326,857</b>	<b>26,952.98</b>	<b>2,149,565</b>



Chairman



Director



Director



Managing Director

Dhaka, 17 April 2014

# Off-shore Banking Unit

## Notes to the Financial Statements

For the year ended 31 December 2013

### 1. Status of the Unit

Off-shore Banking Unit is a separate business unit of Shahjalal Islami Bank Limited, governed under the rules and Guidelines of Bangladesh Bank. The Bank obtained the Off-shore Banking Unit permission vide letter no. BRPD (P-3)744(99)/2008-2800 dated 24 July 2008. The Bank opened its Off-shore Banking Unit on 21 December 2008. The unit is located at Uday Sanz, Plot No-SE(A) 2/B Gulshan South Avenue, Gulshan-1, Dhaka-1212. The Off-shore Banking Unit is governed under the rules and guidelines of Bangladesh Bank.

#### 1.1 Nature of Business

The principal activities of the OBU are to provide commercial banking services through its Unit within the rules & regulations and guidelines applicable for the Off-shore Banking Units.

### 2. Significant Accounting Policies

#### 2.1 Basis of accounting

The accounting records of the unit are maintains in USD forms and the financial statements are prepared under the historical cost convention and in accordance with first schedule of Bank Companies Act 1991 as amended by Bangladesh Bank BRPD Circular No.14 dated 25 June 2003, other Bangladesh Bank circulars, International Financial Reporting Standard adopted as Bangladesh Accounting Standards (BAS), 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 on a going concern basis.

#### 2.2 Common expense

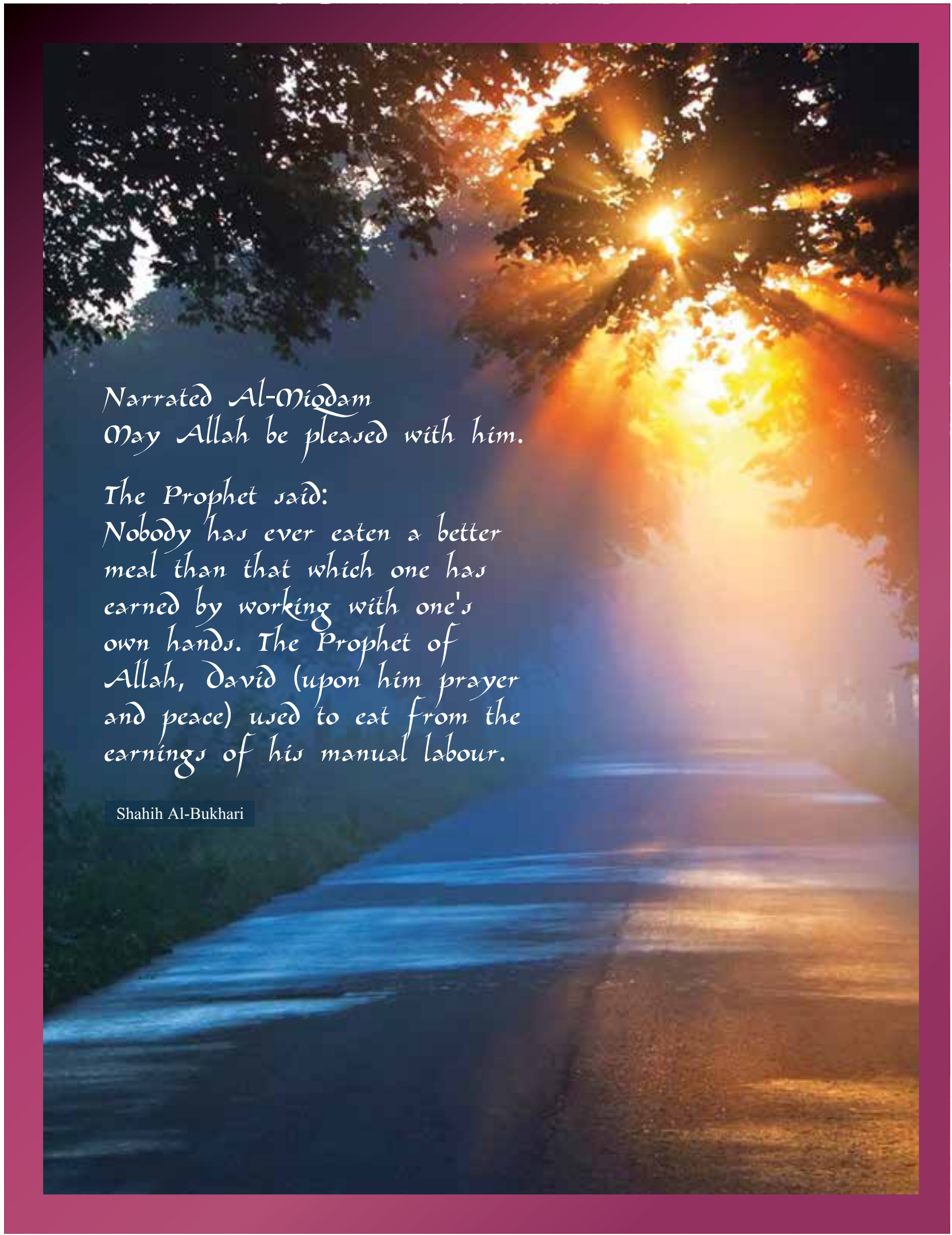
- a. Expenditure for audit fees has not been separately accounted for in the Financial Statements.
- b. Provision for taxation, loans & advances and off-Balance Sheet items have not been separately accounted for in these Financial Statements. These are accounted for in the central account of Shahjalal Islami Bank Limited.

#### 2.3 General

- a) These Financial Statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.
- b) Assets and liabilities & income and expenses have been converted to Taka currency @ US\$1= Taka 77.7512 (weighted average rate as at 31st December 2013)

	31.12.2013		31.12.2012	
	USD	Taka	USD	Taka
<b>3 Balance with Other Banks and Financial Institutions (Other than Mudaraba Term Fund)</b>				
Inside Bangladesh (Note - 3.1)	29,926.96	2,326,857	26,952.98	2,149,565
Outside Bangladesh	-	-	-	-
	<b>29,926.96</b>	<b>2,326,857</b>	<b>26,952.98</b>	<b>2,149,565</b>
<b>3.1 Inside Bangladesh</b>				
Shahjalal Islami Bank Ltd	29,926.96	2,326,857	26,952.98	2,149,565
	<b>29,926.96</b>	<b>2,326,857</b>	<b>26,952.98</b>	<b>2,149,565</b>
<b>4 Investments (Loans and Advances)</b>				
<b>Country-wise Classification of Investments:</b>				
<b>Inside Bangladesh</b>				
Gross Murabaha, Bai-Muajjal etc	-	-	-	-
Less: Profit receivable on Murabaha, Bai-Muajjal etc	-	-	-	-
Net Murabaha, Bai-Muajjal etc	-	-	-	-
Bills purchased and discounted-net (Note- 4.1)	36,515,802.23	2,839,147,442	22,014,743.96	1,755,728,666
Out side Bangladesh	-	-	-	-
	<b>36,515,802.23</b>	<b>2,839,147,442</b>	<b>22,014,743.96</b>	<b>1,755,728,666</b>
<b>4.1 Bills Purchased and Discounted :</b>				
Payable inside Bangladesh	-	-	-	-
Payable outside Bangladesh	37,414,261.65	2,909,003,740	22,564,445.88	1,799,568,714
Gross Bills Purchased and Discounted	<b>37,414,261.65</b>	<b>2,909,003,740</b>	<b>22,564,445.88</b>	<b>1,799,568,714</b>
Less: Profit receivable on Bills Purchased and Discounted	898,459.42	69,856,298	549,701.92	43,840,047
<b>Net Bills Purchased and Discounted</b>	<b>36,515,802.23</b>	<b>2,839,147,442</b>	<b>22,014,743.96</b>	<b>1,755,728,666</b>
<b>5 Fixed Assets including Premises, Furniture &amp; Fixtures</b>				
Furniture & Fixture	380.00	29,545	407.05	32,463
Office Equipment	1,730.00	134,510	1,977.21	157,687
<b>Carrying value</b>	<b>2,110.00</b>	<b>164,055</b>	<b>2,384.26</b>	<b>190,150</b>
<b>6 Placement from other Banks &amp; Financial Institutions</b>				
Borrowing from Shahjalal Islami Bank Ltd	35,395,000.00	2,752,003,724	22,036,000.00	1,757,423,886
	<b>35,395,000.00</b>	<b>2,752,003,724</b>	<b>22,036,000.00</b>	<b>1,757,423,886</b>
<b>7 Deposits and Other Accounts</b>				
Al-Wadiah Current Deposit	38,850.02	3,020,636	7,981.20	636,520
	<b>38,850.02</b>	<b>3,020,636</b>	<b>7,981.20</b>	<b>636,520</b>
Mudaraba Savings Deposit	100.00	7,775	100.00	7,975
	<b>100.00</b>	<b>7,775</b>	<b>100.00</b>	<b>7,975</b>
Mudaraba Term Deposit	1,067,731.23	83,017,384	-	-
	<b>1,067,731.23</b>	<b>83,017,384</b>	-	-
	<b>1,106,681.25</b>	<b>86,045,795</b>	<b>8,081.20</b>	<b>644,495</b>
<b>8 Other Liabilities:</b>				
Profit Payable	46,157.94	3,588,835	-	-
	<b>46,157.94</b>	<b>3,588,835</b>	-	-

	31.12.2013		31.12.2012	
	USD	Taka	USD	Taka
<b>9 Profit on Investment:</b>				
Profit received from Mudaraba Import Bills (UPAS)	1,304,564.49	101,431,455	670,922.72	53,507,697
	<b>1,304,564.49</b>	<b>101,431,455</b>	<b>670,922.72</b>	<b>53,507,697</b>
<b>10 Profit paid on Deposits &amp; Borrowing:</b>				
Profit paid on borrowings	142,888.95	11,109,787	64,108.10	5,112,775
	<b>142,888.95</b>	<b>11,109,787</b>	<b>64,108.10</b>	<b>5,112,775</b>
<b>11 Commission, Exchange &amp; Brokerage:</b>				
Commission from LC	45.00	3,499	5.00	399
	<b>45.00</b>	<b>3,499</b>	<b>5.00</b>	<b>399</b>
<b>12 Other Operating Income:</b>				
SWIFT & REUTERS	39,507.66	3,071,768	5,756.54	459,098
	<b>39,507.66</b>	<b>3,071,768</b>	<b>5,756.54</b>	<b>459,098</b>
<b>13 Salary &amp; Allowances:</b>				
Basic Salary	11,697.99	909,533	9,071.20	723,450
Allowances	10,640.52	827,313	7,840.39	625,290
Bonus	8,858.46	688,756	3,697.25	294,865
Bank's Contribution to Provident fund	1,338.80	104,093	907.12	72,345
	<b>32,535.77</b>	<b>2,529,695</b>	<b>21,515.96</b>	<b>1,715,949</b>
<b>14 Rent, Taxes, Insurance, Electricity etc.:</b>				
Rent, Rates & Taxes	565.24	43,948	1,622.55	129,402
Electricity & Lighting	179.93	13,990	560.56	44,706
	<b>745.17</b>	<b>57,938</b>	<b>2,183.11</b>	<b>174,108</b>
<b>15 Postage, Stamps, Telecommunication etc:</b>				
Telephone charges	83.33	6,479	147.50	11,763
	<b>83.33</b>	<b>6,479</b>	<b>147.50</b>	<b>11,763</b>
<b>16 Stationery, Printing, Advertisement etc:</b>				
Computer Stationery	271.96	21,145	332.31	26,503
Advertisement	8.06	627	99.51	7,936
	<b>280.02</b>	<b>21,772</b>	<b>431.82</b>	<b>34,439</b>
<b>17 Depreciation and Repair of Fixed Assets:</b>				
<b>Depreciation of Fixed Assets (Annexure A):</b>				
Furniture & Fixtures	221.61	17,230	45.37	3,618
Office Appliance & Equipment	1,043.32	81,119	495.86	39,546
	<b>1,264.93</b>	<b>98,350</b>	<b>541.23</b>	<b>43,164</b>
Repair's & Maintainance	66.24	5,150	-	-
	<b>66.24</b>	<b>5,150</b>	-	-
	<b>1,331.17</b>	<b>103,500</b>	<b>541.23</b>	<b>43,164</b>
<b>18 Other Expenses:</b>				
Utility	25.70	1,998	73.75	5,882
Entertainment Exp.	25.98	2,020	-	-
	<b>51.68</b>	<b>4,018</b>	<b>73.75</b>	<b>5,882</b>



*Narrated Al-Miqdam  
May Allah be pleased with him.*

*The Prophet said:  
Nobody has ever eaten a better  
meal than that which one has  
earned by working with one's  
own hands. The Prophet of  
Allah, David (upon him prayer  
and peace) used to eat from the  
earnings of his manual labour.*

Shahih Al-Bukhari

# AUDITORS' REPORT TO THE SHAREHOLDERS OF SHAHJALAL ISLAMI BANK SECURITIES LIMITED

We have audited the accompanying financial statements of **SHAHJALAL ISLAMI BANK SECURITIES LIMITED**, which comprise the statement of financial position as at December 31, 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management of **SHAHJALAL ISLAMI BANK SECURITIES LIMITED** is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

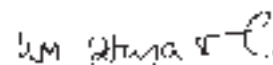
## Opinion

In our opinion, the financial statements, prepared in accordance with Bangladesh Financial Reporting Standard (BFRS), give a true and fair view of the financial position as at December 31, 2013 and its financial performance for the year ended December 31, 2013 and its cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules, 1987, conditions and regulations issued by the Bangladesh Securities and Exchange Commission and other applicable laws and regulations.

We also report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) Proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- (c) the company's statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account; and
- (d) the expenditure incurred was for the purpose of the company's business.

Dhaka, Bangladesh  
Date: March 02, 2014

  
**K. M. HASAN & CO.**  
Chartered Accountants

# Shahjalal Islami Bank Securities Limited

## Statement of Financial Position

As at 31 December 2013

	Notes	2013 Taka	2012 Taka
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	4	44,528,324	44,280,828
Investment in membership	5	518,500,000	518,500,000
		<b>563,028,324</b>	<b>562,780,828</b>
<b>Current assets</b>			
Investment to clients	6	4,629,190,581	4,779,254,946
Investment in securities	7	1,207,277,346	942,395,678
Advances, deposits & prepayments	8	62,068,889	46,665,969
Accounts receivable	9	1,851,692,165	1,082,329,377
Cash and cash equivalents	10	343,158,491	819,750,460
		<b>8,093,387,472</b>	<b>7,670,396,430</b>
<b>Total assets</b>		<b>8,656,415,796</b>	<b>8,233,177,258</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	11	2,140,000,000	2,140,000,000
Retained earnings		17,865,500	16,907,544
		<b>2,157,865,500</b>	<b>2,156,907,544</b>
<b>Current liabilities</b>			
Short term borrowings	12	3,501,591,288	3,835,617,138
Accounts payable	13	1,933,250,654	1,699,993,922
Other liabilities	14	735,831,815	303,765,414
Provision for income tax	15	75,976,539	52,993,240
Provision for investments in securities	16	108,900,000	108,900,000
Provision for margin investment	17	143,000,000	75,000,000
		<b>6,498,550,296</b>	<b>6,076,269,714</b>
<b>Total equity and liabilities</b>		<b>8,656,415,796</b>	<b>8,233,177,258</b>

The annexed notes form an integral part of these financial statements.

For Shahjalal Islami Bank Securities Limited


  
Chief Executive Officer

  
Vice Chairman

  
Chairman

Signed in terms of our report of even date annexed

Dhaka, Bangladesh  
Date: March 02, 2014

  
**K. M. HASAN & CO.**  
Chartered Accountants

# Shahjalal Islami Bank Securities Limited

## Statement of Comprehensive Income

For the year ended 31 December 2013

	Notes	2013 Taka	2012 Taka
Brokerage commission	18	92,365,580	125,892,853
Investment income		422,812,099	510,436,778
Other operating income	19	83,823,171	19,319,765
Total operating income		599,000,850	655,649,396
Less: Operating expenses	20	48,689,120	66,432,761
Net income from operation		550,311,730	589,216,635
Add: Other income	21	30,741,061	103,098,421
Total income		581,052,791	692,315,056
Less: Office and administrative expenses	22	41,739,647	52,870,271
Profit before financial expenses		539,313,144	639,444,785
Less: Financial expenses	23	447,371,889	458,558,758
<b>Profit before tax and provision</b>		91,941,255	180,886,027
Less: Provision for investments in securities		-	56,200,000
Provision for margin investment		68,000,000	75,000,000
		68,000,000	131,200,000
<b>Net profit before tax</b>		23,941,255	49,686,027
Less: Provision for income tax		22,983,299	33,011,983
<b>Net profit after tax transferred to retained earnings</b>		<b>957,956</b>	<b>16,674,044</b>
<b>Earning per share (EPS)</b>		<b>0.004</b>	<b>0.078</b>

The annexed notes form an integral part of these financial statements.

For Shahjalal Islami Bank Securities Limited


  
Chief Executive Officer

  
Vice Chairman

  
Chairman

Signed in terms of our report of even date annexed

Dhaka, Bangladesh  
Date: March 02, 2014

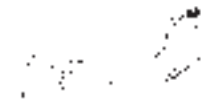
  
**K. M. HASAN & CO.**  
Chartered Accountants

**Shahjalal Islami Bank Securities Limited**  
**Statement of Changes in Equity**  
 For the year ended 31 December 2013

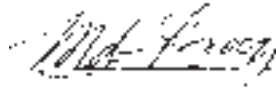
(Amount in taka)

Particulars	Share Capital	Retained Earnings	Total
<b>Balance as at January 01 , 2013</b>	<b>2,140,000,000</b>	<b>16,907,544</b>	<b>2,156,907,544</b>
Net profit after tax	-	957,956	957,956
<b>Balance as at December 31, 2013</b>	<b>2,140,000,000</b>	<b>17,865,500</b>	<b>2,157,865,500</b>
<b>Balance as at January 01 , 2012</b>	<b>2,140,000,000</b>	<b>233,500</b>	<b>2,140,233,500</b>
Net profit after tax	-	16,674,044	16,674,044
<b>Balance as at December 31, 2012</b>	<b>2,140,000,000</b>	<b>16,907,544</b>	<b>2,156,907,544</b>

For Shahjalal Islami Bank Securities Limited



**Chief Executive Officer**



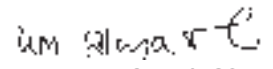
**Vice Chairman**



**Chairman**

Signed in terms of our report of even date annexed

Dhaka, Bangladesh  
 Date: March 02, 2014

  
**K. M. HASAN & CO.**  
 Chartered Accountants

# Shahjalal Islami Bank Securities Limited

## Statement of Cash Flows

For the year ended December 31, 2013

	2013 Taka	2012 Taka
<b>A. Cash flows from operating activities</b>		
Cash received from commission & others	(86,352,343)	196,780,783
Payment for operating expenses & others	584,588,317	205,110,768
Income tax paid	(18,566,238)	(40,427,587)
Payment of Profit	(447,371,889)	(134,085,387)
Investment to client	150,064,365	(722,946,906)
<b>Net Cash used in operating activities</b>	<b>182,362,212</b>	<b>(495,568,329)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant & equipment	(6,778,129)	(8,253,342)
Investment in securities	(318,150,202)	(546,839,735)
<b>Net Cash used in investing activities</b>	<b>(324,928,331)</b>	<b>(555,093,077)</b>
<b>C. Cash flow from financing activities</b>		
Short term borrowings	(334,025,850)	1,044,512,225
Dividend paid	-	(121,500,000)
<b>Net cash from financing activities</b>	<b>(334,025,850)</b>	<b>923,012,225</b>
Increase/(decrease) in cash and cash equivalents (A+B+C)	(476,591,969)	(127,649,181)
<b>Opening cash and cash equivalents</b>	<b>819,750,460</b>	<b>947,399,641</b>
<b>Closing cash and cash equivalents</b>	<b>343,158,491</b>	<b>819,750,460</b>

For Shahjalal Islami Bank Securities Limited


  
**Chief Executive Officer**

  
**Vice Chairman**

  
**Chairman**

Signed in terms of our report of even date annexed

Dhaka, Bangladesh  
Date: March 02, 2014

  
**K. M. HASAN & CO.**  
Chartered Accountants

# Shahjalal Islami Bank Securities Limited

## Notes to the financial statements

For the year ended 31 December 2013

### 1 Introduction

#### 1.1 Legal status of the company

**SHAHJALAL ISLAMI BANK SECURITIES LIMITED** has been incorporated as a public company limited by shares under the Companies Act 1994 vide certificate of incorporation no. C - 86917/10 dated September 06, 2010 and commenced its operation on the 25th day of May 2011. Presently the company is operating its business through Head Office with one extension office and 08 branches with 70 employees all over Bangladesh. It has corporate membership of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

#### 1.2 Address of registered office and principal place of business

Its corporate Head office and Principal place of business is at Jiban Bima Bhaban, 10 Dilkusha C/A, Dhaka-1000.

### 2 Nature of business activities

The principal objectives of the company are to carry on the business of stock brokers/stock dealers and other related business in connection with the dealings of listed securities. Other objectives of the company are to buy, sell, hold shares, stocks and fixed income securities or otherwise acquire or invest the capital of the company in the same and other services as mentioned in the Memorandum and Articles of Association of the Company.

### 3 Significant accounting policies

#### 3.1 Basis for preparation of financial statements

The financial statements have been prepared on a going concern concept basis under historical cost convention in accordance with the Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), Companies Act 1994 and other applicable laws and regulations.

#### 3.2 Liabilities, provisions and disclosures

There are no other material liabilities or gains or loss contingencies that are required to be accrued or disclosed, other than those accrued or disclosed in the financial statements, nor there are any accruals for loss contingencies included in the statement of financial position that are not in conformity with the Company's existing practices.

**3.3** The company follows shariah based rules, so the income from non shariah based Banking & financial institutions has not been recognised as income. Hence, this income has been mention as income suspense account in other liability.

#### 3.4 Property, plant and equipment

i) All property, plant and equipment are stated at cost less accumulated depreciation as per BAS -16 " Property, plant and equipment".

ii) For addition the depreciation has been charged for the remaining days of the accounting year and for disposal depreciation charged up to the date of disposal.

iii) Depreciation has been charged under reducing balance method at the followings rates:

Asset Category	Rate (%)
Furniture and fixtures	10-20
Office equipments	20

#### 3.5 Investments to clients

Investments to clients include investment to margin customers and receivable therefrom.

### 3.6 Corporate income tax

Income tax withheld from the transactions of traded securities @ 0.05% is the final tax liability of the company under section 82C of Income Tax Ordinance 1984. Income tax provision is made on capital gains on sale of shares of listed securities @ 10% as per SRO No. 269/Law/Income Tax/2010 dated 1 July 2010 whereas it is to pay @37.5% on other income as per income tax law.

### 3.7 Revenue recognition

Revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the company and the amount of revenue can be measured reliably.

Revenue recognition policy on specific item is described as under:

- (i) Brokerage commission is recognised as income when selling or buying order is executed.
- (ii) Income from profit bearing Bank Account is recognized on accrual basis.
- (iii) Capital gains on sale of securities are recognised when these are realised.

### 3.8 Statement of cash flows

Statement of cash flows is prepared principally in accordance with BAS -7 " Statement of Cash Flows" and cash flows from operating activities have been presented under direct method.

### 3.9 General

- (i) The figures in the financial statements represent Bangladesh currency (Taka), which have been rounded off to the nearest Taka.
- (ii) Previous year's figures have been rearranged/ reclassified/ regrouped, where necessary, to confirm to current year's financial presentation.

# Shahjalal Islami Bank Securities Limited

## Fixed Assets Schedule

As at 31 December 2013

### 4. Property, plant and equipment

(Amount in taka)

Particulars	Cost			Rate (%)	Depreciation				Written Down value as on 31.12.13
	Balance as on 01.01.2013	Addition during the year	Sales/ Adjustment		Balance as on 31.12.2013	Balance as on 01.01.2013	Charged during the year	Adjustment	
Furniture and fixtures	27,020,352	5,787,422	-	32,807,774	3,511,401	2,626,594	-	6,137,995	26,669,779
Office equipment	27,455,210	990,707	-	28,445,917	6,683,333	3,904,039	-	10,587,372	17,858,545
<b>Total at December 31, 2013</b>	<b>54,475,562</b>	<b>6,778,129</b>	<b>-</b>	<b>61,253,691</b>	<b>10,194,734</b>	<b>6,530,633</b>	<b>-</b>	<b>16,725,367</b>	<b>44,528,324</b>
<b>Total at December 31, 2012</b>	<b>46,222,220</b>	<b>8,253,342</b>	<b>-</b>	<b>54,475,562</b>	<b>3,487,397</b>	<b>6,707,337</b>	<b>-</b>	<b>10,194,734</b>	<b>44,280,828</b>

	2013 Taka	2012 Taka
<b>5 Investment in membership</b>		
Membership license-DSE	362,000,000	362,000,000
Membership license-CSE	156,500,000	156,500,000
	<b>518,500,000</b>	<b>518,500,000</b>
<b>6 Investment to client</b>	<b>4,629,190,581</b>	<b>4,779,254,946</b>
<b>7 Investment in securities</b>	<b>1,207,277,346</b>	<b>942,395,678</b>

This represent investment at cost Tk.1,207,200,214.06, market value of which is Tk. 1,046,213,846.10 as of date of statement of financial position. Unrealised loss stood at Tk.160,986,367.96 on that date against which aggregate provision comes to Tk.108,900,000.00 till December 31, 2013. If the market price of shares goes up in future the above errossion will be reduced.

It may be mentioned here that The Bangladesh Securities and Exchange Commission vide its Instruction no. SEC/CMRRCD/2009-193/155 dated 9 December 2013 allowed the stock dealer to provide the loss on investment in securities in 5 quarters in equal amount (20%) beginning from December 2013 to December 2014.

## 8. Advances, deposits & prepayments

Advance office rent	11,873,050	14,581,675
Advance commission for bank guarantee	883,238	958,331
Sundry deposit	230,400	-
Prepaid expenses	265,000	875,000
Advance income tax (8.1)	48,817,201	30,250,963
	<b>62,068,889</b>	<b>46,665,969</b>

### 8.1 Advance income tax

Opening Balance	30,250,963	28,757,429
Add: Paid during the year	18,566,238	40,552,087
	48,817,201	69,309,516
Less: Settlement of previous year tax liability	-	39,058,553
Closing Balance	<b>48,817,201</b>	<b>30,250,963</b>

## 9. Accounts receivable

Profit receivable (9.1)	1,772,761,501	1,050,688,545
Receivable from Shahjalal Islami Bank Limited	22,885,142	22,666,128
Receivable from DSE	56,045,522	8,958,799
Receivable from CSE	-	15,905
	<b>1,851,692,165</b>	<b>1,082,329,377</b>

### 9.1 Profit receivable

Profit accrued on mudaraba term deposits	746,595	2,483,371
Profit from margin investment	1,772,014,906	1,048,205,174
	<b>1,772,761,501</b>	<b>1,050,688,545</b>

## 10. Cash and cash equivalents

Cash in hand	-	-
Cash at Banks (10.1)	343,158,491	819,750,460
	<b>343,158,491</b>	<b>819,750,460</b>

### 10.1 Cash at banks

Shahjalal Islami Bank Limited	340,575,624	810,073,495
One Bank Limited Principal Branch	2,575,504	9,525,885
Al-Arafah Islami Bank Limited Motijheel Corporate Branch	7,363	151,080
	<b>343,158,491</b>	<b>819,750,460</b>

## 11 Share capital

### Authorised Capital

50,00,00,000 ordinary shares of Tk. 10 each

### Issued, Subscribed & Paid-up capital

2,14,00,000 ordinary shares of Tk. 10 each

### Shareholding Position:

Sl. No.	Name of Shareholders	No.of Shares	2013 Taka	2012 Taka
1	Shahjalal Islami Bank Limited	191,500,000	1,915,000,000	1,915,000,000
2	Sajjatuz Jumma	1,250,000	12,500,000	12,500,000
3	Anwer Hossain Khan	1,250,000	12,500,000	12,500,000
4	Alhaj Mohammed Faruque	1,250,000	12,500,000	12,500,000
5	Tofazzal Hossain	1,250,000	12,500,000	12,500,000
6	Electra International Ltd. Represented by: Md. Sanaullah Shahid	1,250,000	12,500,000	12,500,000
7	Shams Uddin Khan and Harun Miah Ltd. Represented by: Shams Uddin Khan	1,250,000	12,500,000	12,500,000
8	Mohammed Farooq	1,250,000	12,500,000	12,500,000
9	Mohammed Hasan	1,250,000	12,500,000	12,500,000
10	Md. Abdul Barek	1,250,000	12,500,000	12,500,000
11	Mohammed Solaiman	1,250,000	12,500,000	12,500,000
12	Alhaj Syed Nurul Arefeen	1,250,000	12,500,000	12,500,000
13	Abdul Halim	1,250,000	12,500,000	12,500,000
14	Mohiuddin Ahmed	1,250,000	12,500,000	12,500,000
15	Akkas Uddin Mollah	1,250,000	12,500,000	12,500,000
16	Khandoker Sakib Ahmed	1,250,000	12,500,000	12,500,000
17	Engr. Md.Towhidur Rahman	1,250,000	12,500,000	12,500,000
18	A. K. Azad	1,250,000	12,500,000	12,500,000
19	Mohammed Younus	1,250,000	12,500,000	12,500,000
	<b>Total</b>	<b>214,000,000</b>	<b>2,140,000,000</b>	<b>2,140,000,000</b>

## 12 Short Term Borrowings

Shajalal Islami Bank Ltd-Bai-Muazzal margin investment

Al-Arafah Islami Bank Ltd-Bai-Muazzal investment

Shajalal Islami Bank Ltd-Bai-Muazzal (FO) investment

2,091,104,913	2,091,104,913
1,270,000,000	1,200,000,000
140,486,375	544,512,225
<b>3,501,591,288</b>	<b>3,835,617,138</b>

## 13 Accounts payable

Payable to client

Payable to DSE

Payable to CSE

Payable to Shahjalal Islami Bank Limited (13.1)

Other Payable (13.2)

150,603,290	116,004,556
256,528	60,565,963
612,690	350,825
1,737,416,202	1,474,964,245
44,361,944	48,108,333
<b>1,933,250,654</b>	<b>1,699,993,922</b>

### 13.1 Payable to Shahjalal Islami Bank Limited

Payable for others {13.1 (a)}

Profit Payable for margin investment

Profit Payable to Bai-Muazzal (FO)

911,315,178	911,738,177
825,969,199	550,349,953
131,825	12,876,115
<b>1,737,416,202</b>	<b>1,474,964,245</b>

	<b>2013 Taka</b>	<b>2012 Taka</b>
<b>13.1(a) Payable for others</b>		
Furniture & fixture	20,922,248	20,922,248
Office equipment	20,798,568	20,798,568
Other expenditure	210,004	210,004
Pre-Incorporation expenditure	1,099,040	1,099,040
Profit prior to separation from bank	331,784,174	331,784,174
Membership purchase (DSE & CSE)	518,500,000	518,500,000
Advance office rent	18,001,144	18,424,143
	<b>911,315,178</b>	<b>911,738,177</b>
<b>13.2 Other payable</b>		
Profit payable to Al-Arafah Islami Bank Ltd.-Bai-Muazzal investment	<b>44,361,944</b>	<b>48,108,333</b>
<b>14 Other liabilities</b>		
Accrued expenses	2,175,436	1,074,806
VAT payable	360,923	247,116
Tax payable	217,981	93,591
Auditors' fee	25,000	25,000
Incentive bonus payable	7,443,104	6,379,100
LFA Payable	996,751	945,801
Income suspense a/c	15,811,905	-
Profit suspense a/c	708,800,715	295,000,000
	<b>735,831,815</b>	<b>303,765,414</b>
<b>15. Provision for income tax</b>		
Opening Balance	52,993,240	58,915,310
Add: Provision made for prior year	-	124,500
Provision made for the year	22,983,299	33,011,983
	75,976,539	92,051,793
Less: Settlement of previous year tax liability	-	39,058,553
Closing Balance	<b>75,976,539</b>	<b>52,993,240</b>
<b>16. Provision for investment in securities</b>		
Opening Balance	108,900,000	52,700,000
Add: Provision made during the year	-	56,200,000
Closing Balance	<b>108,900,000</b>	<b>108,900,000</b>
<b>17. Provision for Margin investment</b>		
Opening balance	75,000,000	-
Add: Provision made during the year	68,000,000	75,000,000
Closing balance	<b>143,000,000</b>	<b>75,000,000</b>

The market value of shares of the client account having negative equity stood at Tk. 2,414,016,171.15 as on December 31,2013 against equity investment at cost Tk.3,977,235,447.77 leaving a shortfall of Tk.1,063,048,568.73. If the market price of the shares go up in future this equity erosion will be reduced. The Bangladesh Securities and Exchange Commission vide its Instruction no. SEC/CMRRCD/2009-193/155 dated 9 December 2013 allowed the stock broker to provide the loss on margin investment in 5 quarters in equal amount (20%) beginning from December 2013 to December 2014. However, an amount of Tk.68,000,000.00 has been provided for margin investment during the year. In addition, the company has also transferred Tk. 413,800,715.00 of profit from this margin investment to profit suspense account during the year as mentioned under note -14.

	<b>2013 Taka</b>	<b>2012 Taka</b>
<b>18. Brokerage commission</b>		
Commission income through DSE	90,993,503	124,607,989
Commission income through CSE	1,372,077	1,284,864
	<b>92,365,580</b>	<b>125,892,853</b>
<b>19. Other operating income</b>		
Capital gain on sale of share	73,522,157	12,533,194
Dividend income	10,301,014	6,786,571
	<b>83,823,171</b>	<b>19,319,765</b>
<b>20. Operating expenses</b>		
Rent, Taxes, Insurance, Electricity etc.(20.1)	17,096,081	25,746,798
Legal and Professional Expenses	222,291	27,500
Postage, Stamps, Telecommunication etc.(20.2)	2,435,167	6,213,270
Stationery, Printing, Advertisements etc.(20.3)	953,450	1,012,844
Depreciation, repair and maintenance.(20.4)	7,061,217	7,426,522
Other operating expenses.(20.5)	20,920,914	26,005,827
	<b>48,689,120</b>	<b>66,432,761</b>
<b>20.1 Rent, taxes, insurance, electricity etc</b>		
Office rent	14,982,493	23,230,492
Electricity & generator	2,000,138	2,435,786
Insurance for motor vehicle	101,210	-
Fuel	12,240	80,520
	<b>17,096,081</b>	<b>25,746,798</b>
<b>20.2 Postage, stamp, telecommunication etc</b>		
Revenue stamp	31,370	33,682
Telephone & mobile	714,361	881,411
Networking	1,656,700	5,249,024
Postage & Courier	32,736	49,153
	<b>2,435,167</b>	<b>6,213,270</b>
<b>20.3 Stationery, printing &amp; advertisement etc</b>		
Office stationery	111,957	88,233
Other stationery	218,300	359,400
Paper expenses	299,500	293,250
Advertisement	238,665	167,401
Printing	78,028	91,860
Computer Accessories	7,000	12,700
	<b>953,450</b>	<b>1,012,844</b>
<b>20.4 Depreciation, repairs &amp; maintenance</b>		
Depreciation	6,530,633	6,707,337
Repair & maintenance	530,584	719,185
	<b>7,061,217</b>	<b>7,426,522</b>
<b>20.5 Other expenses</b>		
Commission expenses	1,915,093	2,300,000
Conveyance	86,219	101,410
Conference expenses	-	362,857
Travelling and conveyance	3,535	46,305
Uniform	21,000	46,740
Water bill	246,319	260,285
Trade license renewal fee	84,010	81,505
Training expense	4,000	43,100
Bank charge	60,008	16,818

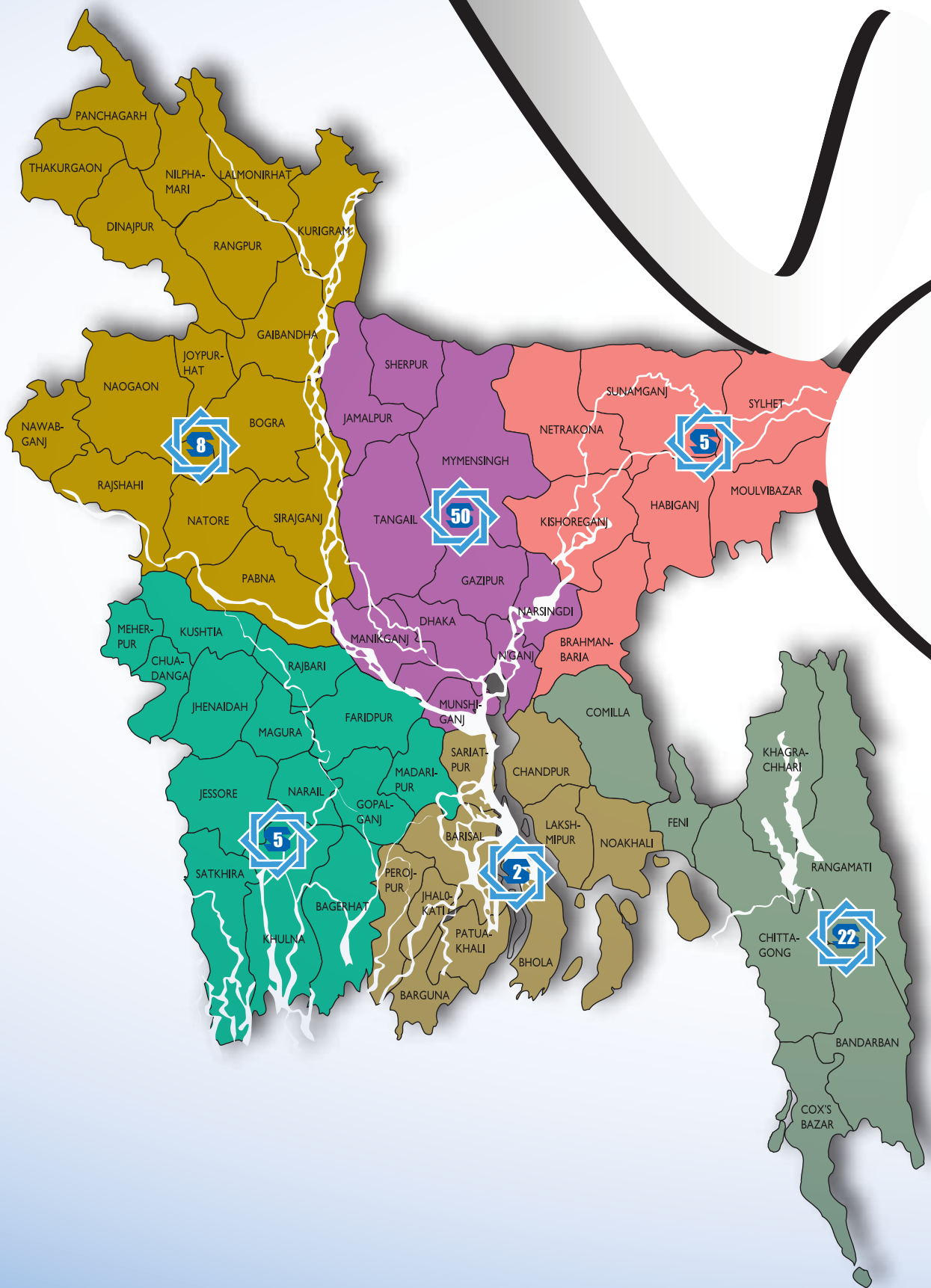
	<b>2013 Taka</b>	<b>2012 Taka</b>
Excise duty	74,350	211,700
Entertainment	890,172	1,471,506
Howla charge	1,261,602	1,577,272
Laga charge	5,419,427	7,206,055
Audit fee	25,000	25,000
BO A/C maintenance fee	2,728,400	2,687,600
CDBL transaction fee	5,565,536	7,655,712
Amortization	-	1,099,040
Plant Bill	54,600	66,000
Service Charge	280,200	317,340
Utility	9,735	314,732
Directors fee	264,500	-
Profit waiver of small investor	1,837,950	-
Miscellaneous expenses	89,258	114,850
	<b>20,920,914</b>	<b>26,005,827</b>
<b>21. Other income</b>		
Margin Documentation Fee	122,000	216,000
BO Account Opening Fee	397,000	617,000
Income from CDBL	1,137,911	2,671,109
Cheque Dishonour Fee	41,000	39,000
BO Maintenance Charge	3,240,000	3,075,500
BO Account Closing Fee	128,362	419,479
Profit on Mudaraba Term Deposit	24,879,605	95,280,526
Profit on Special Notice Deposit	795,183	779,807
	<b>30,741,061</b>	<b>103,098,421</b>
<b>22. Office and administrative expenses</b>		
Basic salary	14,306,208	17,511,599
Allowances	18,123,289	20,300,837
Bonus	7,106,525	12,413,176
Contribution to provident fund	1,210,879	1,385,175
Other allowance	376,350	50,750
Office maintenance	616,396	1,208,734
	<b>41,739,647</b>	<b>52,870,271</b>
<b>23. Financial expenses</b>		
Profit paid on bai-muazzal (margin)	275,619,247	276,374,367
Profit paid on bai-muazzal (FO)	10,455,706	47,887,010
Profit paid on bai muazzal (revolving)	161,296,936	134,297,381
	<b>447,371,889</b>	<b>458,558,758</b>
<b>24. Event after the reporting period</b>		

- (i) The Board of Directors in its meeting held on 02 March, 2014 approved the financial statements of the company for the year ended December 31,2013 and authorized the same for issue.
- (ii) No material events occurred after the date of statement of financial position, non-disclosure of which could affect the ability of the users of these financial statements to make appropriate evaluation.

  
Chief Executive Officer

  
Vice Chairman

  
Chairman



## Branches Network



Dhaka Zone : **50** Branches

Chittagong Zone : **22** Branches

Rajshahi Zone : **08** Branches

Khulna Zone : **05** Branches

Sylhet Zone : **05** Branches

Barisal Zone : **02** Branches

# Branches

## Dhaka Zone

### Dhaka Main Branch

58 Dilkusha C/A, Dhaka-1000.  
Phone: 02-9570795-8, 9570804,  
9570805, Fax: 02-9556011  
E-mail: dhakamain@shahjalalislamibank.com

### Mitford Branch

173-174, Mitford Road, Dhaka-1100.  
Phone: 02-7315533 , 7313788  
Fax: 02-7315534  
E-mail: mitford@shahjalalislamibank.com

### Dhanmondi Branch

Momtaz Plaza (1st Floor)  
House # 07, Road # 04,  
Dhanmondi R/A, Dhaka-1205.  
Phone: 02-9665766-7, Fax: 02-9665768  
E-mail: dhanmondi@shahjalalislamibank.com

### Gulshan Branch

40/5, North Avenue,  
Gulshan-2, Dhaka-1212.  
Phone: 02-9890520-1, 9893454, 9890322  
Fax: 02-9893008  
E-mail: gulshan@shahjalalislamibank.com

### Foreign Exchange Branch

Modern Mansion (1st & 2nd Floor),  
53 Motijheel C/A, Dhaka-1000  
Phone: 02-9574726-28, Fax: 02-9574729  
E-mail: fex@shahjalalislamibank.com

### Joydevpur Chowrasta Branch

Khaleque Complex (1st Floor),  
Joydevpur Chowrasta, Gazipur  
Phone: 02-9262393-4  
Fax: 02-9262393  
E-mail: jcb@shahjalalislamibank.com

### Kawran Bazar Branch

T K Bhaban, 13 Kazi Nazrul Islam Avenue,  
Kawran Bazar, Dhaka  
Phone: 02-9114044 , 9122396  
Fax: 02-9126604  
E-mail: kawran@shahjalalislamibank.com

### Uttara Branch

Anwar Complex (1st Floor), House# 12,  
Road # 14/C, Sector # 4,  
Uttara Model Town, Dhaka-1230  
Phone: 02-8932084, Fax: 02-8953586  
E-mail: uttara@shahjalalislamibank.com

### Bangshal Branch

215/1, Bangshal Road, Dhaka-1100  
Phone: 02-9552922, Fax: 02-7172910  
E-mail: bangshal@shahjalalislamibank.com

### Baipail (Dhaka EPZ) Branch

Swapneel Tower (1st Floor)  
Baipail, DEPZ Savar, Dhaka.  
Phone: 02-7702517 , Fax: 7702517  
E-mail: baipail@shahjalalislamibank.com

### Narayanganj Branch

Osman Tower  
56/1 S. M. Maleh Road, Narayanganj  
Phone: 02-7635172-3, Fax: 02-7635173  
E-mail: narayanganj@shahjalalislamibank.com

### Satmasjid Road Branch

Khuda Buksh Foundation (1st Floor),  
Road # 11/A, House#99,Dhanmondi,Dhaka-1209.  
Phone: 02-9129848, 02-9127931  
Fax: 02-9129848  
E-mail: satmosjid@shahjalalislamibank.com

### Banani Branch

Faruq Rupayan Tower (2nd Floor),  
32 Kamal Ataturk Avenue, Banani, Dhaka-1212.  
Phone: 02-8822801, 02-8828740  
Fax: 02-8826005  
E-mail: banani@shahjalalislamibank.com

### **Joypara Branch**

Monowara Mansion (1st Floor)  
Joypara, Dohar, Dhaka.  
Phone: 06223-56155  
Fax: 06223-56155  
E-mail: joypara@shahjalalislamibank.com

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### **Motijheel Branch**

Karim Chamber (Ground & 1st Floor)  
99, Motijheel C/A, Dhaka-1000  
Phone: 02-9563156, 0-9562763  
Fax: 02-9560249  
E-mail: motijheel@shahjalalislamibank.com

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### **Mirpur Branch**

230, Senpara Parbata,  
Mirpur-10, Dhaka-1216  
Phone: 02-9012962-3, 02-9012045  
Fax: 02-9012857  
E-mail: mirpur@shahjalalislamibank.com

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### **Savar Branch**

Bismillah Super Market (1st Floor)  
B-71/1 & B-72/1 Bazar Road,  
Savar, Dhaka  
Phone: 02-7742894-5, Fax: 02-7742893  
E-mail: savar@shahjalalislamibank.com

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### **Bijoy Nagar Branch**

MCT Ally's Center (1st Floor),  
40 Bijoy Nagar, Kakrail, Dhaka-1000  
Phone: 02-9335771, 02-9344867  
Fax: 02-9344867  
E-mail: bijoy@shahjalalislamibank.com

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### **Vatara Branch**

311 Progoti Sarani (1st Floor) Nayanogor,  
Baridhara, Badda, Dhaka  
Phone: 02-8412672  
Fax: 02-8412649  
E-mail: bhatar@shahjalalislamibank.com

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### **Keranigonj Branch**

Ma Plaza (1st Floor), Shahid Nagar, Keranigonj, Dhaka  
Phone: 02-7762293, 7762291  
Fax: 02-7762292  
E-mail: keranigonj@shahjalalislamibank.com

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### **Mymensingh Branch**

Noor Fatema Tower (1st Floor)  
25, Shawdeshi Bazar, Mymensingh  
Phone: 091-64397  
Fax: 091-62370  
E-mail: mymensingh@shahjalalislamibank.com

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### **Panthapath Branch**

ENA Tower, Di-Olie (1st Floor), 57/3, 57/4, Lake Circus Road,  
Kolabagan, Dhanmondi, Dhaka-1212.  
Phone: 02-9137723, 9133746 Fax: 02-9133745  
E-mail: panthapath@shahjalalislamibank.com

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### **College Gate Branch**

Union Center (1st Floor)  
1/5, Mohammadpur Housing Estate  
Mirpur Road, Dhaka.  
Phone : 02-9136197, 8150232 Fax: 02-9136197  
E-mail: collegegate@shahjalalislamibank.com

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### **Baruakhali Branch**

Baruakhali High School Market (1st Floor),  
P.S.: Nababganj, P.O.: Baruakhali, Dhaka.  
Phone: 0394-552598, 01755556136, 01755556236  
Fax: 03894552598  
E-mail: baruakhali@shahjalalislamibank.com

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### **Madhabdi Branch**

Jalpotti Road, Vill: Choto Madhabdi,  
Pauroshava & P. S.: Madhabdi, Dist: Norsingdi.  
Phone: 02-9446017, 9446166 Fax: 02-9446167  
E-mail: madhabdi@shahjalalislamibank.com

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### **Ashkona Branch**

City Port, 398 Ashkona Bazar Road (Haji Camp), Dhaka.  
Phone: 02-8956762, Fax: 02-7911606  
E-mail: ashkona@shahjalalislamibank.com

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### **Barachowna Bazar Branch**

Barachowna Bazar, P.S.: Shakhipur, Dist: Tangail.  
Phone: 0755556145  
E-mail: barachowna@shahjalalislamibank.com

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### **Shafipur Branch**

A-62 Haji Osman Market, Shafipur Bazar,  
Kaliakair, Gazipur.  
Phone: 06822-51864-6 Fax- 06822-51867  
E-mail: shafipur@shahjalalislamibank.com

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### **Gulshan South Avenue Branch**

Uday Sanz (Ground Floor), Plot No. SE (A), 2/B Gulshan  
South Avenue, Gulshan-1, Dhaka  
Phone: +02-8819029 PABX: 8827427  
Fax- 02-8827406  
E-mail: gsa@shahjalalislamibank.com

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### **Tongi SME/Agri Branch**

Rupali Plaza (1st Floor), Holding No. 24,  
Anarkoli Road, Tongi Bazar, Tongi, Gazipur  
Phone: 02-9817393, PABX: 9817391-2  
Fax: 9817394  
E-mail: tongi@shahjalalislamibank.com

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### **Bhaluka SME/Agri Branch**

Masud Market (1st Floor), Holding No. 58  
Bhaluka, Mymensingh  
Phone: 09022-56175, Fax- 09022-56237  
E-mail: bhaluka@shahjalalislamibank.com

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### **Eskaton Branch**

Eskaton Fantasia (1st Floor), Holding No. 122  
& 123, New Eskaton, Dhaka  
Phone: 9355681 8316973 Fax: 9355672  
E-mail: eskaton@shahjalalislamibank.com

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### **Mawna Branch**

N.S. Bhaban (1st Floor), Mawna Chowrasta,  
Sreepur, Gazipur Phone: PABX: 06825-52906,  
Direct: 06825-52907 Fax: 06825-52908  
E-mail: mawna@shahjalalislamibank.com

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### **Faridpur Branch**

110, Thana Road (1st & 2nd Floor), Faridpur  
Phone: 0631-67156, PABX: 0631-67155  
Fax: 0631-67154  
E-mail: faridpur@shahjalalislamibank.com

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### **Tangail Branch**

Nirala Complex (1st & 2nd Floor),  
Nirala More, Main Road, Tangail  
Phone: 0921-62434 Fax- 0921-62435  
E-mail: tangail@shahjalalislamibank.com

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### **Shikarpur Nimtola Branch**

Eajuddin Mollah Super Market (1st Floor)  
573 Shirajdikhan, Keyan, Munshigonj.  
Cell: 01755556165, 01755556265  
E-mail: nimtola@shahjalalislamibank.com

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### **Mohakhali Branch**

Ismail Mansion (Ground Floor), 32 Mohakhali C/A, Wireless  
Gate, Gulshan, Dhaka-1212  
Phone: 9884782, 9884784, Fax: 88-02-9881103  
E-mail: mohakhali@shahjalalislamibank.com

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### **Nawabpur Road Branch**

Fazlur Rahman Plaza (1st Floor)  
218 Nawabpur Road, Dhaka.  
Phone: 7125943, 7125947, Fax: 88-02-7125982  
E-mail: nawabpur@shahjalalislamibank.com

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### **Uttara Ladies Branch**

Solar Trade Center (1st & 2nd Floor), Plot #16, Sector #11,  
Garib-E-Newaz Avenue, Uttara, Dhaka-1230  
Phone: 8991901-2 Fax- 02-8991902  
E-mail: uttaraladies@shahjalalislamibank.com

### **Malibagh Chowdhurypara Branch**

Holding # 34-B (1st Floor), DIT Road, Malibagh  
Chowdhurypara, Khilgaon, Dhaka-1219  
Tel: 02-9357317 (Dir.), 02-8319725 (PABX),  
Fax: 88-02-9334356  
E-mail: malibagh@shahjalalislamibank.com

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### **Haluaghat Branch**

Uttar Bazar, Haluaghat Sadar, Haluaghat, Mymensingh.  
Tel: 0902656136, Mob: 01755556177  
E-mail: haluaghat@shahjalalislamibank.com

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### **Karatia Branch**

Karatia Bazar (Karatia Bus Stand), Karatia, Tangail.  
Mob: 01755556178, 01716240151  
E-mail: karatia@shahjalalislamibank.com

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### **Nawabgonj Branch**

Isamoti Plaza (1st Floor), Baghmara Bazar, Kolakopa,  
Nawabgonj, Dhaka.  
Mob: 01755556179, 01715166141  
E-mail: nawabgonj@shahjalalislamibank.com

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### **Sarulia Branch**

Khandaker Super Market (1st & 2nd Floor), Khandaker Moor  
Tengra Road, Sarulia Bazar, Demra, Dhaka.  
Tel: 02-7500669 (Dir.), 02-7501002 (PABX), Fax: 88-02-7500654  
E-mail: sarulia@shahjalalislamibank.com

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### **Donia Branch**

Fatema Monjil (1st Floor), 436 Donia, Zia Sarani Moor,  
Kadamtoli, Dhaka.  
Tel: 02-7549878 (Dir.), 02-7549873 (PABX),  
Fax: 88-02-7549878  
E-mail: donia@shahjalalislamibank.com

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### **Jamalpur Branch**

Haji Market (1st Floor), 84-85 Jam-e-Masjid Road, Jamalpur  
Sadar, Jamalpur.  
Tel: 09816-4990 (Dir.), 09816-4978 (PABX)  
Fax: 88-09816-5022  
E-mail: jamalpur@shahjalalislamibank.com

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### **Nagarpur Branch**

Refaz Uddin Plaza (1st Floor), 369 Sadar Road, Nagarpur,  
Tangail. Phone: 01755-556186, 09233-73212, 09233-73214  
Fax: 09233-73213  
E-mail: nagarpur@shahjalalislamibank.com

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### **Bandura Branch**

Roksana Shopping Complex and Pawl & Elizabeth Holy  
Garden (1st Floor), 592 Old Bandura Bazar, Bandura,  
Nawabgonj, Dhaka. Phone: 01755-556187  
E-mail: bandura@shahjalalislamibank.com

### Elephant Road Branch

Fahim Mansion (1st Floor), 23 Elephant Road, New Market, Dhaka-1205 Phone: 01755-556190  
E-mail: elephantrd@shahjalalislamibank.com

### Manikgonj Branch

Salam Tower (1st Floor), 168 Shaheed Rafique Road, Manikgonj Sadar, Manikgonj. Phone: 01755-556192  
E-mail: manikgonj@shahjalalislamibank.com

## Chittagong Zone

### Agrabad Branch

Delwar Building  
104, Agrabad C/A, Chittagong.  
Phone: 031-2523050-3, Fax: 031-716960  
E-mail: agra@shahjalalislamibank.com

### Khatunganj Branch

398/A, Khatunganj (1st & 2nd Floor), Chittagong.  
Phone: 031-637256, 637275, 637257  
Fax: 031-637281  
E-mail: khatunganj@shahjalalislamibank.com

### Jubilee Road Branch

Haque Tower (1st Floor),  
610/11 Jubilee Road, Chittagong.  
Phone: 031-2853151-2 Fax- 88-031-2853153  
E-mail: jubilee@shahjalalislamibank.com

### Muradpur Branch

Shiraj Shopping Complex (1st Floor)  
85, Muradpur, Chittagong  
Phone: 031-2552589-91 Fax- 031-2552592  
E-mail: muradpur@shahjalalislamibank.com

### Comilla Branch

Salahuddin Complex (1st & 2nd Floor),  
Monohorpur Chowmuhoni, Laksam Road,  
Comilla, Phone: 081-61655, Fax: 081-61545.  
E-mail: comilla@shahjalalislamibank.com

### Ashugonj Branch

Doctor Plaza (1st Floor), Kachari Road, Ashugonj.  
Phone: 08528-74103 Fax- 08528-74104  
E-mail: ashugonj@shahjalalislamibank.com

### Nazirhat Branch

B. A. Center (1st Floor), Nazirhat,  
Fatikchhari, Chittagong.  
Cell: 01755556147, 01755556247  
E-mail: nazirhat@shahjalalislamibank.com

### Chawkbazar Branch

2 Chawkbazar, kapashgola Road, Chittagong  
Phone: 0312-865281-2 Fax- 0312-865284  
E-mail: chawkbazar@shahjalalislamibank.com

### Ramgonj Branch

Islam Plaza (1st Floor), 85, Sonapur Bazar,  
Ramgonj, Laksmipur.  
Phone: 0382-475405, Fax: 0382-475079  
E-mail: ramgonj@shahjalalislamibank.com

### Cox's Bazar Branch

A. B. Super Market (1st Floor), 145 Laldighirpar, Cox's Bazar.  
Phone: 0341-52031 Fax- 0341-52032  
E-mail: coxsbazar@shahjalalislamibank.com

### Brahmanbaria Branch

City Center Shopping Complex (2nd Floor),  
1072 Court Road, Brahmanbaria  
Phone: 0851-61170, Fax: 0851-61370  
E-mail: bbaria@shahjalalislamibank.com

### Bandartila Branch

Zalal Plaza (1st Floor), 311 Bandartila,  
Sailor's Colony, Chittagong  
Phone: 031-741174,  
PABX: 031-741203, Fax: 031-741195  
E-mail: bandartila@shahjalalislamibank.com

### Chowmuhani Branch

Ali Bhaban (1st & 2nd Floor), 1523 Karimpur Road,  
Chowmuhani, Begumganj, Noakhali  
Phone: 0321-56646 Fax- 0321-56645  
E-mail: chowmuhani@shahjalalislamibank.com

### Hajigonj Branch

Maa Mansion (1st & 2nd Floor), 622 Hajigonj, Chandpur.  
Phone: 08424-75138, Fax: 08424-75139  
E-mail: hajigonj@shahjalalislamibank.com

### Laxmipur Branch

Haider Shopping Complex (2nd Floor), 339 Hospital Road,  
Laxmipur Sadar, Laxmipur.  
Phone: 0381-55308, Fax: 0381-55360  
E-mail: laxmipur@shahjalalislamibank.com

### Feni Branch

295-2 & 202 S. S. K. Road (1st & 2nd Floor), Feni Sadar, Feni.  
Phone: 0331-69021-2, Fax: 0331-73372  
E-mail: feni@shahjalalislamibank.com

### **Madunaghat Branch**

Abul Farah Market (1st Floor), Madunaghat Bazar Road,  
Madarsha, Hathazari, Chittagong.  
Phone: 031-2573261-2, Fax: 031-2573264  
E-mail: modunaghat@shahjalalislamibank.com

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### **WASA Moor Branch**

Mim Hasnat Tower (1st Floor), 88 High Level Road,  
WASA Moor, Lalkhan Bazar, Chittagong.  
Phone: 031-633060-1, Fax: 031-633062  
E-mail: wmoor@shahjalalislamibank.com

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### **Anderkilla Branch**

Pubali Art Press Bhaban (1st Floor) 320 Anderkilla, Chittagong.  
Tel: 031-2869703 (Dir.), 031-2869701-2 (PABX)  
Fax: 88-031-2869704  
E-mail: anderkilla@shahjalalislamibank.com

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### **Dattapara Branch**

Chowdhury Bhaban (1st Floor), 549 Dattapara Road,  
Dattapara Bazar, Laxmipur Sadar, Laxmipur, Bangladesh  
Phone: 01755-556188  
E-mail: dattapara@shahjalalislamibank.com

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### **Gunabati Branch**

Farajji Shopping Complex (1st Floor), College Road,  
Gunabati, Choddagram, Comilla.  
Tel: 01755-556189  
E-mail: gunabati@shahjalalislamibank.com

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### **Pahartoli Branch**

Nazir Saleh Complex (1st Floor), 612/544 D. T. Road,  
Pahartoli, Chittagong, Bangladesh Phone: 01755-556191  
E-mail: pahartoli@shahjalalislamibank.com

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## **Rajshahi Zone**

### **Saidpur Branch**

Saidpur Plaza(1st Floor), Sher-e-Bangla Road  
Saidpur, Nilphamari  
Phone: 05526-73025 Fax: 05526-73027  
E-mail: saidpur@shahjalalislamibank.com

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### **Rajshahi Branch**

Habib Plaza (1st Floor), 111 Shaheb Bazar,  
Zero Point, Rajshahi.  
Phone:0721-772402, Fax: 0721-772427  
E-mail: rajshahi@shahjalalislamibank.com

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### **Bogra Branch**

Nurul Hoque Tower (1st Floor)  
357/395, Boro Gola More, Bogra.  
Phone: 051-67206, 051-67646 Fax: 051-67205  
E-mail: bogra@shahjalalislamibank.com

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### **Naogaon Branch**

Holding# 3366 (1st Floor)  
Naogaon Main Road, Chawkdev, Naogaon.  
Phone: 0741-62174 Fax: 0741-61496  
E-mail: naogaon@shahjalalislamibank.com

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### **Dinajpur Branch**

Holding No. 887/848 (1st Floor),  
Gonesh Tola, Kotowali, Dinajpur  
Phone: 0531-52052-3 Fax- 0531-52054  
E-mail: dinajpur@shahjalalislamibank.com

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### **Rangpur Branch**

M.H. Rashid Shopping Complex  
(1st & 2nd Floor), 88 Station Road, Rangpur  
Phone: 0521-63012, Fax-0521-63082  
E-mail: rangpur@shahjalalislamibank.com

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### **Sirajgonj Branch**

Siddique Plaza (1st floor), 122 S. S. Road, Sirajgonj.  
Tel: 0751-64722 (Dir.), 0751-64720 (PABX)  
Fax: 88-0751-64733  
E-mail: sirajgonj@shahjalalislamibank.com

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### **Chapainawabganj Branch**

G. R. Bhaban (1st Floor), 62 Godagari Road,  
Baro Indara Moor, Chapainawabganj Sadar,  
Chapainawabganj Phone: 01755-556185;  
0781-51571(Direct); 0781-51572(PABX) Fax: 0781-51573  
E-mail: chapainganj@shahjalalislamibank.com

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## **Khulna Zone**

### **Khulna Branch**

4 KDA Avenue, Khulna  
Phone: 041-2830458-60  
Fax: 041-2830457  
E-mail: khulna@shahjalalislamibank.com

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### **Kaligonj Branch**

Munsur Plaza (1st Floor),  
162 Madhugonj Bazar, Kaligonj, Jhenaidah.  
Phone: 04523-56677, 0175555649, Fax: 04523-56678  
E-mail: kaligonj@shahjalalislamibank.com

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### Jessore Branch

Sadhinata Castle (1st & 2nd Floor)  
91, M.K. Road. Kotowali, Jessore.  
Phone: 0421-64641, 0421-65385 Fax-042165386  
E-mail: jessore@shahjalalislamibank.com

### Kushtia Branch

7 N. S. Road (1st & 2nd Floor)  
Kushtia Sadar, Kushtia.  
Phone: 071-63094, 071-63103 Fax: 071-63095  
E-mail: kustia@shahjalalislamibank.com

### Chuadanga Branch

Malik Tower (1st & 2nd Floor), 43 Shaheed AK Road, Chuadanga, District: Chuadanga.  
Tel: 0761-81015 (Dir.), 0761-81013-4 (PABX), Fax: 88-0761-81015  
E-mail: chuadanga@shahjalalislamibank.com

## Sylhet Zone

### Beani Bazar Branch

City Centre Bhaban (1st Floor)  
Beanibazar Market, Beanibazar, Sylhet  
Phone: 08223-56134, Fax: 08223-56133  
E-mail: beani@shahjalalislamibank.com

### Dargah Gate Branch

297 Amberkhana, Dargah Gate,  
Airport Road, Sylhet  
Phone: 0821-727234, 01755556112, Fax 0821-814277  
E-mail: dargah@shahjalalislamibank.com

### Sylhet Branch

Al-Falah Tower (1st Floor),  
Dhupadighir Purbopar, Kotowali, Sylhet.  
Phone: 0821-725115, 0821-725798 Fax: 0821-725225  
E-mail: sylhet@shahjalalislamibank.com

### Moulvibazar Branch

286/300 Ahmed Mansion (1st Floor),  
Saifur Rahman Road, Moulvibazar-3200.  
Phone: 0861-62874-6 Fax- 0861-62875  
E-mail: moulvi@shahjalalislamibank.com

### Goalabazar Branch

Afzal Mansion (1st Floor), Goala Bazar, P. O.: Goala Bazar, P.S.: Osmani Nagor, Sylhet.  
Phone: 08242-56307, Fax: 08242-56238.  
E-mail: goalabazar@shahjalalislamibank.com

## Barisal Zone

### Khepupara Branch

116, Oil Mill Road, Khepupara, Patuakhali.  
Phone: 04425-56507, Fax: 04425-56508  
E-mail: khepupara@shahjalalislamibank.com

### Barisal Branch

Hawladar Plaza, 475 K. B. Hemayet Uddin Road  
(1st & 2nd Floor), Barisal.  
Phone: 0431-2177505, 62138, Fax: 0431-62262  
E-mail: barisal@shahjalalislamibank.com

## Off-Shore Banking Unit

Uday Sanz (4th Floor), Plot No. SE (A),  
2/B, Gulshan South Avenue  
Gulshan-1, Dhaka-1212, Bangladesh  
Phone: 02-8825457, 88247363

## Capital Market Services Division (Brokerage House)

### Main Office

Jiban Bima Bhaban, Front Block (4th Floor)  
10, Dilkusha Commercial Area, Dhaka-1000  
Phone : 7163253, Fax: 88-02-7161877

### Extension of Main Office

Karim Chamber, (1st Floor)  
99, Motijheel C/A, Dhaka 1000  
Phone: 7160755, 716492923, Fax: 88-02-7161877

## Dhaka Zone

### Gulshan Unit

Jabber Tower (4th floor)  
Holding no. 42, Road no. 135, Gulshan-1, Dhaka-1212  
Phone: 9860423, 9861338, 9860950, Fax: 9860423

### College Gate Unit

Union Center (1st Floor), 1/5, Mohammadpur  
Housing Estate, Mirpur Road, Dhaka  
Phone: 8156267, 9146597, Fax: 02-9146621

### Savar Unit

Bismillah Super Market, 71/1 & 72/1, Bazar Road  
Savar, Dhaka  
Phone: 7744108, 7744109, Fax: 7744107

### Uttara Unit

NZ Center (1st Floor), Plot # 05, Road # 12  
Sector # 06, Uttara, Dhaka  
Phone: 8963046, 8963276

## Chittagong Zone

### Agrabad Unit

Delwar Building. 104 Agrabad C/A, Chittagong  
Tel: 031-2528350, Fax: 031-2528352

### Chawkbazar Unit

2 No. Chawkbazar (2nd Floor), Kapasgola Road  
Phone: 031-626403 (PABX), 031-626402, 626404

## Sylhet Zone

### Sylhet Unit

Al-Falah Tower (1st Floor), Dhopa Dighir Purbopar, Sylhet  
Phone: 0821-720966, Fax: 0821-720711

# ATM Location

## Dhaka Division

<b>Gulshan</b>	40/5, North Avenue, Gulshan-2, Dhaka-1212
<b>Dhanmondi, Road # 4</b>	Momtaz Plaza, House # 07, Road # 04, Dhanmondi R/A, Dhaka
<b>Dilkusha</b>	58, Dilkusha C/A, Dhaka-1000
<b>Motijheel</b>	Karim Chamber, 99, Motijheel C/A, Dhaka
<b>Dhanmondi, Road # 8</b>	Anwer Khan Mordern Hospital & College House-17, Road No.-08, Dhanmondi, Near Mirpur Road, Dhaka-1205
<b>Gulshan South Avenue</b>	Uday Sanz, Plot No. SE (A),2/B Gulshan South Avenue, Gulshan-1, Dhaka
<b>Tangail</b>	Nirala Complex, Nirala More, Main Road, Tangail
<b>Savar</b>	Bismillah Super Market, Holding no.:71/1&72/1, Bazar Road, Savar
<b>Shafipur</b>	A-62 Haji Osman Market, Shafipur Bazar, Kaliakair, Gazipur
<b>Wari</b>	24/C, Ranking Street Wari Dhaka
<b>Uttara, Sector # 4</b>	Anwer Complex, House#12,Road#14/C, Sec#04 Uttara Model Town, Dhaka
<b>Uttara, Sector # 11</b>	Solar Trade Center, Plot No.:16, Sector:11, Garib-E-Newaz Avenue, Uttara, Dhaka
<b>Malibag Chowdhury Para</b>	34/B, DIT Road, Malibag Chowdhury Para, Khailgaon, Dhaka
<b>Karatia</b>	Plot-584, Karatia Bazar, Tangail
<b>Sarulia</b>	Khandaker Super Market, Khandar Moor, Tanra Road, Sarulia Bazar, Demra, Dhaka
<b>Joypara</b>	Monowara Mansion, Joypara, Dohar, Dhaka
<b>Halua Ghat</b>	Kamar Potti, Halua Ghat, Halua Ghat Sadar, Mymensing
<b>Baruakhali</b>	Baruakhali High School Market, Nobabgong, Baruakhali, Dhaka
<b>Shikarpur Nimtola</b>	Eajuddin Mollah Super Market (Ground Floor), 573 Shirajdikhan Keyan, Shikarpur Nimtola, Munshigonj
<b>Mymensing</b>	Mymensingh College Super Market, Holding: 42/2, Rambabu Road Mymensingh Sadar, Mymensingh

## Chittagong Division

<b>Agrabad</b>	Delwar Building, 104, Agrabad C/A, Chittagong
<b>Chawkbazar</b>	2, Chawkbazar, Kapashgola Road, Chittagong
<b>Bandartila</b>	Zalal Plaza, 311 Bandartila, Sailor's Colony, Chittagong
<b>Laxmipur</b>	Haidar Shopping Complex, Holding No.#339, Hospital Road P.O.+P.S: Laxmipur, Ward No#07, Dist-Laxmipur

<b>Hajigong</b>	Maa Mension, Holding No.-622,P.O+P.S-Hajigong, Ward No.-06, Chadpur
<b>Brahmanbaria</b>	City Center Shopping Complex, 1072 Court Road
<b>Chowmuhuni</b>	Ali Bhaban, 1523 katimpur Road, Chowmuhuni, Begumganj, Noakhali
<b>Comilla</b>	Comilla Tower, Laxam Road, Comilla

## Sylhet Division

<b>Bandar Bazar</b>	Station Club Building, Shahjalal Road, Bondar Bazar, Sylhet
<b>Dhupa Dighirpar</b>	Al-Falah Tower, Dhupadighir Purbopar, Kotowali, Sylhet
<b>Darghagate</b>	Amin Complex, 80/A-1, Waves, Airport Road, Amberkhana, Sylhet

## Khulna Division

<b>Khulna</b>	Moon Mansion, 10 KDA Avenue, Moylapota More, Khulna
<b>Jessore</b>	Sadhinata Bhaban, Holding no:91, M.K. Road. Kotawaly, Jessore
<b>Kushtia</b>	Shop No.#09, Chowdhury Super Market, 1-Sir Sayed Ahammed Road, Panch Raster more/Sapla more, Thana para, Kushtia
<b>Chuadanga</b>	Malik Tower, Holding No-04, Ward-04, Chuadanga

## Rajshahi Division

<b>Bogra</b>	Nurul Haque Tower, 357/395, Boro Gola Mor, Bogra
<b>Rajshahi</b>	Al-Helal Super Market (Ground Floor) shop No.-02, Sahebbazar, Rajshahi
<b>Naogaon</b>	3366, Naogaon Main Road, Chawkdeb, Naogaon

## Barisal Division

<b>Barisal</b>	Chowdhury Plaza, 42/44, Ward-17, Sadar Road, Barisal
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## Shahjalal Islami Bank Limited

Registered Office: Uday Sanz, 2/B Gulshan South Avenue, Gulshan-1, Dhaka-1212

### PROXY FORM

I/We \_\_\_\_\_ of (address) \_\_\_\_\_  
hereby appoint Mr./Mrs. \_\_\_\_\_ being the Member of Shahjalal Islami Bank Limited do  
of (address) \_\_\_\_\_  
as my/our proxy on my/our behalf to attend and vote  
for me/us at the 13th Annual General Meeting to be held on Sunday the 29th June 2014 at 10.00 am at Bashundhara  
Convention Center-02, Block-C, Umme Kulsum Road, Bashundhara R/A, Dhaka-1229 at any adjournment thereof.  
Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

(Signature of the Member)

(Signature of the Proxy)

BO ID No. \_\_\_\_\_

Affix  
Revenue Stamp  
of Tk.20.00

Number of Shares held on record date:

Notes:

- This Proxy Form, duly filled and stamped, must be deposited at least 72 (seventy two) hours before scheduled time of the meeting at the Company's Share Department.
- Signature of the Shareholders should match with the specimen signature registered with the Company/Depository Participant(s).

## Shahjalal Islami Bank Limited

Registered Office: Uday Sanz, 2/B Gulshan South Avenue, Gulshan-1, Dhaka-1212

### PROXY/ATTENDANCE SLIP

I do hereby record my attendance at the 13th Annual General Meeting to be held on Sunday the 29th June 2014 at 10.00 am at Bashundhara Convention Center-02, Block-C, Umme Kulsum Road, Bashundhara R/A, Dhaka-1229.

Name of the Member/Proxy  
(in Block Letter)

BO ID No. of Member \_\_\_\_\_

Signature Verified by \_\_\_\_\_

(Signature of the Member/Proxy)

Authorized Signatory of the Bank

Note: Any friend or children accompanying with the honorable Shareholder/Proxy will not be allowed to attend the meeting.

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের সার্কুলার নং-এসইসি/সিএমআরআরসিডি/২০০৯-১৯৩/১৫৪ তারিখ  
২৪-১০-২০১৩ অনুযায়ী আসন্ন বার্ষিক সাধারণ সভায় সম্মানিত শেয়ারহোল্ডারবৃন্দের জন্য কোন প্রকারের গিফট/সুবিধাদি  
প্রদানের বা আপ্যায়নের ব্যবস্থা থাকবে না।



**Shahjalal Islami Bank**

L I M I T E D

Committed to Cordial Service

**Head Office**

Uday Sanz, Plot No. SE (A)  
2/B Gulshan South Avenue, Gulshan 1  
Dhaka 1212, Bangladesh