



Annual Report 2015





# Stakeholders' 001-024

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# LETTER OF TRANSMITTAL

All Shareholders
Bangladesh Bank
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

Sub: Annual Report of Standard Bank Ltd. for the year ended December 31, 2015

Dear Sir(s),

Thank you for being with us in the year 2015.

It is our immense pleasure to present before you a copy of the Bank's Annual Report 2015 along with the audited financial statements including consolidated and separate balance sheet as at 31st December 2015, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement for the year ended 31st December 2015 with the notes thereto of Standard Bank Limited and its subsidiaries for your kind information and record.

We hope that the report will be of use to you today and glorious tomorrow.

Best Regards,

Yours sincerely,

Md. Ali Reza

**Acting Company Secretary** 



# NOTICE OF THE 17th ANNUAL GENERAL MEETING

Notice is hereby given to all concern that the 17th (Seventeenth) Annual General Meeting (AGM) of the honourable members of Standard Bank Ltd. will be held on Thursday the 19th May, 2016 at 10:30 a.m. at the Police Convention Hall, Eskaton Garden Road, Ramna, Dhaka to transact the following business and to adopt necessary resolutions:

#### **Agenda**

- 1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st December 2015 along with the Auditors' Report and the Director's Report thereon.
- 2. To declare dividend for the year ended 31st December, 2015 as recommended by the Board of Directors.
- 3. To retire/elect/re-elect of Directors in accordance with the provision of the law and the articles of association of the company.
- 4. To appoint/ re-appoint of External Auditor(s) for the next term until the next AGM and to fix their remuneration.
- 5. To consider and approve the loan proposals of the Directors as recommended by the
- 6. To transact any other business with the permission of the chair.

All Members are requested to attend the meeting on the date, time and place as mentioned above.

Dated: May 02, 2016

Dhaka

By order of the Board of Dir

Acting Company Secretary

#### Notes:

- a. The Board of Directors has recommended @15% stock dividend for the year ended 31st December 2015 subject to approval in the 17th AGM.
- The Record date of AGM was 20th April, 2016. The members whose names appeared in the register of members of the Company or in the Depository participant A/C of CDBL on record date shall be eligible to attend the meeting and entitle for stock dividend as mentioned above.
- c. Any member entitle to attend and vote at the 17th AGM may appoint a proxy to attend and vote on his/her behalf. The Proxy form duly completed and stamped with a revenue stamp for Tk. 20/- by the member and must be submitted at the Registered Office of the company at least 48 hours before the time fixed for meeting.
- d. Entry in the venue of AGM will be allowed on production of the Attendance Slip.
- e. Annual report, attendance slip and proxy form along with the notice are being sent to the members by post or courier service. The member may also collect the annual report or proxy form from the registered office of the company and may download those from the Bank's website (www.standardbankbd.com)

N.B.: No gift/Gift Coupon/Food Box etc. will be distributed/offered to the shareholders at 17th AGM to be held at Police Convention Hall as per instruction of Bangladesh Securities and Exchange Commission's (shareholders) Circular No. SEC/CMRRCD/2009-193/154 dated 24 October, 2013.



## **OUR VISION**

To be a modern bank having the object of building a sound national economy and to contribute significantly to the Public Exchequer.

## **OUR CORE VALUES**

#### • Our Shareholders:

By ensuring fair return on their investment through generating stable profit.

#### Our customer:

To become most caring bank by providing the most courteous and efficient service in every area of our business.

#### • Our employee:

By promoting the well being of the members of the staff.

#### • Community:

Assuring our socially responsible corporate entity in a tangible manner through close adherence to national policies and objectives.

adequacy, asset quality, sound management

and profitability.



- a) To strive for sustainable business growth by ensuring customer satisfaction through quality and timely services.
- b) To ensure capital stewardship by Preservation and enlargement of multiple forms of capital; like intellectual, natural, financial, organizational, social; all of which contribute to long term value creation.
- To give strong focus on extremely cost-efficient and green services through Internet banking, electronic fund transfer, automated cheques clearing, e-bank statement, SMS alert etc.
- d) To ensure effective and efficient risk management for sustainable business growth
- e) To ensure well diversified loan portfolio through structured finance and expansion of Corporate, SME, Agriculture and Retail businesses.

- f) To mount state-of-the-art technologies and adopt innovative ideas for financial inclusion.
- g) To endeavor synergies between new knowledge and human capital for sustainable economic growth.
- h) To increase brand visibility by creating positive image of the Bank.
- i) To be a trend-setter in serving the society and remain responsive to the environment.
- J) To ensure sound corporate governance.
- To accelerate progress towards financial inclusion with technology by up-gradation of internet, Mobile Banking and Agent banking.
- I) To add value for all stakeholders

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# Statement Regarding Forward Looking Approach

The material in the Annual Report includes certain forward looking statements concerning current goals of the Bank and its future plans, strategies and policies. We wish to caution you that these statements are based on management's expectations, estimates, projections and assumptions. Words such as "expects," "anticipates," "plans," "believes," "scheduled," "estimates" and variations of these words and similar expressions are intended to identify forward-looking statements, which include but are not limited to projections of revenues earnings, cash flows. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results and trends may differ materially from what is forecast in forward-looking statements due to a variety of factors, which are:

- a) The possibility of adverse political, economic and business conditions that may increase the default and delinquency risk in loan portfolio;
- Changes in monetary & fiscal policies and action of government or regulatory authorities;
- Increase in rate of Tax and VAT on corporate and Bank's services;
- d) Increase in regulatory capital requirement, CRR and SLR of the Banks;



- e) Increase in competition within the financial industry;
- f) Changes in technology and evolving banking industry standards;
- g) Unfavorable movement of foreign exchange rates and interest rates;
- h) Rise in price of essential products in the local and international market;
- i) Effect on remittance flow due to political and economical unrest in different countries around the world;
- j) Volatility in Capital Market and Money Market;
- k) Increase in inflationary pressure;
- Constraints in access to external funding to meet liquidity requirement;
- m) Changing demographic developments including changing consumer spending, saving and borrowing habits;
- n) Changes in accounting standards or practices;
- o) Under utilization and change of different Risk Management tools.

The preceding list of important factors is not exhaustive. When relying on forward looking statements to make decisions with respect to the Bank and its securities, investors and others should carefully consider the preceding factors, other uncertainties and potential events. The Bank does not undertake to update any forward looking statements, whether written or oral, that may be made from time to time by or on its behalf.



#### Name of the Company:

Standard Bank Limited

#### **Chairman of the Bank:**

Ln. Kazi Akram Uddin Ahmed

#### **Legal Form:**

A public limited company incorporated in Bangladesh on 11th May, 1999 under the Companies Act 1994, Subsequently listed in Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

#### **Commencement of business:**

3rd June, 1999

#### **Registered Office**

Metropolitan Chamber Building (3rd floor) 122-124, Motijheel C/A, Dhaka-1000

#### **Contact Numbers:**

PABX : +88-02-9578385, 9577913,9558375, 9552981

Fax : +88-02-9577898 SWIFT Code : SDBLBDDH

E-mail : sblho@standardbankbd.com,

sblho@bangla.net, sblid@bangla.net

#### Web Page:

www.standardbankbd.com

#### **Auditors:**

Shafique Basak & Co. Chartered Accountants

#### **Legal Advisor:**

Mr. Ashraful Hadi

#### **Barrister-at-Law**

Dr. Kamal Hossain & Associates

#### **Tax Consultants Advocate & Tax Consultant:**

Alhaj Md. Serajul Islam

#### **Managing Director & CEO:**

Mr. Md. Nazmus Salehin

#### **Additional Managing Director:**

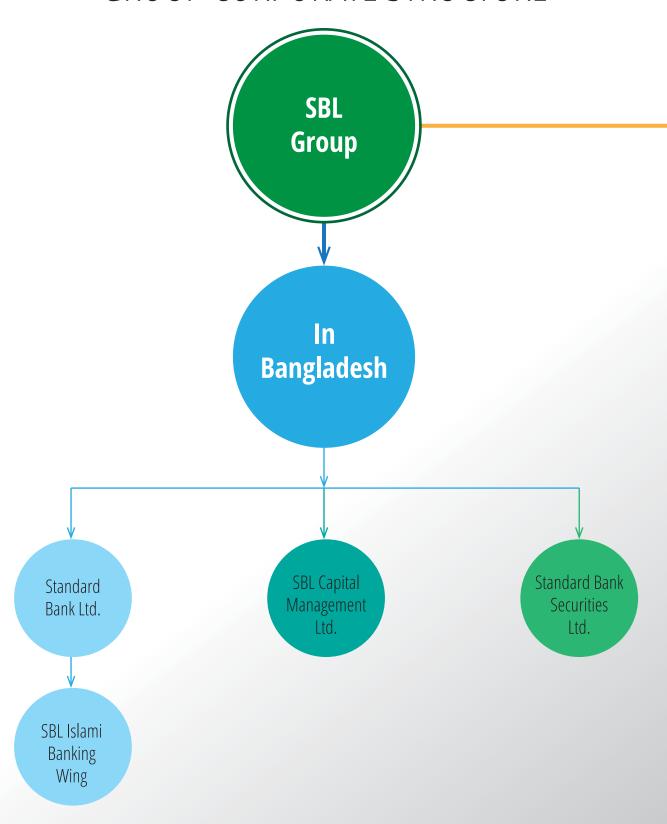
Mr. Mamun-Ur-Rashid

#### **Chief Financial Officer & Acting Company Secretary:**

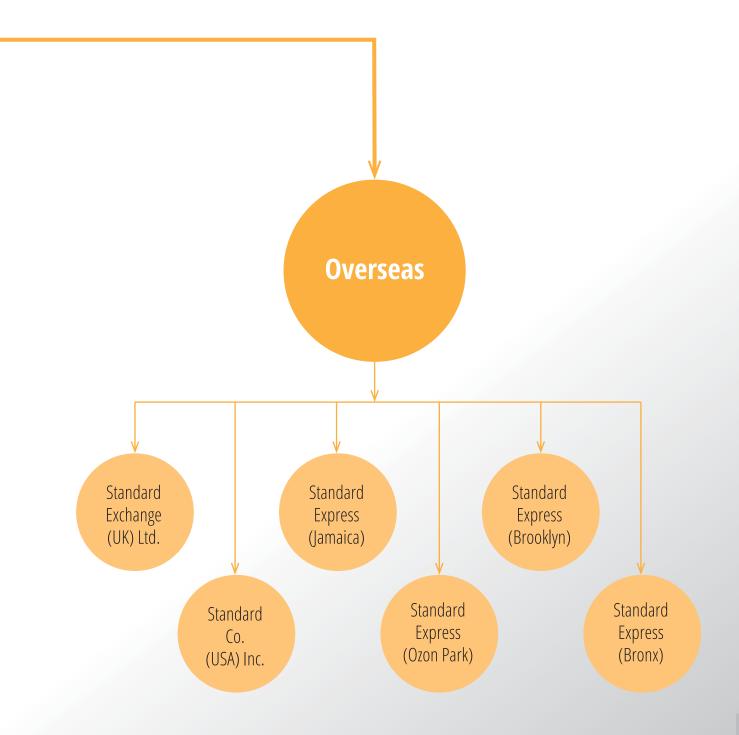
Md. Ali Reza



## GROUP CORPORATE STRUCTURE









## **5** -years Financial Highlights

(Figure in Mi**ll**ion Tk.)

2042		
2013	2014	2015
4 11,067	11,721	10,583
0 8,827	8,583	7,793
	_	2,790
0 2,804	3,000	3,067
3 1,864	2,323	2,582
	677	485
1 3,179	3,835	3,275
9 848	1,713	646
1 2,331	2,122	2,629
	909	1,033
3 1,011	1,213	1,596
45.000	45.000	45.000
		15,000
		6,557
		11,474
		1,116
		106,932
		12,849
		29,669
		1,070
3 74,181	80,449	91,487
8 19,168	19,854	19,109
5 663	3,431	3,473
8 5,241	6,548	7,741
6 109,191	119,932	132,370
1 9,289	9,886	11,474
8 26,525	27,251	29,196
0 51.056	52 022	51,491
	_	38,746
	_	
4,404	0,320	9,781
6 95,206	98,976	113,659
9,107	9,860	11,043
	1,153	3,202
	0       8,827         4       2,240         0       2,804         3       1,864         7       939         1       3,179         9       848         1       2,331         8       1,320         3       1,011         0       15,000         4       5,702         0       9,289         5       3,958         7       87,962         3       7,982         5       29,106         0       1,010         8       74,181         8       19,168         5       663         8       5,241         6       109,191         1       9,289         8       26,525         0       51,056         1       42,575         6       4,464         6       95,206         8       9,107	0       8,827       8,583         4       2,240       3,158         0       2,804       3,000         3       1,864       2,323         7       939       677         1       3,179       3,835         9       848       1,713         1       2,331       2,122         8       1,320       909         3       1,011       1,213         0       15,000       15,000         4       5,702       5,702         0       9,289       9,886         5       3,958       3,360         7       87,962       97,302         3       7,982       9,383         5       29,106       29,504         0       1,010       250         8       74,181       80,449         8       19,168       19,854         5       663       3,431         8       5,241       6,548         6       109,191       119,932         1       9,289       9,886         8       26,525       27,251         0       51,056       53,932



(Figure in Million Tk.)

				Ĭ	re in Million II
Particulars Particulars	2011	2012	2013	2014	2015
Total capital	7,702	9,023	10,158	11,013	14,245
Tier I Capital Ratio	10.29%	10.26%	9.57%	9.29%	9.72%
Tier II Capital Ratio	1.10%	1.02%	1.10%	1.09%	2.82%
Total Capital Ratio	11.39%	11.28%	10.67%	10.38%	12.53%
Risk Weighted CAR	11.39%	11.28%	10.67%	10.38%	12.53%
Internal Capital Generation Ratio	13.03%	11.11%	6.86%	9.15%	10.73%
Levearge Ratio	9.91	10.52	10.75	11.13	10.54
Credit Quality					
Volume of Non-performing loans	1,211	1,539	2,599	2,853	2,959
SMA loan outstanding	3	16	373	313	329
% of NPLs to Total Loans & Advances	2.19%	2.50%	3.50%	3.55%	3.23%
Gross NPL Coverage	44.55%	55.29%	61.25%	54.36%	53.29%
SMA to Credit Portfolio	0.005%	0.03%	0.50%	0.39%	0.36%
Provision for Unclassified Loans	580	616	748	868	900
Provision for Classified Loans	540	851	1,592	1,551	1,577
Provision for Off-Balance Sheet Items	166	191	265	273	292
Share Information					
Number of Share Outstanding	406	487	570	570	656
Earning Per Share (Taka)	2.66	2.73	1.77	1.85	2.43
Book Value Per Share (Taka)	10.00	10.00	10.00	10.00	10.00
Market Price Per Share (Taka)	30.20	19.20	14.80	12.70	9.20
Price Earning Ratio (Times)	11.35	7.03	8.35	6.86	3.78
Net Asset Value Per Share (Taka)	16.92	16.87	16.29	17.34	17.50
Dividend Per Share:					
Cash Dividend ('%)	-	-	10%	-	-
Bonus Share ('%)	20%	17%		15%	15%
Rights Share Issue	_	-	_	_	-

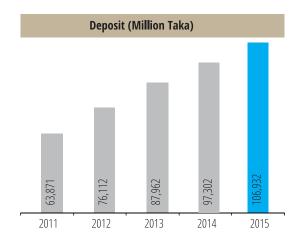


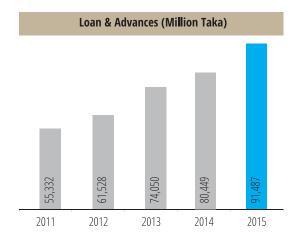
(Figure in Million Tk.)

		(Figure in N			
Particulars	2011	2012	2013	2014	2015
Operating Performance Ratio					
Net Interest Margin on average earning assets	3.68%	3.14%	2.54%	3.27%	2.65%
Net Non-Interest Margin on average earning assets	1.19%	0.88%	1.06%	0.70%	0.46%
Total operating expenses to average total assets	1.68%	1.78%	1.83%	2.03%	2.05%
Net operating income to average total assets	4.05%	3.54%	3.12%	3.35%	2.60%
Credit / Deposit Ratio(%)	87%	81%	84%	83%	86%
Return On Equity(ROE) %	18.87%	16.22%	10.88%	12.27%	13.91%
Return On Average Equity(ROAE) After Tax	20.75%	17.67%	11.55%	12.66%	14.95%
Return On Assets(ROA)%	1.83%	1.57%	0.99%	1.06%	1.27%
Return On Average Assets(ROAA) Before Tax	3.32%	3.03%	2.29%	1.85%	2.08%
Return On Investment (ROI)	21.07%	7.31%	10.06%	9.27%	9.71%
Price Earning Ratio (times)	11.35	7.03	8.35	6.86	3.78
Yield on average advance (%)	15.30%	16.35%	17.09%	14.59%	12.28%
Return On Average RWA	1.92%	1.67%	1.06%	1.14%	1.40%
Liquid Assets Ratio	1.08	1.09	1.17	1.06	1.08
Loan to Deposit Ratio	86.70%	80.88%	84.33%	82.68%	85.56%
Efficiency Ratio	71.54%	74.38%	77.08%	73.95%	76.01%
Total cost of Fund					
Cost of Deposit(%)	9.98%	10.79%	10.51%	8.92%	7.69%
Administrative cost (%)	1.62%	1.93%	2.08%	2.11%	2.06%
Other Information					
Number of Branches	68	77	87	96	104
Urban	47	52	55	61	65
Rural	14	18	25	28	32
Number of SME & Agriculture Branches	7	7	7	7	7
Number of Employees	1049	1270	1368	1554	1604
Number of Shareholders	38142	37141	40580	37249	31984
Number of Foreign Correspondents	22	22	22	20	21
Average earning assets	58,998	74,576	88,290	96,734	105,188
Average Total assets	70,775	84,661	101,944	114,562	126,151
Average Deposits	61,082	69,966	82,020	92,632	102,117
Average Advance	53,545	58,430	67,854	77,315	85,968
Average Investment	8,579	13,556	17,973	19,511	19,481
Average Equity	6,248	7,545	8,755	9,588	10,680

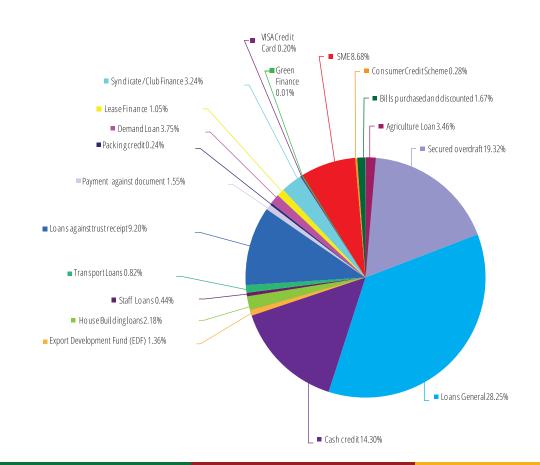


## GRAPHICAL PRESENTATION

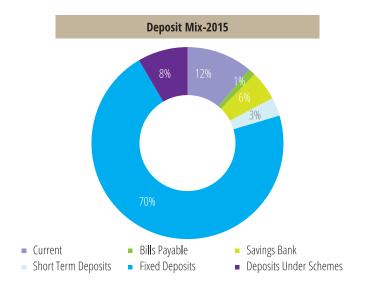


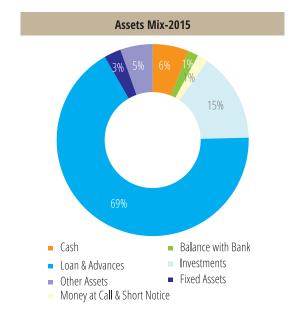


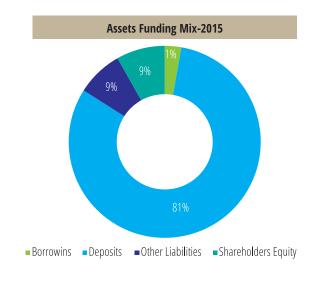
#### Loan Portfolio Mix-2015

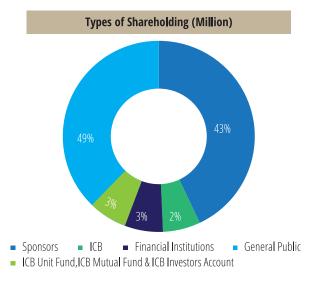


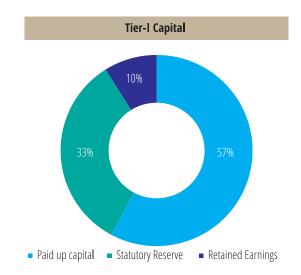


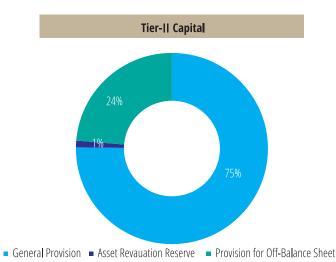




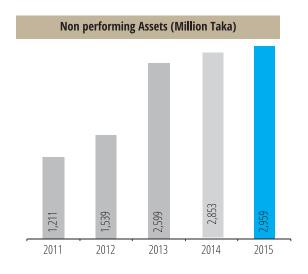


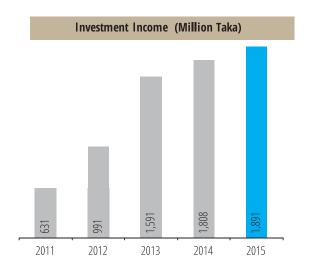


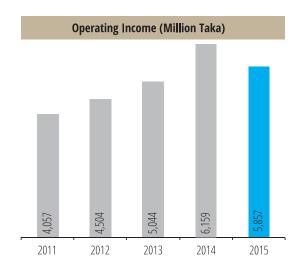




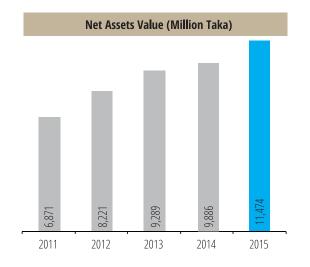


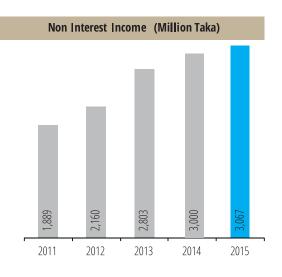




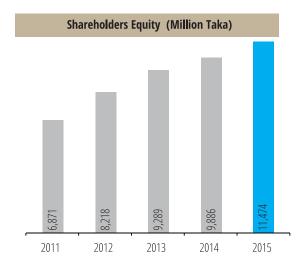


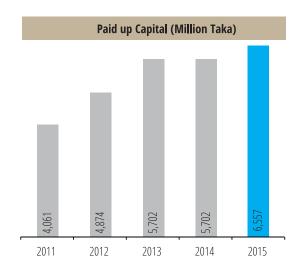




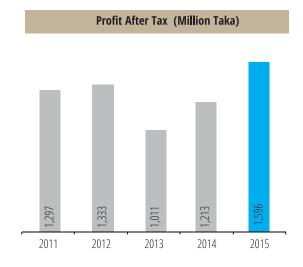


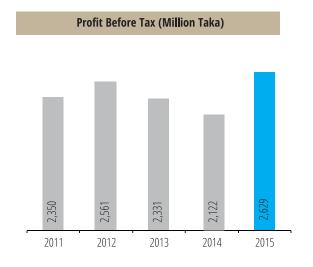


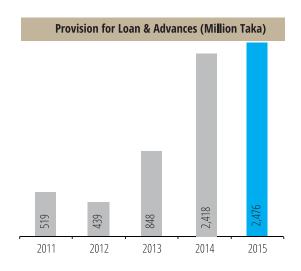




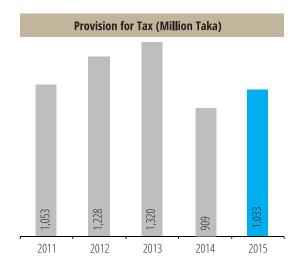






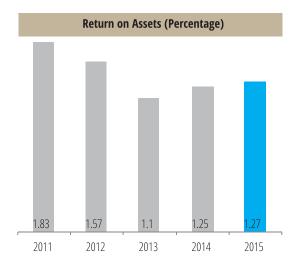








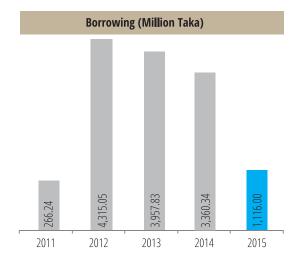


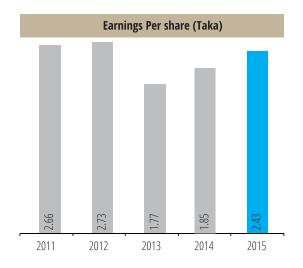






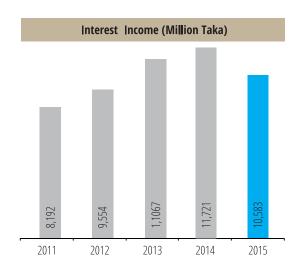


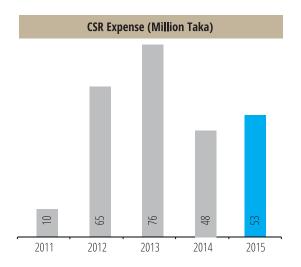














## Value Added Statement For The Year Ended 31st December 2015

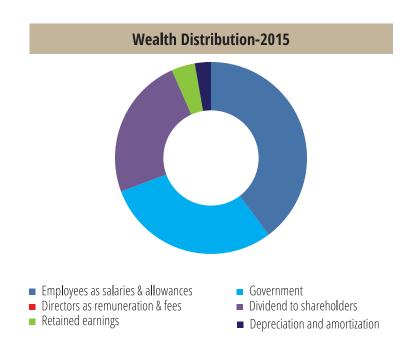
Value added statement shows exactly how much value (wealth) has been created by the bank during 2015 through its banking activities i.e. utilization of its capacity, capital, man power and other resources and how it is allocated among different stakeholders i.e. employees, directors, shareholders, government in the form of salaries & all owances, remuneration, dividend, duties & taxes respectively and also indicates value of use of fixed assets through depreciation. Now a days the most complex and modern business environment does not earn profit for its elfonly rather it cares to the society and thus is committed to contribute to the economic growth. Such value is being added due to spillover economic impact due to operation of the business houses. SBL as a commercial bank, has a large scale of spillover economic impact side by side its financial impact through creating values for distributions to the society year to year. The Statement shows how the total wealth has been created and distributed among the stakeholders of the Bank in the year.

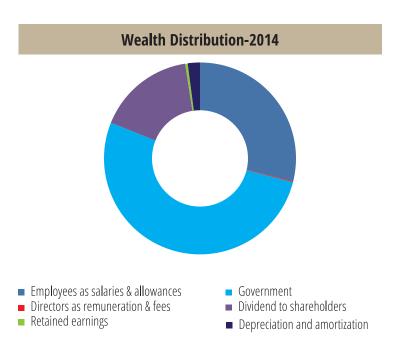
#### Value Added Statement for the year ended 31st December 2015

Particulars	2015 Taka	2014 Taka
Wealth creation:		
Revenue from Banking services	13,650,357,017	14,721,534,428
Less: Cost of services & supplies	-10,083,682,709	-12,178,380,606
	3,566,674,308	2,543,153,821
Non-banking income	<del>-</del>	-
Provision for loans & other assets	523,587,795	1,605,237,295
Total wealth creation	4,090,262,102	4,148,391,116
Wealth distribution:		
Employees & Directors		
Employees as salaries & allowances	1,629,651,229	1,500,325,546
Directors as remuneration & fees	7,029,954	8,534,887
Government	1,195,230,756	1,655,509,122
Corporate tax	987,460,884	1,503,417,995
Service tax/ Value added tax	112,859,702	83,368,077
Excise duties	94,910,170	68,723,050
Shareholders		
Dividend to shareholders	983,611,178	855,314,067
Retention for future business growth		
Retained earnings	162,665,931	22,368,545
Depreciation and amortization	112,073,054	106,338,948
Total Wealth Distribution	4,090,262,102	4,148,391,116



## **Graphical Representation** of Value Added Statement



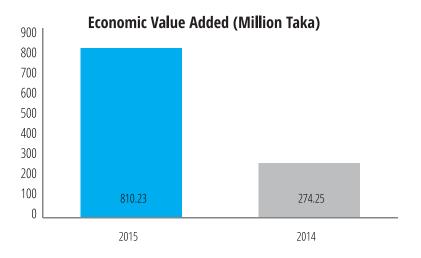




## Economic Value Added (EVA) Statement for the year ended 31 December 2015

EVA statement indicates the true economic profit of a company. EVA is an estimate of the amount by which earnings exceed or fall short of required minimum return for shareholders at comparable risk. It is based on the principle that since a company's owner employs equity capital to earn a profit, it must pay for the use of this equity capital. This management tool is useful to shareholders in particular and other stakeholders in general to take decision for increasing wealth. As a commercial bank, SBL is deeply concerned for distribution of value to all of its Shareholders. EVA of SBL has stood at Tk 810 million as of December 31, 2015 as against Tk 274 million in 2014. EVA is equal to Profit after Tax (PAT) plus the provision for loans & other assets less written off during the year minus cost of equity where cost of equity is the opportunity cost that the shareholders forego. This cost of equity is calculated considering the risk free rate based on weighted average rate of 10 years treasury bond issued by Bangladesh Government plus 2% risk premium.

Particulars	2015 Taka	2014 Taka
Shareholders equity	11,473,507,322.82	9,885,925,866.76
Add: Accumulated provision for loans & advances and other assets	2,514,376,746.00	2,435,215,749.00
Capital Employed	13,987,884,068.82	12,321,141,615.76
Average Capital Employed / Shareholders' equity	10,679,716,594.79	8,754,748,128.90
Earnings:		
Profi t after tax	1,596,425,235.94	1,213,395,239.88
Add:Provision for loans & advances and other assets charged during the year	645,782,978.67	1,713,033,484.09
Less: Written off loans during the year	428,087,934.88	1,514,057,820.00
Net earnings	1,814,120,279.73	1,412,370,903.97
Cost of equity:		
Average cost of equity (Based on weighted avergae rate of 10 years treasury bond issued by the Bangladesh Government) Plus 2% risk premium	9.40%	13.00%
Capital charge (Cost of average equity)	1,003,893,359.91	1,138,117,256.76
Economic Value Added	810,226,919.82	274,253,647.21



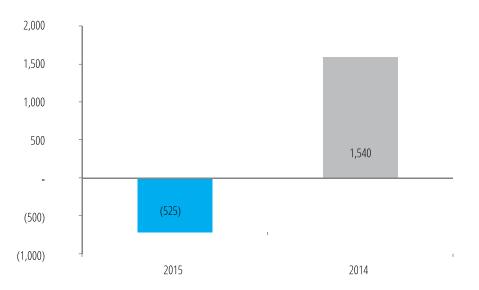


# Market Value Added (MVA) Statement for the year ended 31 December 2015

Market Value Added (MVA) is the difference between the current market value of the Bank and the capital contributed by shareholders. It reflect the banks performance which is evaluated on market price of its own shares. 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. Positive and higher MVA indicate that the bank has created substantial wealth for its shareholders. On the other hand negative MVA indicate that wealth of the bank is lower than the capital contributed by the investors.

Particulars	2015 Taka	2014 Taka
Face value per share (BDT)	10.00	10.00
Market value per share (BDT)	9.20	12.70
Number of shares outstanding	655740785	570209378
Total market capitalization (BDT million)	6,033	7,242
Book value of paid up capital (BDT million)	6,557	5,702
Market value added (BDT million)	(525)	1,540

#### **Market Value Added (Million Taka)**





# SBL HIGH 2015











#### Kazi Akram Uddin Ahmed

Chairman

A tremendous energetic and an outstanding charismatic personality with amiable disposition Mr. Kazi Akram Uddin Ahmed is the founder Chairman of Standard Bank Limited. He is a man with distinctive vision, dynamism, commitment and innovative ideas. He comes of a very prominent and highly respectable Kazi family of Kotalipara, Gopalgonj. Mr. Akram Uddin Ahmed did his M. Sc. in physics from Dhaka University in 1963 and thereafter received several local and foreign professional Diplomas and training. He did Diploma in Personnel Management from UK in 1974, Industrial Management training from Switzerland in 1980. Initially, he first started his career as a lecturer in Jagannath College, Dhaka and after a short spell of teaching profession, he switched over to Administrative career in the Industrial Sector, in Mohammodi Steel Chittagong in 1964. He left his service life in 1981 while he was General Manager of Bangladesh Steel and Engineering Corporation for embarking upon as an entrepreneur in the field of Industrial Manufacturing, Banking and other businesses. As a Chairman of Standard

Bank Limited he has brought along with him a vast wealth of experience and expertise of managing a number of Industries of his own and of Bangladesh Steel and Engineering Corporation, prominent business houses and enterprises of diversified nature.

Today he is a very successful entrepreneur and an eminent industrialist of the country. He is the Managing Director of Eastern Engineering Works Ltd., Bright Steel Wire Rope Mfg. Co. Ltd., Chittagong, Bright Trader (Overseas), Chittagong. He is one of the Former Directors of Padma Oil Co. Limited, the largest subsidiary enterprise of Bangladesh Petroleum Corporation.

He held many key positions in different local and international organization including Immediate Past President of The Federation of Bangladesh Chambers of Commerce & Industry (FBCCI) (2012-2015), the apex trade body representing all Business Chambers and Associations of Bangladesh consisting of 30 million business people, former Chairman of Bangladesh Association of Banks (BAB) and during his tenure he has made immense contribution in turning this organization into a very lively and vital forum of the Chairman and Directors of Private Commercial Banks in Bangladesh. He is the Past Council Chairman of The International Association of Lions Clubs and nominated candidate for the post of International Director from Multiple District 315, Bangladesh, Founder & Life Member of Dhaka and Chittagong Lions Blood Bank, Former Chairman of Chittagong Lions Foundation, Eye Hospital, the biggest Lion Eye Hospital of the Country, Life Member of Bangladesh Lions Foundation, Advisor of Chittagong Diabetes Association, Life Member of Bangladesh Red Crescent Society, Bangladesh Family Planning Samity, Bangladesh Diabetic Samity, Chittagong Shishu Hospital and Permanent Member of Chittagong Club Ltd. He is the Chairman, founder, donor, patron & trusty of so many educational institutions and charitable hospital of the country.

He is a valiant Freedom Fighter in our glorious War of Liberation who actively participated in the liberation war in 1971 and made significant contributions. During his course of journey to training camp in India, he lost his beloved son who died on the way.

He was awarded with the UNESCO Gold Medal, Scientist Sir Jagadish Chandra Bose National Smrity Memorial Gold Medal, Shahid Suhrawardi National Gold Medal, World Quality Commitment Award in Gold Category from Paris, France in 2009 as outstanding banker, from Lions Clubs International - International President's Leadership Awards and 04(Four) International President's Medals and also the recipient of 25-Year Chevron Award and is a Melvin Jones Fellow.

As a top leader of the business delegation, he accompanied with the Honorable Prime Minister of Bangladesh and visited numerous countries including India, Germany, Japan, China, Italy and USA. As an entourage of the Honorable Prime Minister of Bangladesh he attended 65th, 67th, 68th & 69th (2014) UN General Assembly at New York, USA.





## **Ferozur Rahman** Vice Chairman

Mr. Ferozur Rahman, an eminent business personality comes of a reputable muslim family. Mr. Rahman, is a dynamic and visionary leader of banking and other business arena. He is cheerful, good-humored and exuberant character. He grew up in a pious Muslim family and established himself as a star, flamboyant hotel businessman in Bangladesh. He has a wide range of experience in several businesses. He is the sponsor shareholder of Sonali Insurance Company Limited, Director of Hotel Golden Dragon Limited, Hotel Eram International Limited and Hotel Peacock Limited were established under his flagship and dynamic directorship. He is also the proprietor of Olio Enterprise and Hotel Oli Dream Heaven.

Mr. Rahman has been involved with many prominent social organizations and is a dedicated social worker. He is an angelic face to the society and forward footstep for the wellbeing of his neighbor since he has been discernible with the following institution:

- 1. Past District Governor, District 315 B2 as well as PMJF Lion.
- 2. Chairman of Sultanpur Union Parishad, Brahmanbaria for about 23 years.
- 3. Founder Chairman of Ferozur Rahman Fund and Foundation.
- 4. Vice-Chairman and Chairman of New Model Bohumukhi High School, Dhanmondi, Dhaka for 35 years.
- 5. Founder and Chairman of Ferozur Rahman Residential Academy School and College in B'baria.





#### **Kamal Mostafa Chowdhury** Director

Mr. Kamal Mostafa Chowdhury, a distinguished business personality comes of an aristocrats and respectable muslim family of Kazim Chowdhury Bari at Gunagari, Banshkhali in Chittagong district. Revered by all his business acumen, Mr. Chowdhury, a dynamic and visionary leader of banking and other business arena. He has taken part in establishing a good number of business entities including

bank. He is the Founder Vice-Chairman, former chairman of Executive Committee, Standard Bank Ltd., Managing Director of Raja Securities Ltd., Proprietor of Raja Corporation and KMC International, Director of Holy Crescent Hospital in Chittagong. He is a highly experienced professional with successful track record in international trading. While Mr. Chowdhury was studying in Chittagong University, he started his business career through import export and shipping sector.

Mr. Chowdhury is well-known in various social and philanthropic activities in addition to his business arena. He is the founder of Ahamadia Sunni Madrasha and ex-member of Kokdandi Gunagari High School committee at Banshkhali Chittagong, Member of Chittagong Club Limited, Chittagong Seniors Club Limited, Chittagong Boat Club Limited, Mainamati Golf and Country Club, Comilla, Army Golf Club, Dhaka and Life Member of Chittagong Press Club, Rifles Club, Chittagong Diabetic Hospital, Chattagram Maa-O-Shishu Hospital, Lion Blood Bank, Vice Chairman of advisory committee for Chittagong Samity in Dhaka. He is the President of Banshkhali Samity in Dhaka.

Mr. Chowdhury, a prominent businessman and vibrant business leader is associated with a number of trade bodies and associations devoted to business development of the country. He is the Director of Chittagong Chamber of Commerce and Industries. Director of Bangladesh Malaysia Chamber of Commerce & Industry, Member of International Business Forum of Bangladesh (IBFB) and former member of Federation of Bangladesh Chambers of Commerce & Industry (FBCCI).

Mr. Chowdhury is a widely traveled person across the globe. As a business representative, he extensively visited many countries including India, Malaysia, Saudi Arabia, United States of America(USA), United Kingdom(UK), China, Thailand, Bhutan, Japan and Taiwan. By virtue of religious devotion, he has performed his Hajj for three times.



**Ashok Kumar Saha** Director

Mr. Ashok Kumar Saha, a thorough professional and prominent Industrialist, was born in a renowned Hindu family at Ghatforhadbegh, Chittagong. He completed his postgraduation in Chemistry from University of Chittagong, B.Sc. Engineering (Electrical) from Ohio University, Ohio, USA and Master of Business Administration from University of New Haven, Connecticut, USA. He became as a Director of Standard Bank Limited on 12.10.2009 in place of his father Late Nani Gopal Saha who was a Sponsor Director of the Bank and well known Industrialist of the country as well as declared CIP (Commercially Important Person) by the Government & was the highest Taxpayer of Chittagong region twice. Mr. Ashok Kumar Saha is widely known in the business circle in Chittagong who is a Chairman of A. K. Saha Steel Industries (Pvt.) Limited, Director of NG Saha Steel Industries (Pvt.) Limited & NGS Cement Industries Limited and Managing Director of NGS Industries Limited & Uttam Oil Limited. He obtained lot experience

regarding Marketing Survey Reports of various companies in USA during MBA Degree and accomplished some logical Digital projects for Electrical and Computer Engineering in Ohio, USA. He is well connected with various social and religious activities specially served as Host Leader of Bangladesh Special Olympic Team, New Heaven. Connecticut, USA and contributed for Sports of Bangladesh Olympic Association, Dhaka on 2009.





**Md. Manzurul Alam** Director

Mr. Md. Manzurul Alam is a renowned Industrialist having over 35 years of business experience. He is the Chairman of H. M. Steel & Ind. Limited., Alhaj Mostafa Hakim Bricks Limited & Managing Director of Golden Ispat Ltd, Golden LPG Ltd., Taher & Co. Limited, Golden Brick Works Limited, Golden Steel Alloy Works Limited, Al-Haj Mostafa Hakim Housing & Real Estate Limited, Golden Oxygen Limited, Al-Haj Mostafa Hakim Cement Ind. Limited and Golden Iron Works Limited, Eagle Star Textile Mills Limited,

Mutual Jute Spinners Ltd. He is also the Proprietor of M/s. Monzur Alam. Besides, he is a General Member of Chittagong Chamber of Commerce & Industry. Mr Alam is also associated with many social and educational institutions and is the founder of Mostafa Hakim College and Alhaj Mostafa Hakim Welfare Foundation. He was elected as Ward Commissioner and was held the position as Mayor of Chittagong City Corporation.



**S. A. M. Hossain** Director

Mr. S.A.M. Hossain is a prominent, innovative and successful businessman of the country. He holds a Bachelor Degree in Commerce. He was born in a glorious and highly respectable Muslim family of Noapara, Raozan Thana under Chittagong district. He has started his glorifying business career in the Field of Electronics around 35 years ago and excels in this field like a star. Now his organization Victor Electronics and Victor International have become the trusted names across the country. He has expanded his business into many dimensions. He is the Chairman of Hotel Victory Ltd., Link Up Steel

Mills Ltd., Eastern Metal Ind. (Ctg.) Ltd., and A & B Pumps Ltd. He is the Director of Standard Bank Ltd., Prime Insurance Co. Ltd., Central Hospital Ltd., Eastern Paper and Board Mills (Ctg.) Ltd., Intercontinental Securities Ltd., Human Resource Development Co. Ltd., and Surprise Industrial Corporation. He is the Proprietor of Victor Electronics, Victor International and Samira Electronics.

He is actively associated with several distinguished educational and socio-cultural organizations. He is the life member of Army Golf Club Dhaka and Chittagong Club.

He is a philanthropist and does a lot of charity to variety of organizations. He is the founder of Aslam Smriti Foundation at Noapara, Chittagong. He has been relentlessly contributing in the field of education and holds very key post in many institutions. He is the founder member of Noapara Muslim High School and Executive member of Noapara University College. He has been working for the upliftment of the downtrodden at his village in Noapara.

With his brilliance and prudence, he has been contributing in SBL to reach its vision through providing best banking services.



Mohammed Abdul Aziz Director

A man of pleasant personality with amiable determination Mr. Mohammed Abdul Aziz is the Sponsor Director of Standard Bank Limited. He is a man with a strong vision & commitment and a selfless social Leader.

Ln. Aziz completed his SSC examination from renowned Galimpur Rahmania High School in the year 1968.

After that, he completed his HSC from Govt Dhaka College in the year 1970. He was also a valiant freedom

fighter who participated in the Liberation War of 1971. He successfully obtained graduation in Commerce in the year 1972 from Dhaka College.

After completing his academic education instead of joining any service he started his own business. By dint of his untiring efforts & hard work, sincerity he established himself as a successful entrepreneur of Dhaka city. He is one of the pioneer importers of industrial, commercial raw materials till date. Apart from that in the year 1998 he joined Midland credit Cooperative Society as Managing Director & Chairman. By his effort & leadership skills he made it into a top leading cooperative society in Bangladesh. Furthermore, he focused on different business ventures including hotel industry, garments sector and so forth. He is a former Vice Chairman of Moon Lux Knit Composite Garments Ltd. Furthermore, He is also a founder member of Board of Trustee of renowned educational Institution Fareast International University.

Ln Aziz joined Lionism in the year 1985 as a member of lions club of Dhaka Progressive. Since then his service towards the distressed humanity made him reach the different positions of Lions Clubs International District 315 B2, Bangladesh. He was elected unopposed District Governor for the term 2005-06. He made his call Light the Blind as a District Governor for the year 2005-06 where he has completed 4500 cataract operations of the needy and poor patients free of cost throughout the country.

Beside being an active humanitarian & social worker, Ln Aziz devoted himself into many other social & welfare works with the following includes:

- 1) Major donor & member of governing Body of Arambagh Girls' High School & College.
- 2) Vice Chairman of Dhaka Progressive Lions Eye Hospital
- 3) Former Vice chairman 1st division Arambagh Football Club
- 4) Donor of Ln Ferozur Rahman Residential Academy, Brahmanbaria.

He is a widely travelled person who travelled SAARC region, USA, UK, Australia and Morocco. As a Lion & a business magnet Lion Aziz received numerous awards & recognitions.



**Al-Haj Mohammed Shamsul Alam** Director

Mr. Al-Haj Mohammed Shamsul Alam was born in 1953 at Noapara, Raozan, Chittagong and he has been in the business since 1972. His father and grandfather Late Haji Abul Bashar Sowdagar and Late Abdur Rouf Sufi respectively were also the renowned businessmen at their own territory. Mr. Alam pioneered his family business "Trading of Cloths" at Kurbanigong, Chittagong.

Few years later he started his own business of household Electrical Appliances like Refrigerators, Freezers, Television and others. He is now the Managing Partner of M/s. Radiovision. Radiovision is one of the leading importers, retailers and whole seller of the household Electrical Appliances like Refrigerators, Freezers, Washing Machine, Air Conditioners, Colour Television, DVD, VCD etc.



He is also one of the Directors of Standard Bank Limited.

Except this He is also the Managing Director of PAM Complex (PVT) Limited which is the manufacturer of Garments polybag and other accessories, Director of CIDER Education Services Limited, Chittagong, Partner of AB Electronics, "G". Telecom, "G" Distribution, "GNET" Digital Communications Center, Chittagong etc.

Mr. Alam is also a devoted social workers and involved with the following institutions:

- A) Founder President of "Amena Bashar Boyoshaka Punarbashan Kendra" Noapara Raozan, Chittagong.
- B) Donor Member of Noapara Muslim High School, Noapara, Raozan, Chittagong.
- C) Member of the Lions Club of Chittagong.
- D) Associate Member of the Chittagong Chamber of Commerce & Industry.



**Gulzar Ahmed**Director

Mr. Gulzar Ahmed is a renowned business personality in Bangladesh. He is the Proprietor of APAN Jewellers, Gulshan Avenue, Dhaka. Apan Jewellers has been in the jewellary business since 1982 and it has expanded 7 branches in Dhaka city. Mr. Gulzar Ahmed has got practical experience of over 35 years in different business sectors. He is the Director and Ex Vice Chairman of Standard Bank Ltd. He is now the Chairman of Executive Committee of the Bank.



Md. Zahedul Hoque Director

Mr. Md. Zahedul Hoque a young & promising professional and well established businessman was born in a renowned family. He completed his Bachelors of Business Administration majoring in Industrial Management in December, 1992 from Northeast Lousiana University, Monroe, Lousiana, USA. His father Al-Haj Md. Nurul Hoque Sowdagar was also a prominent and well established businessman in home & abroad. He was one of the Sponsor Directors of the Bank and is the founder of Hazi Mohammed Nurul Hoque Degree College, Shakpura, Boalkhali, Chittagong and Amenia Forkania and Nuria Madrasha, west

Shakpura, Boalkhali of Chittagong.

Mr. Zahedul Hoque is the proprietor of M/S Zahed Brothers (import of foodgrains, spices, betel nut, sugar & vegetable oil) and M/S NLZ Fashion (computerized embroidery unit). He is also the Managing Director of M/S NLZ Fashion Limited (100% export oriented readymade garments in Chittagong Export Processing Zone) and Director of M/S Noor Oil & Food Products Ltd. & M/S Arafat Limited (lodized Salt Industries).

Mr. Md. Zahedul Hoque is associated with many renowned social organizations and also devoted to social workers as well as involved with the following institutions:



- Director of The Chittagong Chamber of Commerce and Industries (CCCI)
- Member of the Governing body of Hazi Mohammed Nurul Hoque Degree College, Shakpura, Boalkhali, Chittagong.
- Life Member of Army Golf Club, Dhaka
- Permanent Member of Chittagong boat Club
- Permanent member of Chittagong Club Ltd.
- Permanent Member of Chittagong Senior's club Limited, Chittagong.
- Permanent member of The Chittagong Collegiate School '85
- Life member of Maa o Shishu Hospital, Agrabad, Chittagong
- Member of Bangladesh Garments Manufacturing & Export Association (BGMEA).



### **Al-Haj Md. Yousuf Chowdhury** Director

Al-Haj Md. Yousuf Chowdhury, a renowned and well established business personality comes from a respectable Muslim family at Chittagong who has more than 30 years of business experience in different kinds. He has got vast experience in hotel business and is the Chairman of Hotel Royal Palace Limited, Dhaka. He is also the Chairman of Chittagong Board & Paper Mills Limited. He owned the 100% Proprietorship of M/s. Lucky Traders, M/s. Lucky Trading and Royal Tower. He is the Director of Central Insurance Co. Limited

Mr. Chowdhury is actively associated with many renowned social organizations and is a dedicated social worker and member of Army Golf Club, Dhaka. He has been donated in the many educational institutions, madrasha and different charity organization. He continuously is helping the disaster people around the country.



## **S. S. Nizamuddin Ahmed** Independent Director

Mr. Sahazada Syed Nizamuddin Ahmed a renowned, distinguished and senior most career banking personality of the country has been unanimously appointed as Independent Director of Standard Bank Limited and presently holding the post of Chairman, Audit Committee of the Board. Mr. Nizamuddin Ahmed having a successful 52 years of Banking career both in Public & Private Sector Banking such as 05 Govt. Nationalized Commercial Banks, 01 Govt. Specialized Bank and 04 Private Commercial Banks i.e. in the then East Pakistan namely United Bank Limited & Habib Bank Limited and the other 02 are Premier

Bank Limited and Standard Bank Limited respectively.

Mr. Nizamuddin was the Managing Director & CEO of Rupali Bank Limited from 1992 to 1994, Founding Managing Director, Ansar - VDP Unnayan Bank, a Govt. Specialized Bank from 1995 to 1999 and thereafter Managing Director & CEO, Standard Bank Limited — 2000 to 2002. He was also holding the post of Advisor in the Premier Bank Limited from 1999 to 2000 and also as Advisor Standard Bank Limited from 2003 to 2005. He was holding the post of Chief Banking Consultant in Standard Bank Limited from 21st November, 2006 to 2007.

Prior to that he was appointed as General Manager in Sonali Bank, besides holding the charge of about 19 Divisions in the Head Office at that time. He was also assigned with the task of Audit & Inspection of Sonali Bank's Overseas Branches viz. General Manager's Office UK (Controlling Office), 02 branches within London and 03 other branches Birmingham, Manchester and Bradford branches in the United Kingdom in 1992. Prior to that he was also the GM of BKB, JB and also DMD of JB.



He actively played an important role by participating and implementing "Financial Sector Reforms Program (FSRP)" and worked with the international and local Consultants when he was the General Manager of Sonali Bank and CEO & Managing Director of Rupali Bank Ltd. 1990 onward.

He was awarded as the "Banker of the year for 1994" and received certificate from the then Honourable president of the People's Republic of Bangladesh when he was posted as Managing Director of Rupali Bank Limited. He is a former Member of BIBM, Executive Committee Member of the "Institute of Bankers", Bangladesh, Member of the Council of Governors', Banker's Club, recently renamed as 'Association of Bankers Bangladesh' (ABB).

Besides his banking career he is actively associated with humanitarian social service activities through The International Association of Lions Clubs for the last 50 years (1965-2016). He was the "District Governor (2002-2003)" of Lions District 315A-1, Bangladesh. He was Former permanent Member, Chittagong Club Limited and presently permanent member Officers Club Limited, Dhaka. He travelled many countries of the world out of which U.K., France, Japan Thailand, India and other Asian countries on professional duties and on personal visits.

In recognition of his lifelong outstanding activities he received so many awards i.e. "Presidential Leadership Medal" in 1989 from Lions Clubs International President and "International Presidential Medal" in 2004, "Sir Jagadish Chandra Bose Gold Medal" in 1994 as a banker of the year etc. He also achieved "life time achievement awards" in Lionism from Past District Governors Forum of Multiple District 315, Bangladesh in 2012 and from District 315-A1 of Multiple District 315, Bangladesh in 2013 & 2014.

He bears spiritual legacy of an Illustrious sufi saint family of this sub-continent and he is the Grandson of the Illustrious Holy Sufi Saint Hazrat Gause-Pak Saha Sufi Syed Moulana Golam-Ur-Rahman Al-Hasani, Wal-Hussiany, Al-Quaderi, Al-Maizbhandari (O.S.) Alias-"Hazrat Baba Bhandhari Qibla".



#### Najmul Huq Chaudhury Independent Director

Ln. Najmul Huq Chaudhury MJF, son of Late Alhaj Aminul Huq Chaudhury comes of a very respectable Muslim Zaminder family of Chittagong, Nazir's Family in North-Kattali. He obtained his graduation in Commerce (B.com) from St. Xaviers College of Calcutta. He undertook a number of training courses on Business Administration and Industrial Management. He attended number of seminars & symposium on Business Administration and Industrial Management in the country and abroad.

Ln. Chaudhury played a vital role during the Liberation war in 1971 and after Liberation of Bangladesh, he joined as Managing Director of 2 (two) joint venture Companies viz. Van Ommeren Tank Terminal Bangladesh Ltd. (VOTT-B) & International Oil Mills Ltd. (IOM), North Patenga, Chittagong as a nominee of

Foreign Shareholders (USA & Dutch).

At present he has been serving as

- Honorary Chairman, Chittagong Lions Foundation & Lions haritable Eye Hospital since 2009,
- Resident Director & Advisor, SKM Jute Mills Limited, Sitakund, Chittagong, since 2004,
- General Secretary, Anjumane Mufidul Islam, Chittagong, since 2013,
- Governing Body Member of Latifa Siddiqi Degree College, Chittagong, since 2014, Latifa Siddiqi Girls High School, Chittagong, since 2014, Imdad Sitara Khan Lions Kidney Center, CLF Complex, Chittagong, since 2014 & Lions service complex, Chittagong, since 1990,
- Vice Chairman & Member of Trustee Board, Lions Anowara Taher Physiotherapy Clinic, CLF Complex, Chittagong, since 2009,
- EC Member, Chittagong Rifles Club, since 2008,
- Permanent Member of Chittagong Club Ltd. since 1993 and
- Donor Member of Kattali Nurul Huq Chy High School Chittagong, since 1985.

He also served in the following Industrial/Business, Social-Welfare Organizations:

• Ex-Administrator, Bangladesh Tank Terminal Limited, Patenga, Chittagong, (1975 & 1976),



- Ex-Vice Chairman, Bangladesh Vegetable Oil Refiners' Association, Dhaka, (1984 to 2000),
- Founder EC Member of American Chamber of Commerce in Bangladesh, Dhaka, (1986-1990) & Dutch-Bangla Chamber of Commerce & Industry, Dhaka, (1990-1994),
- Ex-EC Member of Foreign Investors Chamber of Commerce & Industry, Dhaka, (1978-2000), Chittagong Chamber of Commerce & Industries, Chittagong, (1975-1980), Bangladesh Chamber of Industries, Dhaka, (1980-1986), Bangladesh Employers' Federation, Dhaka, (1976-1980), Chattagram Maa-Shishu-O-General Hospital, Chittagong, (1989), Chittagong Diabetic Association, Chittagong, (1986-1990), Bangladesh Lions Foundation, Dhaka, (1990-2000) & Muslim Education Society, Chittagong, (1985-2008),
- Ex-Member, International Chamber of Commerce-Bangladesh, Dhaka, (1998) and
- Ex-General Member, FBCCI, Dhaka and Ex-Vice Chairman, Past Lions District Governors Forum 2010-12 & 2014-15.

He is a Life Member of following different Social-Welfare Organizations:

- Chittagong Lions Foundation (1985), Bangladesh Lions Foundation, Dhaka, (1986),
- Chattagram Maa-O-Shishu Hospital, (1989),
- Bangladesh Diabetic Association, Chittagong, (1985),
- Chittagong Rifles Club, (2009),
- Muslim Education Society, Chittagong, (1990),
- Red Crescent Society, Chittagong, (1990),
- Bangladesh Family Planning Association, Chittagong, (2002),
- Cancer Foundation, Chittagong, (2013),
- · Lions Blood Bank, Chittagong, (1992),
- Chittagong Association, Dhaka, (1999),
- Central Eid Jamat Committee, Chittagong, (1980),
- Donor member, Kattali Nurul Huq Chaudhury High School, Chittagong, (1985) and Family Planning Association of Bangladesh, (2002).

While he was in Kolkata (Calcutta) as a college student, he served in the organizations as Secretary, Oriental Girls' High School, Calcutta, Assistant General Secretary (Administration), Calcutta Muslim Institute, Cultural Secretary, Poet Kazi Nazrul Islam Institute and Cultural Society, Calcutta, Social & Cultural Secretary, Dilkusha Institute (now Humayun Kabir Institute), Calcutta, EC Member, Calcutta Mohammedan Sporting Club and Anjumane Mufidul Islam, Calcutta



**Iftikhar-Uz-Zaman,** Managing Director, ICB Director

#### **Current Responsibilities**

Managing Director of Investment Corporation of Bangladesh, Chairman of ICB Capital Management Limited, Director of British American Tobacco Bangladesh Co. Ltd. (BATBC), Linde Bangladesh Limited, GlaxoSmithKline Bangladesh Limited (GSK), Bangladesh Krishi Gobeshona Endowment Trust (BKGET), Credit Rating Agency of Bangladesh Limited (CRAB), Credit Rating Information and Services Limited (CRISL), National Tea Company Limited, Apex Tannery Limited, Central Depository Bangladesh Limited (CDBL),

CAPM Venture Capital & Finance Limited (CVCFL).

#### **Past Responsibilities**

Deputy Managing Director, Investment Corporation of Bangladesh Deputy Managing Director, Janata Bank Limited General Manager, Investment Corporation of Bangladesh

#### Education

B.A. (Hons), Statistics (University of Rajshahi) M.A., Statistics (University of Rajshahi)





Md. Nazmus Salehin Managing Director & CEO

Mr. Md. Nazmus Salehin, a top notch public sector banker of the country, who has been active in banking service for the last 35 years, has joined in Standard Bank Limited as Deputy Managing Director. Because of his extra ordinary services and distinctive contributions to the bank he was promoted to Additional Managing Director. At present he is the honorable Managing Director of Standard Bank Limited.

Mr. Salehin started his career with Sonali Bank in 1979 as a Probationary Officer after receiving his master degree in physics from Dhaka University. He held all the Senior and Top Management level Executive Positions in many high profile branches, Zonal Offices and Head Offices of the 3 (three) major Nationalized Commercial Banks i.e. Sonali, Agrani and Janata Bank. Because of his meritorious performance and distinctive competence in banking career lastly he was the Deputy Managing Director of Janata Bank. Prior to this he was the General Manager of Sonali and Agrani Bank respectively. He participated in many training programs on different areas of banking in different institutions at home and abroad. He is actively associated with many socio-cultural organizations and traveled many countries on personal and professional trips.

Mr. Salehin hailed from Khoksha Upazila of Kushtia bears an amiable and pleasant personality and blessed with one daughter Dr. Dilshad Afroze and one son Musfeq-us-Salehin a BBA graduate from DU now serving in Bangabandhu Medical University & British American Tobacco Bangladesh respectively.



### SPONSORS OF THE BANK



Sponsor

Sponsor

Sponsor

Sponsor

**Abdul Ahad** 

Ferdous Ali Khan

Al-Haj Md. Nurul Haque Sowdagar

Sponsor

Sponsor

Sponsor

Sponsor

**(15)** Al-haj Mohammad Ayub

Harun Rashid Chowdhury

Ferozur Rahman



# COMMITTEES

#### **EXECUTIVE COMMITTEE**

: Chairman Mr. Ashok Kumar Saha, Director Mr. Ferozur Rahman, Vice-Chairman : Member Mr. S.A.M. Hossain, Director : Member Mr. Mohammed Abdul Aziz, Director : Member Al-haj Mohammed Shamsul Alam, Director : Member Mr. Gulzar Ahmed, Director : Member Al-haj Mohd. Yousuf Chowdhury, Director : Member Mr. Md. Nazmus Salehin, Managing Director : Ex-officio Member Md. Ali Reza, Acting Company Secretary : Member Secretary

#### **AUDIT COMMITTEE**

Mr. S. S. Nizamuddin Ahmed, Independent Director: ChairmanMr. Kamal Mostafa Chowdhury, Director: MemberMr. Md. Zahedul Hoque, Director: MemberICB, represented by it's Managing Director, Mr. Md. Iftikhar-Uz-Zaman: MemberMr. Najmul Huq Chaudhury, Independent Director: MemberMd. Ali Reza, Acting Company Secretary: Member Secretary

#### **RISK MANAGEMENT COMMITTEE**

Mr. Kazi Akram Uddin Ahmed, Chairman: ChairmanMr. Monzurul Alam, Director: MemberMr. S.A.M. Hossain, Director: MemberMr. Mohammed Abdul Aziz, Director: MemberAl-haj Mohd. Yousuf Chowdhury, Director: MemberMr. Md. Nazmus Salehin, Managing Director: Ex-officio MemberMd. Ali Reza, Acting Company Secretary: Member Secretary

#### **SHARIAH SUPERVISORY COMMITTEE**

Jameah Qasemiah Kamil Madrasha, Narsinghdi

Janab Kazi Akram Uddin Ahmed : Chairman Chairman of the Bank

Janab Prof. Mowlana Mohammad Salauddin : Member Khatib, Baitul Mukarram National Mosque

Janab Hafiz Kazi Muhammad Ibrahim : Member

Head Mohaddis (Hadits Dept)

Janab Kazi Khurram Ahmed : Member

Janab Md. Nazmus Salehin : Ex-Officio Member Managing Director of the Bank

Md. Ali Reza, Acting Company Secretary : Member Secrerary





#### **Position** Name

Mr. Md. Nazmus Salehin

Mr. Mamun-Ur-Rashid

Mr. Quazi A. S. M. Anisul Kabir

Mr. Md. Motaleb Hossain

Mr. A.M.M. Laskar

Mr. Muhammad Sakhawatur Rahman

Mr. Hossain Ahmad

Mr. M Ahsan Ullah Khan

Mr. Haradhan Chandra Das

Mr. Syed Anisur Rahman

Mr. Md. Saiful Islam Khan

Mr. Md. Zashim Uddin

Mr. Md. Zahangir Alam

Mr. Md. Ali Reza

Managing Director & CEO

Additional Managing Director

**Deputy Managing Director** 

Deputy Managing Director

SEVP & Head of Credit

EVP & Head of BMOD

EVP & Head of IT

EVP & Head of HRD

EVP

EVP & Head of ID

SVP & Head of CAD

SVP & Head of ICCD

VP & Head of FAD

VP, CFO & Acting Company Secretary

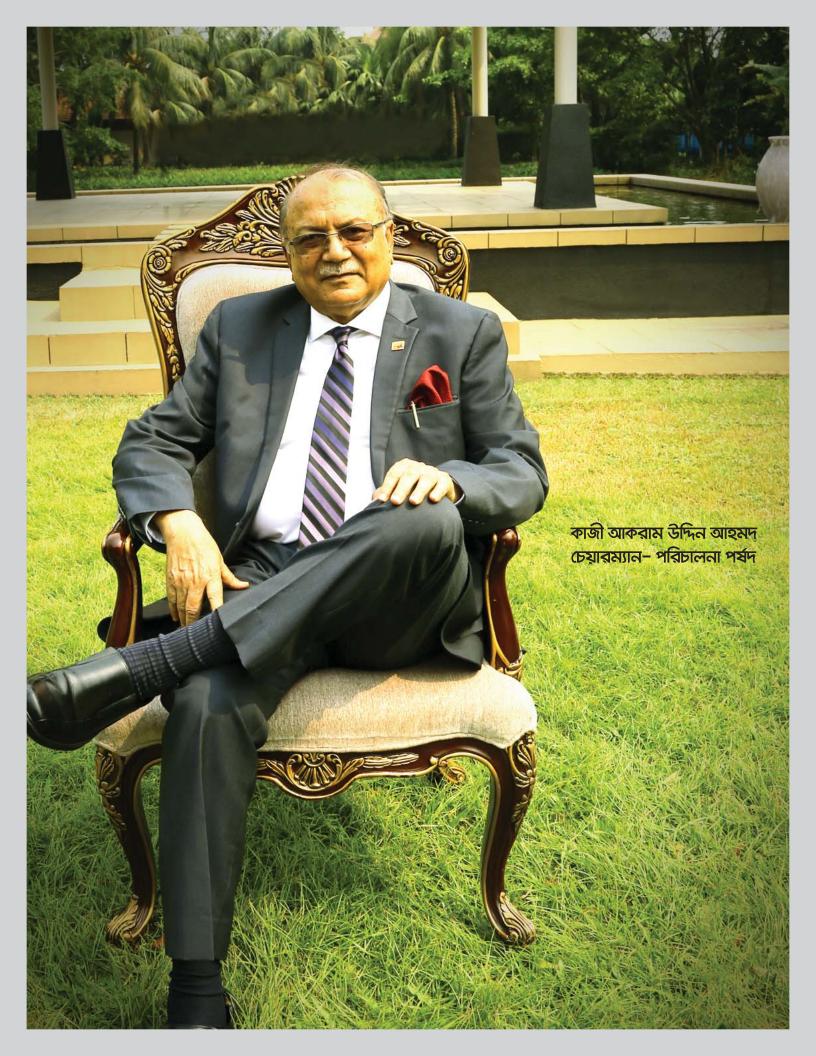
# LIST OF EXECUTIVES

Designation	Name
Managing Director & CEO	Mr. Md. Nazmus Salehin
Additional Managing Director	Mr. Mamun-Ur-Rashid
Deputy Managing Director	Mr. Md. Motaleb Hossain Mr. Quazi A S M Anisul Kabir
Sr. Executive Vice President	Mr. A. F. Jamal Uddin
Executive Vice President	Mr. Mohammad Ali Mr. Sheikh Abu Ahmed Mr. Muhammed Sakhawatur Rahman Mr. A.M.M. Laskar Ms. Haider Nurun Naher Mr. Hossain Ahmad Mr. M Ahsan Ullah Khan Mr. Md. Anwar Hossain Mr. S.M. Hemayet Uddin Mr. M.U.M. Musaddeque Mr. Haradhan Chandra Das Mr. Syed Anisur Rahman
Principal	Mr. Mohammad Zakaria
Sr. Vice President	Mr. A.H.M. Manzur Quader Khan Mr. Md. Saiful Islam Khan Mr. Zaglul Pasha Mr. Md. Zashim Uddin Mr. Probir Kumar Bhowmick
CFO & Acting Company Secretary	Mr. Md. Ali Reza
Vice President	Major (Retd.) Alim Hossain Khan Mr. Md. Shahabuddin Chisti Mr. Muhammad Golam Mustafa Mr. Md. Suruj Ali Mrs. Quamrun Nahar Hasmi Mr. Mominul Abedin Mr. Rahim Khan Mr. Sheikh Lutfar Rahman Mr. Md. Zahangir Alam Mr. Md. Ekramul Haque Mr. Md. Abdus Salam Mr. Khaled Mahmud Mrs. Rubina Khan Mr. Rubina Khan Mr. Robeit Mahmud Mrs. Rubina Khan Mr. Ad. Shafiqul Hassan Mr. Md. Shafiqul Hassan Mr. Ashek Abedin

Designation	Name
	Mr. Gazi Rahat Mahmood
	Mr. Aziz Ahmed Ms. Nahid Farzana
	Ms. Sultana Jahan
	Mr. Md. Nayeem Bhuiya
	Mr. Rafique Mahmud
	Mr. Md. Zahidul Hassan
	Mr. Munir Hossain
	Ms. Farida Parvin
	Mr. Monjur Morshed Khan
	Mr. Muhammad Muzibur Rahman
	Mr. Md. Shahjalal Khan Mojlish
	Mr. Md. Shariful Islam
	Mr. Md. Hamidul Haque
	Mr. Md. Miganur Rohman Mr. Md. Touhidul Huq
	Mr. Mohammad Harun-Ur-Rashid
	Mr. Md. Saiduzzaman Chowdhury
	Mr. Khandoker Didarul Islam
	Mr. Md. Mahmudul Haque
	Mr. Fachihul Alam Chowdhury
	Mr. Md. Khurshed Alam
	Mr. Sk. Mustafizul Islam
	Md. Rezaur Rahman
	Mr. Sharif Zahirul Islam
	Mr. Md. Hasibul Hasan
	Mr. Md. Mosharraf Hossain Khan
	Mr. Md. Jaynul Abedin
	Mr. Mirza Muhammad Masud Rana Mr. Mrinal Kanti Sutradhar
	Ms. Hasina Yesmin
	Mr. Md. Abdul Khaleque
	Mr. Asaduzzaman
	Mr. Khan Md. Zahurul Haque
	and the second s









# চেয়ারম্যান মহোদয়ের ভাষণ

বিস্মিল্লাহির রাহ্মানির রাহিম,

সম্মানিত শেয়ারহোন্ডারবৃন্দ, পরিচালনা পর্ষদের সম্মানিত সদস্যবৃন্দ, ব্যবস্থাপনা কর্তৃপক্ষ ও শ্রদ্ধেয় অতিথিবৃন্দ;

#### আস্-সালামু আলাইকুম।

স্ট্যাডার্ড ব্যাংক লিমিট্রেডের ১৭তম বার্ষিক সাধারণ সভায় আপনাদের সবাইকে স্বাগত জানাতে পেরে আমি অত্যন্ত আনন্দিত ও সন্মানিত বোধ করছি। আমি কৃতজ্ঞতা ও শ্রদ্ধা নিবেদন করছি তাদের উদ্দেশ্যে, যাদের অব্যাহত সমর্থন, সক্রিয় সহযোগিতা ও উদ্দীপনা, বিগত বছরগুলিতে আমাদের অগ্রগতি অর্জনে সহায়ক ভূমিকা পালন করেছে। যাদের অকুণ্ঠ সমর্থন ও অনুপ্রেরণাই আমাদেরকে কঠিন চ্যালেঞ্জ সফলভাবে মোকাবেলার শক্তি যুগিয়েছে, যা আমাদেরকে উত্তরোত্তর সাফল্য ও অগ্রগতির ধারায় নিয়ে এসেছে। আমার প্রত্যাশা, আগামীতেও ব্যাংক আপনাদের সকলের পক্ষ থেকে আরো আন্তরিক সমর্থন ও সক্রিয় সহযোগিতায় সমৃদ্ধ হবে। আপনারা নিশ্চয়ই অবগত আছেন, কল্যাণধর্মী বাণিজ্যিক ব্যাংক হিসেবে দেশের আর্থসামাজিক উনুয়নে অবদান রাখার পাশাপাশি স্ট্যাডার্ড ব্যাংককে একটি শীর্ষস্থানীয় ও বিশ্বমানের প্রতিষ্ঠানে রূপ দেয়ার ক্ষেত্রে আমাদের প্রচেষ্টা নিরন্তর। ব্যাংকের বর্তমান কার্যক্রম এবং আগামী দিনে ব্যাংকের সম্ভাবনার বিষয়ের প্রতিবেদন আপনাদের সামনে উপস্থাপন করার সুযোগ পেয়ে আমি অত্যন্ত আনন্দিত ও গর্বিত। আপনাদের মূল্যবান মতামত ও অনুমোদনের জন্য স্ট্যাডার্ড ব্যাংক লিমিট্রডের ২০১৫ সালের বার্ষিক প্রতিবেদন সম্মানিত পরিচালনা পর্ষদের পক্ষ থেকে উপস্থাপন করছি যা ব্যাংকের সার্বিক কার্যক্রম সাফল্য ও ব্যর্থতা সম্পর্কে একটি স্বচ্ছ ধারণা প্রদান করবে।

#### সুধী মণ্ডলী,

দেশের সকল স্তরের জনসাধারণকে আধুনিক ব্যাংকিং সুবিধা প্রদান এবং স্বচ্ছতা, জবাবদিহিতা ও আন্ত:ব্যাংক প্রতিযোগিতার মাধ্যমে উনুততর – গ্রাহক সেবা প্রদান ও একটি শক্তিশালী কর্পোরেট সু–শাসন প্রতিষ্ঠার লক্ষ্য নিয়ে ১৯৯৯ সালে আমাদের ব্যাংকের যাত্রা শুরু হয়েছিল। আমাদের সক্রিয় কর্মতংপরতার মাধ্যমে, দ্রুত পরিবর্তনশীল এবং প্রতিকূল অর্থনৈতিক ও সামাজিক পরিস্থিতির মধ্যেও আমাদের ব্যাংকের সন্তোষজনক প্রবৃদ্ধির ধারা অব্যাহত রয়েছে, যার জন্য আমরা মহান সৃষ্টিকর্তার কাছে শোকরিয়া আদায় করছি।

সাম্প্রতিক সময়ে বিশ্ব অর্থনীতির ধীর গতি, পৃথিবীর বিভিন্ন দেশে ছড়িয়ে পড়া ভু–রাজনৈতিক সংঘাত সহ নানামুখী চ্যালেঞ্জের কারণে বিশ্ব অর্থনীতি কাঙ্ক্মিত লক্ষ্যে শৌছাতে পারেনি, যার ফলে প্রবৃদ্ধির ক্ষেত্রে উনুত্ত ও উনুয়নশীল দেশগুলোর মধ্যে ছিল ভিনু ভিনু গতি। তবে আশার কথা এই যে, বিশ্বব্যাপী বিরাজমান প্রবৃদ্ধির মিশ্র অবস্থার মধ্যে বাংলাদেশের অর্থনৈতিক প্রবৃদ্ধি বিগত কয়েক বছরের মতো ২০১৫ সালেও ৬ শতাংশের উপরে অর্জিত হয়েছে।

বর্তমান সরকার ও বাংলাদেশ ব্যাংক কর্তৃক গৃহীত সুদূরপ্রসারী ও বাস্তুবসম্মত বিনিয়োগ বান্ধব পদক্ষেপ গ্রহণ, সুবিবেচনাপূর্ণ রাজস্বনীতি, বিচক্ষণ মুদানীতি এবং অন্যান্য ক্ষেত্রে যুগোপযোগী নীতি ও পদক্ষেপ গ্রহণের কারণে ২০১৫ সালে বাংলাদেশের অর্থনৈতিক প্রবৃদ্ধি গতিশীল ছিল। সামষ্টিক অর্থনীতির বিচারে দেশের অর্থনীতি ছিল দারুণ প্রাণবন্ত। শক্তিশালী আভ্যন্তরীণ চাহিদা ও রেমিট্যান্স প্রবাহের কল্যাণে ২০১৫ অর্থবছরে ৬.৫৫ ভাগ প্রবৃদ্ধি অর্জনে সক্ষম হয়েছে। চলতি অর্থবছরে ব্যক্তিখাতে বিনিয়োগ চাহিদার ধীর গতি থাকলেও সরকারি ব্যয় ও বিনিয়োগ ছিল কাঞ্ছিত পর্যায়ে। অন্যদিকে বৈশ্বিক চাহিদা বৃদ্ধির প্রেক্ষিতে রপ্তানি ও রেমিট্যান্স প্রবাহ বেড়েছে। রেমিট্যান্স বৃদ্ধি আর আমদানি হ্রাসের সম্মিলিত প্রভাবে ২০১৫ সালে প্রথমবারের মতো বৈদেশিক মুদ্রার রিজার্ভ ২৭ বিলিয়ন ডলারের মাইলফলক অতিক্রম করেছে। বৈদেশিক মুদ্রা বাড়ায় টাকার মূল্যমান ক্রমাগত শক্তিশালী হচ্ছে। আর্থিক খাত শুধু স্থিতিশীলতা অর্জন করেনি বরং সু–বিস্তুত ও শক্তিশালী ভিতের উপর দাঁড়াতে সক্ষম হয়েছে। সামষ্টিক অর্থনীতি মূল্যসূচক সমূহ যেমন: জিডিপি, আমদানি-রপ্তানি, মুদ্রাস্ফীতি, রেমিট্যান্স অন্তঃপ্রবাহ, বৈদেশিক মুদার রিজার্ভ, কর্মসংস্থান, গড় মাথাপিছু আয়, কৃষি, শিল্প, শিক্ষা, স্বাস্থ্য-তথ্য প্রযুক্তি, বিদ্যুৎ ও জ্বালানি ইত্যাদি সকল ক্ষেত্রেই ব্যাপক উন্নতি হয়েছে। নারীদের ক্ষমতায়ন, কর্মসংস্থান ও নারী শিক্ষার হারও বেড়েছে।

কৃষি ও কৃষকদের উনুয়নে সরকারের বাস্তবমুখী পদক্ষেপ গ্রহণের ফলে কৃষিক্ষেত্রে যুগান্তকারী অগ্রগতি সাধিত হয়েছে। বাংলাদেশের অর্থনীতির এরূপ ধারাবাহিক প্রবৃদ্ধির বিবেচনায় জাতিসংঘ কর্তৃক বাংলাদেশকে উনুয়নশীল বিশ্বের মডেল হিসেবে আখ্যায়িত করা ছাড়াও বাংলাদেশের



নাম গোল্ডম্যান স্যাক্স এর নেক্সট ইলেভেন (N-11), জেপি মরগ্যানের ফ্রন্টিয়ার ফাইভ এবং Global Growth Generating (3G) তালিকায় অন্তর্ভুক্ত হয়েছে।

বাংলাদেশের অর্থনীতি ২০১৫ সালে বেশ কিছু শক্তিশালী অনুকূল নিয়ামক দ্বারা প্রভাবিত হয়েছে। যার মধ্যে রয়েছে নিয়ন্ত্রিত মুদ্রাক্ষীতি, সুদের হার হ্রাস, টাকার বিনিময় হার স্থিতি, স্বল্প রাজস্ব ঘাটিতি, উদ্ধৃত বাণিজ্য ভারসাম্য এবং বৈদেশিক মুদ্রার রিজার্ভ। বাংলাদেশের অর্থনীতি সামষ্টিক অর্থনৈতিক স্থিতাবস্থা বজায় রেখে উচ্চ প্রবৃদ্ধির কক্ষে বিচরণ করেছে। এ বছরই বাংলাদেশ মধ্যম আয়ের দেশে উন্নীত হয়েছে। স্থিতিশীল রাজনৈতিক পরিস্থিতিতে সামগ্রিক ব্যবসায়িক পরিবেশের উন্নতি হওয়ায় সরকারী, বেসরকারি বিনিয়োগ বৃদ্ধির প্রত্যাশা এবং সরকারের উনুয়ন পরিকল্পনা বাস্তবায়ন অগ্রগতি ইত্যাদি বিবেচনায় রেখে সরকার শতকরা ৭.০০ (সাত) ভাগ প্রবৃদ্ধির লক্ষ্যমাত্রা নির্ধারণ করেছে যা আপাতদৃষ্টিতে অর্জন করা সম্ভব হবে বলে আশা করা যায়।

বিশ্বব্যাংক গ্রুপ কর্তৃক প্রকাশিত "Doing Business — 2015" পার্ষক প্রতিবেদন অনুযায়ী Ease of doing business: Global Rank এ বাংলাদেশের অবস্থান ১৮৯টি দেশের মধ্যে ১৭৩তম। তবে বিনিয়োগকারীগণের সুরক্ষার ক্ষেত্রে বাংলাদেশের অবস্থান ৪৩তম। এছাড়া ঋণ প্রাপ্তির ক্ষেত্রে বাংলাদেশের অবস্থান ১৩১তম এবং ব্যবসা শুরু ও কর প্রদানের ক্ষেত্রে যথাক্রমে ১১৫তম ও ৮৩তম স্থানে রয়েছে।

আপনারা সকলেই অবগত আছেন যে, আমাদের নিবেদিত কর্মীবাহিনী তীব্র প্রতিযোগিতামূলক ব্যাংকিং পরিবেশে নিষ্ঠার সাথে কাজ করে সফলভাবে ব্যাংকের কার্যক্রমকে সম্মানিত গ্রাহকবৃন্দের কাছে সহজলভ্য করে তুলেছে। গ্রাহকদের দ্রুত পরিবর্তনশীল চাহিদা মেটানোর লক্ষ্যে ব্যাংক তার প্রাতিষ্ঠানিক কাঠামো যুগোপযোগী ও আধুনিকায়ন করেছে। আমরা দৃঢ়ভাবে বিশ্বাস করি, এ ব্যাংকটি হবে গ্রাহক সেবায় নিবেদিত কর্মতৎপর, কর্মসূচীতে প্রগতিশীল, লেনদেনে স্বচ্ছ, বিচারবিবেচনায় ন্যায় পরায়ণ, মননে ভবিষ্যমূখী, দৃষ্টিভঙ্গিতে নিরপেক্ষ। আমাদের দূরদশী পরিকল্পনা সমূহ, কর্পোরেট সুশাসন, আধুনিক ব্যবস্থাপনা, উনুততর প্রযুক্তির ব্যবহার, অধিকতর মুনাফা অর্জন এবং সদৃঢ় আর্থিক ভিত্তি ও ব্যাংকের উচ্চ সুনাম সৃষ্টির লক্ষ্যে প্রণীত। ব্যাংকের পরিচালনা পর্ষদের মূল্যবান দিক নির্দেশনা ও তত্ত্বাবধানে এবং আমাদের দক্ষ জনশক্তির সার্বিক সহযোগিতায় আমরা স্বচ্ছ ও দায়িত্বশীল ব্যাংক ব্যবস্থাপনায় অঙ্গীকারাবদ্ধ। স্ট্যাণ্ডার্ড ব্যাংক লিমিটেড বিদ্যমান মূল্যবোধ ও চলমান ধারার সাথে তাল রেখে এবং বৃহৎ আর্থিক প্রতিষ্ঠানের সামাজিক ও পরিবেশের প্রতি দায়িত্ব ও গুরুত্বের প্রতি সম্মান রেখে বাণিজ্যিক কার্যক্রম পরিচালনা করে থাকে। গ্রীণব্যাংকিং এর দিকে ব্যাংক দ্রুত অগ্রসর হচ্ছে।

বর্তমানে ব্যাসেল–৩ চালু হওয়ায় প্রয়োজনীয় মূলধনের পর্যাপ্ততা নিরূপণ পূর্বক গ্রহণযোগ্য মূলধন সংরক্ষণের লক্ষ্যে ২০০ কোটি টাকার সাবঅর্ডিনেট বণ্ড ইতোমধ্যে ইস্যু করা হয়েছে। যার ফলে ব্যাংকের মূলধন পর্যাপ্ততার হার একটি শক্তিশালী ভিত্তির উপর দাড়িয়েছে, যা বর্তমানে ১২.১৮%। দেশের পুঁজিবাজারকে আরো শক্তিশালী ও গতিশীল করার নিমিত্তে আমরা –এসবিএল ক্যাপিটাল ম্যানেজমেন্ট– এর মাধ্যমে ১৫০ কোটি টাকা বিনিয়োগ করেছি এবং ক্ষুদ্র বিনিয়োগকারীদের অর্থ সরবরাহ বাড়ানোর লক্ষ্যে স্ট্যাণ্ডার্ড ব্যাংক সিকিউরিটিজ লিঃ এর মাধ্যমে প্রায় ৮০ কোটি টাকা বিনিয়োগ করেছি। দেশের জনগণের ধর্মীয় অনুভূতির বিষয়টি বিবেচনায় নিয়ে ঢাকা ও চট্টগ্রামের দুটি শাখায় পৃথক ইসলামী ব্যাংকিং উইডোর মাধ্যমে এবং সারাদেশে বিদ্যমান ১০৪টি শাখার সাহায্যে ব্যাংকিং সেবা প্রদান করা হচ্ছে এবং উক্ত সেবা আরো সম্প্রসারণ করার জন্য আমরা প্রচেষ্টা চালিয়ে যাচ্ছি। অনাবাসী বাংলাদেশীদের কষ্টার্জিত বৈদেশিক মুদ্রা দ্রুত দেশে আনয়নের লক্ষ্যে আন্তর্জাতিক খ্যাতি সম্পন্ন প্রতিষ্ঠান মানিগ্রামসহ বিভিন্ন এক্সচেঞ্জ হাউজের সাথে চুক্তি সম্পাদন করা হয়েছে। যুক্তরাজ্যের লণ্ডনে স্ট্যাণ্ডার্ড এক্সচেঞ্জ (ইউকে) লিমিটেড এর পাশাপাশি বিদেশে অবস্থানরত বাংলাদেশী ভাইবোনদের দেশের প্রতি যে মমত্ববোধ ও দেশপ্রেম লক্ষ্য করেছি, তাতে আমরা অনুপ্রাণিত হয়ে ২০১৩ সনে আমরা ব্যাংকের শতভাগ মালিকানায় যুক্তরাষ্ট্রের নিউইয়কের জ্যাকসন হাইটস এ স্ট্যান্ডার্ড কোম্পানি ইউএসএ ইনকর্পোরেশন "স্ট্যাণ্ডার্ড এক্সপ্রেস" খোলার পর নিউইয়র্কে জ্যামাইকা, ওজোন–পার্ক, ব্রুকলিন ও ব্রংক্স–এ আরও ৪ টি শাখা খুলেছি এবং অ্যাসটোরিয়া নিউইয়র্ক ও লস এঞ্জেলস এ শাখা খোলার পদক্ষেপ নেয়া হয়েছে। ইতিমধ্যে "স্ট্যাণ্ডার্ড মানি ট্রান্সফার (অস্ট্রেলিয়া) পিটিওয়াই লিঃ " নামীয় শাখা খোলার অনুমোদন পেয়েছি। পর্যায়ক্রমে বাঙ্গালী অধ্যুষিত বিশ্বের অন্যান্য স্থানে যেমন- স্পেন, দক্ষিণ কোরিয়া, মধ্যপ্রাচ্য, কানাডা, ইতালি, মালয়েশিয়া ও সিঙ্গাপুরে আরো এক্সচেঞ্জ হাউস খোলা হবে ৷

বিদেশগামী ও প্রত্যাগতদের সেবা সম্প্রসারণের লক্ষ্যে হযরত শাহজালাল(র) আন্তর্জাতিক বিমান বন্দর, ঢাকাতে আমরা 'ফরেন কারেন্সি এক্সচেঞ্জ' বুথ খুলেছি। বিগত বছরে ফরেন রেমিট্যান্স খাতে আমরা উলেখযোগ্য পরিমাণে ব্যবসা আহরণে সমর্থ হয়েছি। পাশাপাশি বাল্যকাল থেকে সঞ্চয়ের অভ্যাস গড়ে তোলার লক্ষ্যে ছাত্র/ছাত্রীদের স্কুল ব্যাংকিং, শিক্ষা ষ্ক্রিম কার্যক্রম পরিচালনার লক্ষ্যে আমাদের সকল শাখায় স্কুল ব্যাংকিং কার্যক্রম চালু করেছি এবং শ্রমজীবী ও সাধারণ মানুষের কল্যাণে ওয়ার্কার্স সেভিংস স্ক্রিম এর মতো জনকল্যাণমুখী ব্যাংকিং কার্যক্রম প্রক্রিয়াধীন এবং শীঘ্রই তা প্রবর্তন করা হবে। জনসেবার বিষয়ে অগ্রাধিকার দিয়ে বিভিন্ন সংস্থার আবাসিক/বাণিজ্যিক/ শিল্পখাতের বিভিন্ন ইউটিলিটি বিলসমূহ সংগ্রহ করে আসছি। ধর্মীয় মূল্যবোধের প্রতি শ্রদ্ধা প্রদর্শন করে সরকারী ও বেসরকারি সম্মানিত হজ্ব গমনেচচ্চুদের হজ্বের ফি সমূহ জমা গ্রহণ করে থাকি।

বাংলাদেশ রোড ট্রান্সপোর্ট অথরিটি (বিআরটিএ) যানবাহন নবায়ন, রেজিস্ট্রেশন ইত্যাদি ফি সমূহ ও আমরা জমা নিয়ে থাকি। দেশের ব্যবসা–বাণিজ্যে গতিশীলতা আনয়নের লক্ষ্যে ক্ষুদ্র ও মাঝারী খাতে বিনিয়োগের পরিমাণ বৃদ্ধি করা হয়েছে। দেশের কৃষি, কৃষক তথা আপামর দরিদ্র জনসাধারণের জীবন মান উনুয়নের লক্ষ্যে কৃষি খাতে বিনিয়োগের পরিমাণ বৃদ্ধি করা হয়েছে। এবছর কৃষি ও কৃষিভিত্তিক শিল্প খাতে ঋণ বিতরণের পরিমাণ দাঁড়িয়েছে ২১৮.০৯ কোটি টাকা। বিগত ২০১৫ সনে এসএমই খাতে ৪৯৪.৪১ কোটি টাকা ঋণ বিতরণ করা হয়েছে যার পরিমাণ ২০১৪ সালে ছিল ৪২২.৭৫ কোটি টাকা। ক্ষুদ্র ও মাঝারি উদ্যোক্তারা অর্থনীতির প্রাণশক্তি। তাদেরকে অর্থনীতির



মুলশ্রেতধারায় নিয়ে আসার লক্ষ্যে প্রধান কার্যালয় ও শাখা পর্যায়ে এসএমই ও কৃষি ঋণ নামে স্বতন্ত্র বিভাগের মাধ্যমে ক্ষুদ্র ব্যবসায়ী ও কৃষকদের প্রতিনিয়ত সেবা প্রদান করা হচ্ছে। আমরা বিশ্বাস করি, দেশ ও জাতির উনুয়নের জন্য এসএমই ও কৃষি খাতের উনুয়ন অনস্বীকার্য। তাই আমাদের প্রতিটি শাখাকে এসএমই ও কৃষি খাতে অর্থায়নের জন্য লক্ষ্যমাত্রা নির্ধারণ করে দিয়েছি, যাতে করে উক্ত খাতে আমরা আরো উলেখযোগ্য অবদান রাখতে সক্ষম হই। কৃষকদেরকে ব্যাংকিং চ্যানেলের আওতায় আনার লক্ষ্যে আমাদের ব্যাংক গ্রামীণ, এসএমই /কৃষি শাখাতে ১০ টাকা করে জমা গ্রহণের মাধ্যমে হিসাব খোলার নিয়ম চালু করেছে।

দেশের অর্থনীতির মুল চালিকাশক্তি হচ্ছে বৈদেশিক মুদা। তাই আমাদের দেশের বৈদেশিক মুদা ভাণ্ডার সমৃদ্ধশালী করার লক্ষ্যে রেমিট্যান্স আনয়নের পাশাপাশি আমদানি / রপ্তানি-খাতকে অগ্রাধিকার দিয়েছি এবং ট্র্যাডিশনাল আইটেম যেমন তৈরি পোশাক, চামড়া, চা, কাঁচা পাট ও পাটজাত দুব্য এবং নন-ট্র্যাডিশনাল আইটেম যেমন: টাইলস, বাইসাইকেল, চিংড়ি, হস্তুশিল্প, পান-সুপারি, ধনিয়া বীজ, বোতল, কাঁচা শাক-সবজি ও কাঁকড়াসহ রপ্তানি খাতে অর্থায়ন অব্যাহত রেখেছি। জাতীয় অর্থনীতিতে অগ্রণী ভূমিকা পালনের পাশাপাশি সরকারী কোষাগারে প্রতি বছর বিপুল পরিমাণ ট্যাক্স প্রদান করে আসছি, যার শ্বীকৃতিশ্বরূপ গণপ্রজাতন্ত্রী বাংলাদেশ সরকারের জাতীয় রাজস্ব বোর্ড আভ্যন্তরীণ সম্পদ বিভাগ অর্থ-মন্ত্রণালয় "জাতীয় ট্যাক্স কার্ড বার্ড নীতিমালা, ২০১০" অনুযায়ী ২০১৩–২০১৪ কর–বর্ষে কোম্পানি পর্যায়ে ৮ম সর্বোচ্চ আয়–করদাতা হিসেবে স্ট্যান্ডার্ড ব্যাংক লিমিটেড কে ট্যাক্স কার্ড সন্মাননা দিয়েছে।

অনলাইন ব্যাংকিং সার্ভিস প্রবর্তনের পর পরই ব্যাংক ক্রেডিট ও ডেবিট কার্ডের মাধ্যমে সেবার মানকে অত্যাধুনিক করা হয়েছে। ইতোমধ্যে অত্র ব্যাংকের ক্রেডিট কার্ড দেশ–বিদেশের বিভিনু স্থানে ব্যবহার করা যায়। সেজন্যে অন্যান্য ব্যাংক ও সংস্থার সঙ্গে চুক্তির মাধ্যমে আমরা একটি শক্তিশালী নেটওয়ার্ক গড়ে তুলেছি এবং আমাদের কার্ড হোন্ডারগণ যাতে নিরলস সেবা পেতে পারেন সে লক্ষ্যে আমরা অত্যাধুনিক যন্ত্রপাতি দিয়ে কার্ড ও আইটি বিভাগ–দ্বয়কে স্বয়ংক্রিয় করেছি রেখেছি। আমরা ইতোমধ্যে গ্রামে ও শহরে যৌথভাবে এটিএম বুথ খুলে ডিজিটাল বাংলাদেশের অগ্রযাত্রা শুরু করেছি। পর্যায়ক্রমে এটিএম এর সুবিধা আমরা সর্বস্তুরের গ্রাহকের কাছে সহজলভ্য করতে চাই। সারাদেশে আমাদের ৪৯টি এটিএম বুথ খোলা হয়েছে এবং চলতি বছরে আমরা আরও ৫০টি এটিএম বুথ খোলার পরিকল্পনা নিয়ে কার্যক্রম পরিচালনা করছি। আপনারা জেনে খুশি হবেন ২০১৫ সালে স্ট্যাণ্ডার্ড ব্যাংক ন্যাশনাল পেমেন্ট সুইচ সিস্টেমের সাথে যুক্ত হয়েছে, যার ফলে বিভিন্ন ব্যাংকের ক্যাশ নেটওয়ার্কের আওতায় আমাদের সম্মানিত গ্রাহকরা প্রায় ৭৭০০টির বেশি এটিএম বুথ ব্যবহারের সুযোগ পাবেন। ২০১৫ সালে ন্যাশনাল পেমেন্ট সুইচ সিস্টেমের আওতায় আমরা ডেবিট কার্ডের মাধ্যমে ১৬৫০০ টি মার্চন্ট আউটলেটে কেনাকাটা করতে পারবে। এছাড়া আমরা গ্রাহকদের সুবিধার্থে ই-কমার্স চালু করার উদ্যোগ নিয়েছি।

ব্যাংকিং খাতে প্রযুক্তিকে ব্যবহারের অন্যতম হলো এসএমএস ব্যাংকিং বা অ্যালার্ট ব্যাংকিং সুবিধা। সেবার মান আধুনিকায়নে আমরা প্রাথমিকভাবে সম্মানিত গ্রাহকদের এসএমএস ব্যাংকিং সুবিধা প্রদান করছি, যাতে মোবাইল মেসেজের মাধ্যমে গ্রাহকদের হিসাবের লেনদেন অবহিত করা যায়, ২৪ ঘণ্টা গ্রাহক তাহার হিসাবের স্থিতি জানতে পারেন এবং গ্রাহককে তার হিসাবের সর্বশেষ ৫টি লেনদেনের বিবরণী দেয়া যায়। পরবর্তীতে বিভিন্ন রকম হিসাবের তথ্য যেমনः মিনি স্টেটমেন্ট, লাস্ট ব্যালেন্স, এফডিআর ম্যাচুরিটি, ইনস্টলমেন্ট ডিউ ইত্যাদি সুবিধা এসএমএস ব্যাংকিং সেবার আওতায় আনা হবে। মূলত গ্রামীণ জনপদে বসবাসকারী লোকদেরকে ব্যাংকিং সেবা দেওয়ার মানসেই আমাদের ব্যাংক মোবাইল ব্যাংকিং কার্যক্রম চালুর উদ্যোগ নিয়েছে। এ সেবার আওতায় মোবাইল ফোনের মাধ্যমে অর্থ প্রেরণ– জমা ও উত্তোলন- বেতন ভাতাদি প্রদান- ইউটিলিটি বিল পরিশোধ ইত্যাদি করা যাবে। ভৌগোলিকভাবে দেশের দুর্গম, পাহাড়ি, প্রত্যন্ত ও কম ঘনবসতি এলাকা যেখানে ব্যাংকিং সুবিধা এখনো পৌছায়নি ওই সব এলাকায় ছড়িয়ে, ছিটিয়ে থাকা দরিদু মানুষকে সীমিত আকারে ব্যাংকিং সেবা প্রদানের লক্ষ্য নিয়ে এজেন্টের মাধ্যমে সাশ্রয়ী ব্যয়ে সীমিত আকারে আর্থিক সেবা দেওয়ার লক্ষ্যে এজেন্ট ব্যাংকিং চালু করা হয়েছে। এজেন্ট ব্যাংকিং এর মাধ্যমে সেসব প্রত্যন্ত গ্রাম বা এলাকার বাসিন্দারা নিজ পাড়া বা মহলায় অবস্থিত ব্যাংকের নিযুক্ত এজেন্টের কাছে গিয়ে স্বল্প ব্যয়ে ছোট অঙ্কের আমানত জমা, ঋণের তথ্য সংগ্রহ, রেমিট্যান্স সংগ্রহ, বিভিন্ন ধরনের বিল পরিশোধ, বিদেশ থেকে আসা রেমিট্যান্স সংগ্রহ, ছোট আকারের ঋণ বিতরণ ও ঋণের কিম্বি আদায়, বিদ্যুৎ ও অন্যান্য ইউটিলিটি বিল পরিশোধ করতে পারবেন।

বৈদেশিক ব্যবসা বাণিজ্য পরিচালনার লক্ষ্যে বর্তমানে ১৯টি অথরাইজ ডিলার (এডি) শাখার কার্যক্রম অব্যাহত আছে এবং শীঘ্রই দেশের অভ্যন্তর থেকে বিদেশী গ্রাহকদের দোর গোঁড়ায় ব্যাংকিং সুবিধা পৌছে দিতে অফ–শোর ব্যাংকিং ইউনিট চালু করা হয়েছে।

এ সকল কার্যক্রম এবং কারিগরি উৎকর্ষতা ও প্রতিযোগিতার পটভূমিতে আমাদের সেবার মান অধিকতর উনুত হবে, ইনশাআলাহ। ব্যাংকের প্রত্যাশা, আধুনিকীকরণের এই প্রক্রিয়া উনুত গ্রাহক সেবা প্রদানের লক্ষ্য অর্জনে সহায়ক হবে এবং দেশে বিদেশে অবস্থানরত সকল গ্রাহককে স্বল্প সময়ে কাঞ্চিত সেবা প্রদানে সক্ষম হবো।

বিশ্বব্যাপী আর্থিক মন্দা এবং প্রতিযোগিতামূলক ব্যাংকিং পরিবেশের প্রেক্ষাপটে ২০১৫ সালে আমাদের ব্যাংক আমানত, ঋণ ও মুনাফার ক্ষেত্রে যে সফলতা অর্জন করেছে তা অত্যন্ত প্রশংসনীয়। গতিশীল বিনিয়োগ ব্যাংকের সফলতা উচ্চ শিখরে নিয়ে যায়। ব্যাংকের এ সাফল্য জাতীয় অর্থনীতিতে গুরুত্বপূর্ণ ভূমিকা রাখবে।



২০১৪ ও ২০১৫ সালে অর্জিত ব্যবসার তুলনামূলক পরিসংখ্যান নিমুরূপ:

	2096	\$098
ব্যাংকের আমানত	১০,৬৯৩ কোটি টাকা	৯,৭৩০ কোটি টাকা
ঋণ ও অগ্রিম	৯,১৪৯ কোটি টাকা	৮,০৪৫ কোটি টাকা
বৈদেশিক বাণিজ্য	৯,০২৪ কোটি টাকা	৯,৭৫২ কোটি টাকা
ব্যাংকের পরিচালন মু	নাফা ৩২৭ কোটি টাকা	৩৮৪ কোটি টাকা
প্রতি শেয়ারে আয়	২.৪৩ টাকা	১.৮৫ টাকা
পরিশোধিত মূলধন	৬৫৫.৭৪ কেটি টাকা	৫৭০ .২১ কোটি টাকা
শ্রেণীকৃত ঋণের হার	৩.২৩%	৩.৫৫%

আপনারা জেনে আরো খুশি হবেন, আমাদের দীর্ঘদিনের লালিত স্বপু ব্যাংকের একটি নিজস্ব আধুনিক কর্পোরেট অফিস গড়ে তোলা। তারই প্রেক্ষিতে আমরা ইতোমধ্যে রাজধানীর অভিজাত এলাকা গুলশানে প্রায় এক বিঘা জায়গা ক্রয় করেছি। নিজস্ব ভবন নির্মাণের যাবতীয় প্রাথমিক প্রস্তুতিমূলক কাজগুলো সমাপ্তির পথে। নকশা অনুমোদন প্রক্রিয়াধীন রয়েছে। ইনশাআল্লাহ, খুব অল্প সময়ের মধ্যেই আধুনিক স্থাপনার নান্দনিক নির্মাণশৈলীর কর্পোরেট অফিস নির্মাণ কাজ শুরু হবে।

২০১৫ সালে আমবা ৪টি গ্রামীণ ও ৪টি শহর-ভিত্তিক মেটি ৮টি শাখা খুলেছি। চলতি বছর আমরা আরো ১০টি শাখা খোলার অনুমতি পেয়েছি। ইতোমধ্যে, স্থান নির্বাচন ও আনুমঙ্গিক কার্যক্রমের কাজ প্রায় সমাপ্ত। ব্যাংকের এই সম্প্রসারণ কার্যক্রমকে বাস্তবায়ন করার লক্ষ্যে আমরা অভিজ্ঞ কর্মকর্তা-কর্মচারী নিয়োগ দিয়ে মোট লোকবল ১৬০৪ জনে উন্নীত করেছি, যা দেশের বেকার সমস্যা সমাধান ও অর্থনৈতিক উনুয়নে ব্যাপক অবদান রাখতে সক্ষম হয়েছে এবং চলতি সনে এর সংখ্যা উল্লেখযোগ্য পরিমাণে বৃদ্ধি পাবে।

#### সম্মানিত শেয়ারহোন্ডারগণ,

আমাদের অঙ্গীকার এই ব্যাংকটিকে একটি আধুনিক প্রযুক্তিনির্ভর, আদর্শ, প্রগতিশীল ও আন্তর্জাতিক মানের ব্যাংক হিসেবে গড়ে তোলা। দেশের স্বনামধন্য আন্তর্জাতিক খ্যাতি সম্পন্ন 'ইরা সফটওয়্যার' এর সঙ্গে ব্যাংক চুক্তি সম্পাদন করেছে এবং এর আওতায় আমরা এখন রিয়েল টাইম অনলাইন এর মাধ্যমে ব্যাংকিং সুবিধা দিচ্ছি। বর্তমানে ব্যাংকের সকল শাখায় অনলাইন কার্যক্রম চালু রয়েছে। এখন আমাদের এক শাখার গ্রাহক অন্য যেকোনো শাখা হতে তার ব্যাংকিং লেনদেন নির্বিঘ্লে নিঃসম্পন্ন করতে পারছে। গ্রাহকদের ব্যাংকিং কার্যক্রম নিরবচ্ছিন্ন করার লক্ষ্যে নিজস্ব পাওয়ার সাপ্লাই সুবিধা সম্পন্ন আধুনিক 'ডাটা সেন্টার' স্থাপন করা হয়েছে, যা অধিক ক্ষমতা সম্পন্ন। যে কোন ধরণের দুর্ঘটনা মোকাবেলা করে নিরবিচ্ছন্নভাবে লেনদেন নিশ্চিত করতে আমরা ঢাকার বাইরে 'ডিজাস্টার রিকভারী' বা 'ডিআর' চালু করেছি। ভূমিকম্প, আগুন বা অন্য যে কোন কারণে ব্যাংকের লেনদেন বাধাগ্রস্ত হলে স্বয়ংক্রিয়ভাবে এই 'ডিআর' চালু হবে। ফলে যে কোন দুর্যোগে গ্রাহকের ব্যাংকিং লেনদেনে কোন প্রভাব পড়বে না।

অনলাইন এর যে কোন সমস্যা দ্রুত সমাধানের জন্য যে বিজনেস টিম গঠন করা হয়েছিল তা নিরলসভাবে কাজ করে যাচ্ছে, যাতে করে শাখাগুলির কাজকর্ম কেন্দ্রীয়ভাবে পর্যবেক্ষণ করা যায় এবং আইটি সিস্টেমের কাজকর্মের পদ্ধতিগত তদারকি স্বচ্ছ হয়। ফলে ব্যাংকিং কাজকর্মের ঝুঁকি অনেকাংশে হ্রাস পাবে। অনলাইন কার্যক্রম যাতে সবসময় নির্ভুল ও আস্থার সাথে পরিচালিত হয়, তা আইটি অডিট অনুবিভাগ সব সময় পর্যবেক্ষণ ও নিরীক্ষণ করছে।

ব্যাংকের কার্যক্রমে স্বচ্ছতা আনয়ন, অনিয়ম ও জাল-জালিয়াতি চিহ্নিতকবণ এবং তা দূরীকরণের লক্ষ্যে একটি দক্ষ অভ্যন্তরীণ নিরীক্ষা ও পরিপালন বিভাগ আমাদের রয়েছে। ব্যবস্থাপনা কর্তৃপক্ষ এবং অভিজ্ঞ ও শক্তিশালী অডিট কমিটির তত্ত্বাবধানে পরিকল্পনা মাফিক উক্ত বিভাগের কার্যক্রম পরিচালিত হয় যাতে ভুলভ্রান্তি, ক্রটি বিচ্যুতি, জাল-জালিয়াতি পরিহার করা যায়। বাংলাদেশ ব্যাংকের প্রতিনিধিদের উপস্থিতিতে পর্যদের বিশেষ বোর্ড সভার মাধ্যমে বিধি বিধান পরিপালন, অনিয়ম ইত্যাদি বিষয়ে আলোচনা সাপেক্ষে আমরা সুষ্ঠু কার্যক্রম পরিচালনা করে আসছি।

দক্ষ মানবসম্পদ টেকসই প্রবৃদ্ধির জন্য অপরিহার্য। এ জন্য প্রয়োজন কর্মকর্তা ও কর্মচারীদের উনুত দক্ষতা, জ্ঞান ও উৎপাদনশীলতা, এ কথা মনে রেখে নতুন প্রশিক্ষণ পরিকল্পনা গ্রহণ করা হয়েছে এবং সময়ের চাহিদার সাথে সংগতি রেখে বিভিন্ন ধরণের প্রশিক্ষণ কর্মসূচী গ্রহণ করা হয়েছে। এ ধরণের কর্মসূচীর মাধ্যমে ব্যাংক কর্মকর্তাদেরকে উনুত ও দক্ষ গ্রাহক-সেবা প্রদানের সক্ষমতা তৈরি করছে। ২০০৫ সালে প্রতিষ্ঠিত ট্রেনিং ইন্সটিটিউট ধীরে ধীরে পুর্নাঙ্গ অবয়বে রূপ লাভ করছে। ব্যাংকিং জ্ঞান, গুনাবলী ও দক্ষতার উৎকর্ষ সাধনে এই ইন্সটিটিউট বিভিন্ন রকম কোর্স পরিচালনা করছে; যেমন ব্যাংকিং ফাউন্ডেশন কোর্স ফর প্রবেশনারী অফিসার, নব নিযুক্ত অ্যাসিস্ট্যান্ট অফিসারদের জন্য ইনডাকশন কোর্স অন ব্যাংকিং, সময়ের চাহিদার সাথে সাথে প্রয়োজন সাপেক্ষে কর্মকর্তাদের জন্য যুগপোযুগী অন্যান্য কোর্স / কর্মশালা। এইরূপ ৬৪টি কোর্স/কর্মশালা ২০১৫ সালে পরিচালনা করা হয়েছে, যাতে ১৭৩৫ জন প্রশিক্ষণার্থী অংশ নিয়েছেন।

#### সম্মানিত শেয়ারহোন্ডারগণ,

আপনারা নিশ্চয় অবগত আছেন যে, যদিও ২০১৫ এর বছর জুড়ে সামগ্রিক অর্থনীতি স্থিতিশীল ছিল, কিন্তু ব্যাংকিং খাত শুথ–বিনিয়োগ ও অতিরিক্ত তারল্যের কারণে কঠিন সমস্যার ভিতর দিয়ে যেতে হয়েছে। খাণ ও অগ্রিম এর উপর সুদের হার বহুলাংশে কমে যাবার কারণে খাণ আমানত এর সুদের স্প্রেড কমে যায় এবং যার ফলশ্রুতিতে মুনাফা দ্রুত হ্রাস পায়। আপনারা জেনে খুশি হবেন যে, আপনাদের ব্যাংক এই প্রতিকুল পরিস্থিতি বেশ সফলভাবে মোকাবেলা করেছে।

ব্যাংক সর্বদা সম্মানিত শেয়ারহোন্ডারদের সাথে অর্জিত সাফল্য ভাগাভাগি করার উপর গুরুত্ব আরোপ করে আসছে। আপনারা ইতোমধ্যে অবহিত হয়েছেন যে, আমাদের ২০১৫ সালের নীট মুনাফার পরিমাণ ১৫৯.৬৪ কোটি টাকা। আমি অত্যন্ত আনন্দের সাথে জানাচ্ছি যে, ব্যাংকের পরিচালনা পর্ষদ বাস্তব অবস্থা পর্যালোচনা পূর্বক ২০১৫ সালের জন্য ১৫% হারে স্টক ডিভিডেড প্রদানের সুপারিশ করেছে, যা আপনাদের অনুমোদনের জন্য বার্ষিক সাধারণ সভায় আলোচ্যসুচীতে অন্তর্ভুক্ত করা হয়েছে।



#### প্রিয় শেয়ারহোন্ডারগণ,

বিদ্যমান অর্থনীতির বিরূপ পরিস্থিতিতে আমাদের ব্যাংকের, শ্রেণীবিন্যাসকৃত ঋণ বা কু-ঋণের পরিমাণ তুলনামুলকভাবে কম। সার্বিকভাবে ব্যাংকের অ্যাসেট কোয়ালিটি ভাল অবস্থায় রয়েছে। তবুও আমরা শ্রেণীবিন্যাসকৃত ঋণসহ সাধারণ ঋণের জন্য প্রভিশনিং যথাযথভাবে সংরক্ষণ করেছি। ব্যাংকের শ্রেণীবিন্যাসকৃত ঋণের পরিমাণকে নিয়ন্ত্রণ ও তদারকি করার জন্য প্রধান কার্যালয়ে ঋণ আদায় বিভাগ, শাখা ব্যবস্থাপকদের সঙ্গে নিয়মিত যোগাযোগ করে আসছে। উক্ত বিভাগ প্রতিনিয়ত মনিটরিং ও ফলোআপ করছে, ফলে শ্রেণীবিন্যাসকৃত ঋণের উর্ধ্বগতি ইতোমধ্যে নিয়ন্ত্রণে রাখা সম্ভব হয়েছে। আর এটি সম্ভব হয়েছে পর্ষদের সম্মানিত পরিচালকবৃন্দের প্রজ্ঞা, ব্যবস্থাপনা কর্তৃপক্ষের বিচক্ষণতা ও ব্যবস্থাপকবৃন্দের বিশেষণাত্মক কার্যক্রমের জন্য। এজন্য আমি সবাইকে জানাই আন্তরিক ধন্যবাদ।

#### সম্মানিত শেয়ারহোন্ডারগণ,

কর্পোরেট হাউজ হিসেবে সকল কর্মকাণ্ডে আমরা প্রাতিষ্ঠানিক সামাজিক দায়বদ্ধতার প্রতি প্রতিশ্রুতিবদ্ধ। ব্যাংক কেবলমাত্র মুনাফামুখী না থেকে আর্থিক–খাতের ব্যবস্থাপনা মানবিকতা বোধের একটি নতুন মাত্রা এনেছে কর্পোরেট সামাজিক দায়বদ্ধতা (সিএসআর) গণ মানুষ ও সমাজের উন্নতিতে অবদান রাখার মাধ্যমে অর্থনৈতিক ও সামাজিক সূচক সমূহের উন্নতিতে আমাদের ব্যাংক অগ্রণী ভূমিকা পালন করে আসছে। প্রত্যন্ত অঞ্চলের বন্যা দুর্গতের মাঝে ত্রাণ, শীতার্তদের মাঝে শীত বস্ত্র বিতরণ, অবহেলিত ও সুবিধা বঞ্চিত মানুষদের নিরবচ্ছিন্ন চিকিৎসা ও স্বাস্থ্য সেবা প্রদানের লক্ষ্যে চিকিৎসা সামগ্রী বিতরণ, দরিদ্র ও মেধাবী ছাত্র/ছাত্রীদের মাঝে বৃত্তি প্রদান সহ সার্বিক সামাজিক কল্যাণমূলক কাজে আমরা প্রতিনিয়ত অংশ গ্রহণ করছি।

ব্যাংক মুনাফা অর্জনের পাশাপাশি যাতে দেশের আর্থ সামাজিক উনুয়ন ও জনকল্যাণমূলক কাজে সরাসরি সম্পৃক্ত হতে পারে তার জন্য কল্যানমুলক কাজ সিএসআর কার্যক্রমের আওতায় ২০১৫ সালে প্রায় ৫.১৮ কোটি টাকা প্রদান করেছে।

#### কৃতজ্ঞতা জ্ঞাপন,

স্ট্যাণ্ডার্ড ব্যাংকের পক্ষ থেকে আমি আমাদের সম্মানিত গ্রাহক, পৃষ্ঠপোষক ও শুভানুধ্যায়ীদের প্রতি জানাই আন্তরিক কৃতজ্ঞতা, যাদের আস্থাই সর্বদা আমার শক্তি ও প্রেরণার উৎস। ব্যাংকের ধারাবাহিক অগ্রগতির এই অভিযাত্রার নেপথ্যে সময়োচিত নীতি, দূরদশী দিক নির্দেশনা, বিচক্ষণ নেতৃত্ব এবং অক্লান্ত পরিশ্রমের মাধ্যমে প্রশংসনীয় অবদান রাখার জন্য এবং পর্ষদ চেয়ারম্যান হিসেবে দায়িত্ব পালনে আমাকে সহযোগিতা, পরামর্শ ও সর্বাত্মক সমর্থন প্রদানের জন্য পরিচালনা পর্ষদের সহকর্মীবৃন্দকে কৃতজ্ঞতা ও ধন্যবাদ জানাই। ব্যাংকের সার্বিক অগ্রগতি, উনুয়ন ও সফলতা অর্জনে স্ট্যাণ্ডার্ড ব্যাংক পরিবারের প্রত্যেক সদস্যকে তাদের নিরলস পরিশ্রম ও সেবা প্রদানের জন্য জানাচ্ছি কৃতজ্ঞতা ও আন্তরিক ধন্যবাদ।

ব্যাংকের পরিচালনা পর্যদের ও সর্বস্তরের কর্মকর্তা –কর্মচারীদের এবং আমার নিজের পক্ষ থেকে উপস্থিত সকল সন্মানিত শেয়ারহোন্ডারবৃন্দকে তাদের সহযোগিতার জন্য আন্তরিক ধন্যবাদ জ্ঞাপন করছি। আমাদের ব্যাংকের মূল চালিকা শক্তি ব্যাংকের সন্মানিত গ্রাহকবৃন্দ ও শেয়ার হোন্ডারগণ। অত্র ব্যাংকের উদ্যোক্তা শেয়ার বা অন্য কোন শেয়ার গ্রুপের বিভাজন নেই। সুষ্ঠু ব্যাংকিং কর্মকাণ্ড পরিচালনায় সার্বিক সহযোগিতা ও অব্যাহত অনুসমর্থন প্রদানের জন্য কৃতজ্ঞতা জ্ঞাপন করছি গণপ্রজাতন্ত্রী বাংলাদেশ সরকারের অর্থ মন্ত্রণালয়, ব্যাংক ও আর্থিক প্রতিষ্ঠান বিভাগ, বাংলাদেশ ব্যাংক, বিএসইসি, ডিএসই, সিএসই, জয়েন্ট স্টক কোম্পানি সমূহের রেজিস্টার, সিডিবিএল এবং অন্যান্য সকল নিয়ন্ত্রক কর্তৃপক্ষের প্রতি, যারা এগিয়ে চলার পথে আমাদের সক্রিয় সমর্থন যুগিয়েছেন। আমাদের প্রত্যাশা এসব প্রতিষ্ঠান সমূহ তাদের সহযোগিতা ও সমর্থন ভবিষ্যতেও অব্যাহত রাখবেন।

এই মুহূর্তে আরো একটি সফল বছরের প্রত্যাশায় যাত্রা শুরু করছি। সর্বশক্তিমান আল্লাহ–তায়ালা আমাদের এই যাত্রায় সহায় হোন– এ শুভ কামনায় সকলকে ধন্যবাদ।

আল্লাহ হাফেজ

কাজী আকরাম উদ্দিন আহমদ চেযারম্যান– পরিচালনা পর্ষদ





# MANAGING DIRECTOR & CEO'S ROUND UP

#### DEAR STAKEHOLDERS,

It is a great privilege and honor for me to welcome you all on this august occasion at the 17th Annual General Meeting of Standard Bank Limited. I feel happy and delighted in conveying my salam and hearty felicitation to our honorable chairman, directors, and reverend shareholders of the bank, distinguished guests and other dignitaries. I enthusiastically take opportunity to express my heartfelt gratitude and sincere thanks for their continued support and cooperation throughout the year which has always been a great source of inspiration that help us to achieve the steady growth and greater height of prosperity.

Standard Bank Ltd. has passed another eventful year stuck with a lot of hurdles in the local and international arena but we were successful to squeeze better performance by dint of our dedication, firm commitment and setting right strategy. Our triumphant journey continued as usual along the line of improving upon the trendsetting innovative banking practices. Standard Bank Ltd. is one of the most respected banking brands in the country today. It is a matter of pride for me to be able to sit at the helm of affairs of such a bank. I will surely do my best to repay the trust and confidence of all of you. Ever since Standard Bank Ltd. was established, our goal was to contribute to the national economy and at the same time increase shareholders' equity value. We have also tried to be a compliant bank and it was our continuous endeavor to follow all best practices of the industry while doing business with our valued customers, vendors and stakeholders. Standard Bank Limited is always trying for creating wide array of financial services and products to cater to the emerging needs of the market. The Bank focused on attracting new customers and retaining the loyalty of old customers through improved customer services at a very competitive price.

It is of immense pleasure that I have been able to present before you a brief sketch of some of the remarkable successes and distinctive achievements in different fields attained by Standard Bank Limited, over its widespread activities accomplished in the year 2015. It is my perception that your unstinted and unwavering support and inspiration have provided us strength to face those challenges successfully which are gradually leading us to the highest peak of success and progress. It has been the Board's and Management's endeavor in developing Standard Bank Limited as a global institution.

#### GLOBAL OUTLOOK AND OUR ECONOMY

Global growth continued to disappoint in 2015 as resulted from continued slowing down of economic activity in emerging and developing economies amid further drops in commodity prices, restrained global trade, stretches of financial market volatility, and weakening capital flows. Global growth again fell short of expectations in 2015, decelerating to 2.4 percent from 2.6 percent in 2014. The disappointing performance mainly reflected a continued growth deceleration in emerging and developing economies amid post-crisis lows in commodity prices, weaker capital flows and subdued global trade. Global growth is projected to edge up in the coming years, but at a slower pace than envisioned in June 2015, reaching 2.9 percent in 2016 and 3.1 percent in 2017-18. This pickup is predicated on continued gains in major high-income countries, a gradual tightening of financing conditions, a stabilization of commodity prices, and a gradual rebalancing in China. The forecast is subject to substantial downside risks, including a disorderly slowdown in major emerging market economies, financial market turmoil arising from sudden shifts in borrowing costs amid deteriorating fundamentals, lingering vulnerabilities in some countries, and heightened geopolitical tensions.

Given the size and global economic integration of the largest emerging markets—Brazil, the Russian Federation, India, China, and South Africa (BRICS)—the simultaneous slowdown underway in all but one of them could have significant spillovers to the rest of the world. GDP growth in South Asia rose from 6.8 percent in 2014 to 7.0 percent in 2015, the fastest rate among developing regions, as recovery took place in India, and as the region benefited from lower oil prices and improved resilience to external setbacks. A moderate further acceleration in economic activity is projected, with regional growth rising to 7.3 percent in 2016, supported by strengthening investment and a broadly supportive policy environment. Growth in the region is expected to edge up, reaching 7.5 percent by 2017, driven mainly by domestic demand.



2015 was another year of economic progress for Bangladesh achieving 6.51% real GDP growth surpassing other regional peers. Bangladesh has seen low inflationary environment, high surge in FOREX reserve, relatively stable exchange rate even in global currency market shake ups. Government was less dependent on the banking sector for credit while private sector credit started only slowly picking up. Money market was very vibrant and rate structure has been revised downward several times. Bangladesh Bank (BB) will maintain accommodative monetary policy stance in 2016. The latest MPS for H2 FY16 was a very growth supportive. Policy rates have been reduced by 50 basis points after almost 3 years. Stable political environment coupled with the huge excess liquidity in the banking system is expected to further reduce banks' lending rates and boost lending and investments. During FY15, the total credit to the private sector recorded 13.2% growth Y-o-Y, while in the first 5 months of FY16, the growth was 13.8% Y-o-Y. Business confidence is improving and the stable exchange rate has led to higher import of

machineries. We expect the businesses are ready to start take off in another phase of expansion and prosperity taking the advantage of the falling interest rates.

INDUSTRY OUTLOOK AND OUR BUSINESS POSITION

The banking sector has been facing numerous challenges, mostly homegrown, mainly due to falling interest rates, rising NPL and lower private sector credit demand aggravated by weak governance, poor risk management and control measures in respective banks mostly SCBs. Key profitability measures of the industry i.e. Return on Asset (RoA) and Return on Equity (RoE) have been in the declining trend. RoA declined slightly from 0.6% at the end of December 2014 to 0.5% at the end of June 2015 whereas RoE decreased to 6.6% at the end of June 2015 from 8.1% at the end of December 2014. The industry NPL dropped to

8.79% at year-end 2015 from 9.69% at year-end 2014. Major reasons for the drop are: writing off a large chunk of bad loans and restructuring of a good number of loans. Despite loan restructuring, rescheduling the amount of Non-Performing Loans (NPLs) of the country increased by 2.40% and stood at Tk. 513.71 billion as of December 31, 2015 from Tk. 501.66 billion as of December 31, 2014. In the July-September quarter, the amount of default loans was Tk. 547.08 billion which indicates the situation is improving gradually.

Besides, the strong recovery drive by the bank played a positive role in recovering classified loans in 2015. At the backdrop of overall political and macroeconomic stability inflow of Foreign Direct Investment (FDI) registered USD 1,830 million during the year which was 18% higher than 2014 (USD 1,550 million). According to finance division data, as of July 22, 2015 total Government borrowing from the country's banking sector was Tk. 2,797.3 billion and the payment was Tk. 2,088 billion. The Cash Reserve Ratio (CRR)

for scheduled banks remained unchanged at 6.50% of their total demand and time liabilities. Bangladesh Bank also kept unchanged the bank rate, policy rates at 5%, 7.25% (Repo) and 5.25% (Reverse Repo) respectively. Such consistency helped the country to sustain macroeconomic stability and attain conducting business environment. But, owing to sluggish investment scenario the overall liquidity in the money market increased excessively. Declining demand for borrowing from the banking sector last year only helped pile up liquid assets. This resulted in insignificant returns and further erosion of asset quality. The stable money market led us to shifting resources from placement to short term HFT securities.

Though the demand for credit was slow throughout the year but we have progressed cautiously and managed our risk profiles carefully. An alarming country NPL ratio of 8.79 % as on year-end 2015. But I am happy to share with you that despite a difficult time, the overall performance of Standard

Bank Ltd. was steady. We kept our NPL below 5.00 percent, 3.23% to be exact, mainly for our prudent asset quality management policy, rigorous monitoring in our credit management and ethical business practice with strong corporate governance.

At Standard Bank Ltd., we believe in sustainable growth instead of rapid progression that cannot be sustained over a longer period. In the year 2015 Banking sector pose a serious concern for stakeholders with only industry credit growth 9.52% compared to 15.47 % in 2014. Whereas our loans and advances growth was 14% which is higher than that of industry average. We focused on maintaining our asset quality rather than the rapid growth of our portfolio. Industry Deposit growth 13.08% in 2015. Whereas our Deposits of banking operation was Tk. 10693.17 crore having 10% growth and as a result credit deposit ratio stood at 85.56% compared to 82.68% in 2014. Import of the Bank was Taka 5149.16 crore. Export was Taka 3874.64 crore and inward remittance was Taka 1136.95

crore having 36.04% growth. In terms of budgetary achievement, Bank performed quite well even in the difficult time as mentioned above; deposit 78%, loans and advances 84%, operating profit 71%, import 64%, export 54% and inward remittance 98%.

By setting proper strategy we could lower cost of deposit to 7.69% in 2015 from 8.92% in 2014 that helped the Bank in generating spread at 4.59% which was 4.97% in previous year. Our non-interest income grew by 2.23% while Net Interest Income (NII) decreased by only -11.65% due to slower credit growth 13.72% as opposed to higher deposit growth of 9.90%. A significant portion of this growth was offset by marginal growth of fees, commission & FX income because of negative growth of FX income (5.23%) due to stable FX market and lesser recovery from written off loans which eventually led to 14.60% operating profit growth. All these contributed to a positive growth of Profit After Tax (PAT) by 31.57% in 2015.

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Ever since Standard Bank Ltd.

follow all best practices of the

industry while doing business with our valued customers,

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#### CONTRIBUTION TOWARDS THE SOCIETY

As a responsible corporate citizen, we are committed to creating value for the society. For us development should be holistic and inclusive. Standard Bank Ltd. is always aware of its Corporate Social Responsibility (CSR) with an aim to ensure the bank as a socially responsible corporate entity contributing towards quality of life of the society at large without compromising our ecological balance. Since its inception, SBL has a pleasant involvement and proactive participation in benevolent activities like stand beside the marooned people during any natural or manmade disasters. To us success not only equals economic profit, it also means commitment to values honesty, integrity, excellence, trust and dedication. At SBL, we are guided by the spirit of corporate social responsibility. Forging lasting relationships with the customers based on mutual trust has always been one of our topmost priorities. In line with the guidance of Bangladesh bank, SBL focused on CSR by involving in different nation building activities apart from usual banking operations. During the year, Standard Bank Ltd. spent an amount of Tk. 51.80 million covering a vast area of education, health and other under privileged sectors for overall betterment of the nation. We continued our financial assistance to meritorious but poor students particularly in rural areas under CSR initiative.

#### **OUR OUTLOOK**

Year 2015 was undoubtedly a challenging year for Bangladesh economy and 2016 will, no doubt offer its share of new challenges even with our excellent track record of over sixteen years of ethical and prudent banking. We want to emerge as one of the most trusted partners of progress to trade and business of the country. As we look forward, we are committed to build a shared prosperity for our society to continue to meet the needs of future generation. The global economy remains volatile and the global banking industry has entered into a new era, experiencing rapid change in terms of market dynamics. Customers are increasingly service-focused and, at the same time, more demanding. New players, especially new banks, have entered into banking sector and the level of competition has significantly intensified.

Our ongoing success lies in our own hands and in the willingness and capacity of every single person in our bank to make change happen. The faster we manage to respond to this change environment, the more room we have to manoeuver. I am convinced that together with support of our colleagues and other stakeholders we will take the lead and become the performance driven organization in banking industry, and I count on our determination to achieve this too.

Our industry has changed and is more competitive than ever before. At the same time we are facing the great macroeconomic challenges of unfavorable lending rates, turbulent financial markets and political unrest. It is therefore, even more important that we position our bank to be successful in this landscape. We must find new and smart ways to convey a compelling value proposition to our customers who are becoming more and more demanding. We need to ensure that we deliver on our promises. At the same time we have to be highly flexible and adaptable in order to respond to volatile market demands. The more successful we are in integrating this approach into how we do things at SBL, the better positioned we will be to continue advancing in our growth and future prospects. I believe our combined effort is making a difference.

Once again I should say that the Bank is growing and our results are also visible compared to the size of the bank. We are committed to make our bank into a modern and dynamic institution with corporate governance. We want to remain compliant, fair and transparent in our business deals. Our Bank would concentrate on sharpening its competitive edge by improving its business strategies and by protecting its credibility through performing the promises.

#### STRATEGIC PRIORITIES FOR 2016

2016 will be a challenging year yet our firm commitment towards excellence with outstanding operational efficiency will make the bank stronger, set examples for others to follow and create positive differences. Sustainable business growth, dynamic and talented human capital driven by values, excellent risk management, and involvement of mid level management in decision-making process will surely command some key strengths for Standard Bank. We believe that, as long as we adhere to the right development strategy, take pro-active actions and forge ahead, 2016 will be full of hopes and harvests. Few of the major tactical and strategic moves that have been chalked out to drive for the next year are:

- (i) To achieve long term sustainable growth. In line with that we will pursue strategy through proper management of Balance Sheet and maintenance of liquidity and long term solvency.
- (ii) Achieving service excellence in delivering customer.
- (iii) Financial inclusion of customers' in the unbanked areas with geographical dispersal of branch network.
- (iv) Prudent Asset Liability Management by maintaining good credit portfolio through diversification of business with focus on SME, Agent Banking, Retail and Agricultural financing by achieving a favorable deposit mix with sound liquidity management.
- (v) In case of financing, we will give emphasis on "good risk" at low rate, "marginal risk" at high security and exit "high risk".
- (vi) Efficient Internal Control and Regulatory Compliance System to continue to be a fully compliant Bank.
- (vii) Efficient Human Resource Base through attracting high quality people and providing with continuous training to next generation management.
- (viii) Effective IT Framework and System through upgradation of bank modules and strengthening of IT infrastructure with network security.
- (ix) Monitor and strengthen recovery drive to bring down the NPL and maintain asset quality at standard level.
- Strengthening 'Agent Banking' operation to provide financial service for nonbank people.
- (xi) Strengthening of Merchant POS services with National Payment Switch and E-Commerce through Mobile Application.
- (xii) Basel-III compliance with raising and managing capital adequacy from 10% to 12.50%.
- (xiii) Effective Risk Management Practices through appropriately blending the risk reward parameters and targeting a growth driven credit portfolio expediting corporate credit rating and maintaining strong capital base to play safe and sound.



#### **OUR GRATITUDE**

I express our affiliation and extend warm greetings and profound gratitude to the valued customers, shareholders and well-wishers who are the source of inspiration of all our activities. I reverently congratulate our Honorable Chairman and all the respected directors of the board for their valuable guidance, support and prudent counsel in attaining desired progress and qualitative development in different financial indicators and standards of service. I express my sincere thanks to all the members of Standard Bank Limited for their uncompromising loyalty, relentless hard work and dynamic team sprit to take the bank forward. At the same time, I also congratulate them on achieving yet another impressive performance in our business success. Above all, I convey my sincere thanks and heartfelt gratitude to our regulatory authorities specially Ministry of Finance, Bangladesh Bank, Bangladesh Securities and Exchange Commission(BSEC), National Board of Revenue (NBR), Dhaka Stock Exchange, Chittagong Stock Exchange, RJSC as well as external auditors for their continued support and cooperation in running our business activities for the development of the Bank.

Let there be good days ahead for all of us. With the hope that our endeavor of eyeing for the next level is materialized. We look forward to a brighter and rewarding two thousand Sixteen. May the Almighty ALLAH bestow His choicest blessings on all of us.

Wish you all of your lives be embellished with glory and success.

Md. Nazmus Salehin Managing Director & CEO



# 16<sup>TH</sup> ANNUAL GENERAL MEETING



The 16th Annual General Meeting (AGM) of Standard Bank Ltd. held at Police Convention Hall, Dhaka. The Hon'ble Chairman of the Board of Directors Mr. Kazi Akram Uddin Ahmed presided over the meeting



Honorable Chairman of the Board of Directors of SBL Mr. Kazi Akram Uddin Ahmed greeted shareholders in 16th Annual General Meeting.





A partial view of 16th Annual General Meeting of SBL. Honorable shareholders of the bank are seen.







# DIRECTORS RESPONSIBILITY STATEMENT

The Board is directly accountable to the shareholders and each year the company will hold an Annual General Meeting (AGM), at which the directors must provide a report to the shareholders on the performance of the company, what its future plans and strategies are and also submit themselves for re-election to the board. The Board of Directors is appointed to act for and on behalf of the shareholders to oversee the day to day affairs of the business. The report of the Company's affairs and the Audited Financial Statements duly certified by is generally to be laid down before the Annual General Meeting for discussion. In preparing the Annual Report, the Board of Directors is required to ensure that: the Financial Statements of the Bank and its subsidiaries are prepared in accordance with applicable Bangladesh Financial Reporting Standards (including Bangladesh Accounting Standards), relevant provisions of the Companies Act 1994, Bank Company Act 1991 (amended up to 2013), rules and regulations of Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC), listing rules of Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. and other applicable laws, rules and regulations.

A. In compliance with section 184 of Companies Act 1994, the Annual Report which is presented in the Annual General Meeting (AGM) has a separate section as 'Directors' Report' containing, among others, a review of the following issues:

#### State of the Bank's affairs:

A review of financial performance and position has been presented in the Directors' Report and Management Discussion and Analysis (MD&A) section with relevant analytics.

**Any recommended reserve in the balance sheet:** An amount of BDT 3753 million has been transferred to 'Statutory Reserve' which is required to equate the same with paid up capital as per section 24 of Bank Company Act 1991 (amended up to 2013).

**Recommended dividend:** The Board has recommended 15% stock dividend equivalent to BDT 984 million for the completed year 2015.

**Any event after balance sheet date which may affect company's financial condition:** The Board of Directors of the Bank in its 250th Board meeting held on 29.03.2016 has recommended 15% Stock dividend for the year 2015 of Tk. 983,611,178.00 which will increase the paid-up capital of the bank to Tk. 7,541,019,028.00.

**Any change in bank's activities, subsidiaries' activities etc.:** No major change in strategy and actions in the Bank and Subsidiaries experienced in 2015.

B. In compliance with BSEC Corporate Governance notification dated 07 August 2012 the Directors of the Bank hereby declare on following issues, among others, in their report as prescribed:

**Industry outlook and possible future developments in the industry:** A brief review in this regard has been presented in the Director's Report .

**Segment-wise or Product-wise Performance:** Business-wise performance has been presented in the MD&A section.



**Risks and Concerns:** A detailed discussion regarding risks and management of the same has been presented in Chief Risk Officers' Report on Risk Management.

**Discussion on Operating Performance:** A brief description in this regard has been presented in part of the Directors' Report.

**Discussion on continuity of any Extra-Ordinary gain or loss:** In last five years SBL has not experienced any extra-ordinary gain or loss. SBL's Five Years progression presented in the "Stakeholders Information" section will provide details information in support of this.

**Basis for related party transactions and a statement of all related party transactions:** The basis for related party transactions has been stated in the "Corporate Governance Report" and a statement of related party transactions has been presented in the Financial Statements 2015.

**Utilization of proceeds from public issues, rights issues and/or through any others instruments:** The bank has raised capital through public issues an IPO in 2003 a Right Issue in 2007. However, the raising capital has been presented in the Corporate Governance Report.

**Deterioration of financial results after the company goes for IPO, Rights Offer, Direct Listing, etc.:** Refer to the earlier paragraph, the bank issued IPO in 2003 and Right Share in 2007 but after that financial results of the Bank did not deteriorate.

**Explanation of variances between Quarterly and Annual Financial performance:** A brief discussion along with financial information in this regard has been presented in the Directors' Report and Management Discussion & Analysis.

**Remuneration to directors including independent directors:** Remuneration provided to directors has been presented in the Corporate Governance Report, Financial Statements & Directors' Report

The financial statements prepared by the management present fairly its state of affairs, the result of its operations, cash flows and changes in equity: A brief description in this regard has been presented in Directors' Report.

**Maintenance of proper books of account:** A brief description in this regard has been presented in Directors' Report.

Consistent application of appropriate accounting policies and estimates in preparation of financial statements: A brief description in this regard has been presented in Directors' Report.

Following International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, in preparation of financial statements and any departure there from has been adequately disclosed: Details description including disclosure of departures has been presented in the Financial Statements 2015.

The system of internal control is sound in design and has been effectively implemented and monitored: A brief description in this regard has been presented in the Internal Control & Compliance in Directors' Report.

**Significant doubts upon the Bank's ability to continue as a going concern:** Nothing as yet and mentioned in Directors' Report.

**Explanations to significant deviations from the last year's operating results:** Nothing as yet and mentioned in Directors' Report. Operating Income slightly decreased from last year.

**Summarization of last five year's key operating and financial data:** Please see in the section of Stakeholders' Information.

**Declaration of dividend or not:** Recommended 15% stock dividend for the year 2015.

**No. of Board meetings and directors' attendance in 2015:** Presented in the Directors' Report.

**The pattern of shareholdings:** Presented in the Directors' Report and the Notes to the Financial Statements 2015.

Brief resume of the directors and nature of their expertise in specific functional areas: Brief profile of directors and their representation in other companies have been presented in the Financial Statements 2015.

To adhere to good corporate governance practices, the Bank has been complying with two paramount guidelines from Bangladesh Bank (BRPD Circular No 11, 18 and 19 dated 27 October 2013) and BSEC (Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012).SBL's compliance status to those prescribed practices is presented in Corporate Governance Report.

The Directors, to the best of their knowledge and information, hereby confirm that the Annual Report 2015 together with the Directors' Report and the Financial Statements have been prepared in compliance with applicable governing Acts, rules, regulations, guidelines and laws of various regulatory bodies including Bangladesh Bank and BSEC.



# Directors' Report

Respected Shareholders Assalamu Alaikum

It is an immense pleasure and privilege on the part of the Board of Directors to place the Directors' Report and Auditors' Report together with the audited financial statements of Standard Bank Limited for the year ended 31 December 2015 for your valued consideration, adoption and approval.

The Directors Report has been prepared in compliance with the Section 184 of the Companies Act 1994, BSEC's Notification no.SEC/CMRRCD/2006-158/134/Admin/44, dated August 07, 2012, the Listing regulations of Dhaka and Chittagong Stock Exchanges, guidelines of Bangladesh Bank and other applicable rules and regulations. Relevant disclosures and explanations relating to certain issues have been given by the Directors which they consider important to ensure transparency and good governance practices. The Directors believe that the report will give valuable insights of the bank's performance and continuous growth through amid stiff competition.

#### GLOBAL ECONOMY: AN OVERVIEW

Global growth continued to disappoint in 2015 as resulted from continued slowing down of economic activity in emerging and developing economies amid further drops in commodity prices, restrained global trade, stretches of financial market volatility, and weakening capital flows. In contrast, the recovery in major high-income countries gained traction last year. This has been increasingly driven by stronger domestic demand, particularly in the United States, where employment conditions are robust. In the Euro Area, credit growth is improving and unemployment is declining. The recovery remains fragile in Japan despite substantial policy stimulus. With external demand negatively affected by a slowdown in large emerging market economies, growth forecasts across major high-income economies in 2016 have been shaded down, but growth should still show some improvement from 2015.

Global growth again fell short of expectations in 2015, decelerating to 2.4 percent from 2.6 percent in 2014. The disappointing performance mainly reflected a continued growth deceleration in emerging and developing

#### GDP growth, actual and projected



economies amid post-crisis lows in commodity prices, weaker capital flows and subdued global trade. Global growth is projected to edge up in the coming years, but at a slower pace than envisioned in June 2015, reaching 2.9



percent in 2016 and 3.1 percent in 2017-18. In fact it is based on continued gains in major high-income countries, a gradual tightening of financing conditions, a stabilization of commodity prices, and a gradual rebalancing in China. The forecast is subject to substantial downside risks, including a disorderly slowdown in major emerging market economies, financial market turmoil arising from sudden shifts in borrowing costs amid deteriorating

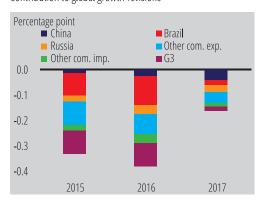
Overview of the World Economic Outlook

GDP at constant prices	% change			Projections	
	2012	2013	2014	2015	2016
World	3.4	3.3	3.4	3.1	3.6
Advanced Economies	1.2	1.1	1.8	2	2.2
USA	2.2	1.5	2.4	2.6	2.8
Euro Area	-0.8	-0.3	0.9	1.5	1.6
Other Advanced Economies	1.7	2.1	2.8	2.2	2.4
Emerging Market and Developing Economies	5.2	5.0	4.6	4.0	4.5
China	7.7	7.7	7.3	6.8	6.3
India	5.1	6.9	7.3	7.3	7.5
Bangladesh	6.3	6.0	6.3	6.5	6.8

Source: IMF World Economic Outlook (October, 2015)

fundamentals, lingering vulnerabilities in some countries, and heightened geopolitical tensions. Weakening growth and sharply lower commodity prices have narrowed the room for policy makers to respond, especially in commodity-exporting countries, should risks materialize. Given the size and global economic integration of the largest emerging markets—Brazil, the Russian Federation, India, China, and South Africa (BRICS)—the simultaneous slowdown underway in all but one of them could have significant spillovers to the rest of the world. Specifically, a 1 percentage point decline in growth in BRICS is associated with a reduction in growth over the following two years by 0.8 percentage points in other emerging markets, 1.5

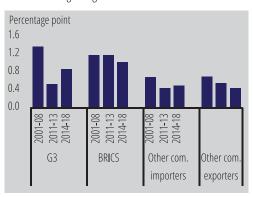
#### Contribution to global growth revisions



percentage points in frontier markets, and 0.4 percentage points in the global economy. Spillovers could be considerably larger if the growth slowdown in BRICS were combined with financial market turbulence. Since most BRICS are the largest and most integrated economies in their respective regions, they tend to generate larger spillovers than other major emerging markets. Strong within-region trade and remittance links are reflected in sizeable spillovers in Europe and Central Asia from a growth decline in Russia, and in East Asia and

Pacific from a growth decline in China In other regions, measured within-region spillovers are typically small, partly reflecting the lesser openness of major regional emerging markets or the prevalence of integration with major advanced economies. Many emerging market and developing countries are still most susceptible to growth spillovers from major advanced markets.

#### Contribution to global growth



GDP growth in South Asia rose from 6.8 percent in 2014 to 7.0 percent in 2015, the fastest rate among developing regions, as recovery took place in India, and as the region benefit from lower oil prices and improved resilience to external setbacks. A moderate further acceleration in economic activity is projected, with regional growth rising to 7.3 percent in 2016, supported by strengthening investment and a broadly supportive policy environment. Growth in the region is expected to edge up, reaching 7.5 percent by 2017, driven mainly by domestic demand. Investment growth is expected to continue strengthening in India due to government efforts to accelerate infrastructure development and boost Public Private Partnerships (PPPs), and in Pakistan due to CPEC (China Pakistan Economic Corridor) implementation. In Bangladesh and Sri Lanka, public sector wage increases and an easing of political tensions or uncertainty should bolster private consumption.

#### **GLOBAL OUTLOOK 2016**

Going forward, global growth should pick up, albeit at an appreciably slower pace than previously projected, reaching 2.9 percent in 2016 and 3.1 percent in 2017-18. Global inflation is expected to increase moderately in 2016 as commodity prices level off, but will remain low by historical standards. A modest upturn in global activity in 2016 and beyond is predicated on a continued recovery in major high-income countries, a gradual slowdown and rebalancing in China, a stabilization of commodity prices, and an increase in global interest rates that is gradual and stays well contained. All of these projections, however, are subject to substantial downside risks. Despite a modest recovery in high-income countries, global growth slowed in 2015, as developing-country growth dipped to a post-crisis low. The upturn in 2016 and 2017 is projected to be shallower than previously anticipated. Weakening prospects are most visible among key commodity exporters, pointing to a significantly lower contribution to global growth than in the past. China's gradual slowdown and rebalancing continued. Low-income countries continued to show some resilience, but a rising share of the world's extreme poor live in countries with slowing growth. The world economy and trade growth is expected to grow 3.4% and 3.6% in 2016 and 2017 respectively



whereas trade growth was 3.25% in 2015. Sustaining their growth differential over the advanced industrialized countries, developing and emerging economies are forecast to grow by 4.3 % in 2016.

Growth in advanced economies is projected to increase modestly in the current and following fiscal years from 1.9% to 2.2% in FY16. This year's developments reflect mainly the modest recovery in the Euro area is supported by falling oil prices, accommodative monetary policy, and, in some cases, currency depreciation in emerging markets. Among the developed economies, the US economy after some erratic fluctuation in 2015 will improve in 2016 where GDP is projected to expand by 2.6%. Only a slight pickup is expected in Western Europe.

Economic conditions in Latin America are unlikely to improve rapidly in 2016. Among the developing countries, Africa's overall growth is expected to grow 4.4% in 2016. East Asia will remain the fastest-growing region and is

projected to see stable growth of 6.1%. Economic growth in South Asia is set to gradually pick up with 5.7% in 2016 from 5.4% in 2015. In China growth is expected to decline at 6.4% in 2016 because of ongoing implementation of structural reforms and lower oil and other commodity prices. But still a number of internal and external risks will remain, such as a continued slow recovery in some developed countries, a slowdown in China, tighter global financial conditions, the Ebola outbreak, political instability, terrorism and weather-related shock. In emerging and developing Asia, India's growth is expected to strengthen at 7.3% in 2016. Among the ASEAN-5 economies (Indonesia, Malaysia, Philippines, Thailand, Vietnam), Malaysia and to a lesser extent Indonesia are expected to slow this year, affected by weaker terms of trade. Growth in low-income developing countries is projected to pick up to 5.6% in 2016. The US economy is expected to improve in 2016, with GDP projected to expand by 3.1%. Only a slight pickup is expected in Western Europe. The moderate euro area recovery is projected to continue in 2015–16. In Latin America and the

Caribbean a modest recovery is projected for 2016, but with growth at 0.7%, still well below trend. Africa's overall growth momentum is expected to grow 4.4% in 2016, where growth in private consumption and investment are expected to remain the key drivers of GDP growth.

#### BANGLADESH ECONOMY 2015 - An Overview

2015 was another year of economic progress for Bangladesh achieving 6.51% real GDP growth surpassing other regional peers. Bangladesh has seen low inflationary environment, high surge in FOREX reserve, relatively stable exchange rate even in global currency market shake ups. Government was less dependent on the banking sector for credit while private sector credit started only slowly picking up. Money market was very vibrant and rate structure has been revised downward several times. Lower inflation, rising reserves, low fiscal deficit, stable exchange rate, surplus balance of payment

and stable public debt are the signal of strong and favorable macroeconomic fundamentals. Thus the significance of the year 2015 is noteworthy. Because of supporting policy of Bangladesh Bank GDP increased from 6.1% in 2014 to 6.5% in 2015. On the other hand, the amount of reserve is able to meet approximately 8 months' import bills. Declining inflation rate from 6.99% in 2014 to 6.20% in 2015 is also a sign of economic development of Bangladesh despite political turmoil in the beginning of 2015.

The country was also able to achieve the lower middle income status in 2015, with a per capita income of \$1,314. Overall, with such a high growth rate, Bangladesh is now the second fastest growing nation in South Asia, only behind India. Over the years, the Government and the Central Bank have guided the real estate and financial sectors into inclusive, environmentally sustainable output activities with the objective of achieving macroeconomic stability and growth. This has helped the economy to maintain a surplus of 6% annual average real GDP growth for almost a decade. Some of the

challenges of fiscal year 2014-2015 were revenue shortfall, reduced foreign aid, slow growth of exports, failure to ensure incentive price to agriculture. Private investment did not achieve its desired target. Public sector investment was trying to gain momentum depending on some large infrastructural projects.

A growth accelerated strongly observed in industry sector from 8.2% in FY 2014 to 9.6% in FY 2015, which is higher than previous year mainly driven by readymade garment exports, manufacturing for the domestic market and construction. In 2015, the manufacturing activity which mainly drives this sector recorded 10.3% within the Industry growth the government's supportive credit policies are helping to boost activity in small and medium sized industry. The percentage share of the industry sector in GDP increased from 29.6% in FY14 to 30.5% in FY15. In FY15, service sector grew by 5.8% compared to 5.6% in FY2014 towards higher growth of financial intermediations, public administration and defense, health and social works, real estate, social and personal services sub-sectors.

Country's banking sector showed slight growth owing to lowering of lending rates and sluggish business environment in 2015. On the other hand, growth of wholesale and retail trade, repair of motor vehicles, motorcycles, and personal and household goods and transport, storage and communication sub-sectors was lower than the previous fiscal year contribution.

The percentage share of the service sector in GDP reduced from 54% in FY14 to 53.6% in FY15. Agriculture is the single largest producing sector of economy in spite of declining share in GDP over the last four decades. Bangladesh is primarily an agrarian economy considering about 30% of the country's GDP and employing around 60% of the total labor force. The performance of this sector has an overwhelming impact on major macroeconomic objectives like employment generation, poverty alleviation, human resources development and food security. However, in FY15, agriculture sector is in a declining growth of 3% compared to 4.4% in FY14 due to the lower growth in crops and horticulture sub-sector. Moreover, this sector's share also decreased to 16% of total GDP in FY15 from 16.5% of total GDP in FY14. Although the growth is

commerce.



predicted to accelerate to 3.2% in FY16, if normal weather prevails and prices remain favorable. Total budget expenditure, including current spending and the annual development program, is slated to grow by 23.1% to equal 17.2%

35

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25

20 Percent of GDP

15

10

of GDP, but achieving this large increase will also be challenging. In FY2015, public expenditure (including both development and non-development expenditure) in the revised budget amounted Tk. 2,396.7 billion which was 27.3% higher than the expenditure of Tk. 1,882.1 billion in FY14.

Public expenditure as a percentage of GDP increased from 14% in FY14 to 15.8% in FY15. Current expenditure in FY15 accounted for 8.4% of GDP which was 8.2% in FY14. Current expenditure in the revised budget for FY15 was higher than the actual current expenditure by 15.2% in FY14. On

the other hand, the Annual Development Programme (ADP) of Tk. 750 billion in the revised budget for FY15 turned out 35.6% higher than the actual ADP in FY14. The revenue potential for Bangladesh has been estimated to be around 14% to 15% of the GDP in FY2015. The revised total revenue receipt in FY15 was Tk. 1,633.7 billion, which was increased by 16.4% compared to the actual collection in FY14. The tax revenue which constituted 86.1% of the total revenue receipts increased by 21.2% compared to 8.0% growth in FY14. Despite low tax collections due to political disruptions, and a shift towards low duty commodity import, overall fiscal deficit was contained at 3.6% of GDP. NBR revenue collection fell short, at Tk. 1,208.2 billion in FY15 compared to Tk. 1,497.20 billion targets. National Board of Revenue (NBR) has collected Tk. 590.64 billion, which is 39.44% of the total target for the whole fiscal year. The growth of total revenue increased from 9.6% in FY14 to 16.4% in FY15. Consequently, revenue — GDP ratio increased from 10.5% to 10.8% over the same period. External sectors in Bangladesh Economy such as export, import and remittance have always played crucial role in Bangladesh Economy.

However, impact of these sectors has not been consistent. In FY15, export growth was 3.3% (USD 30.77 billion) compared to the preceding year (USD 29.78 billion), mainly driven by higher exports of readymade garments

(RMG) that picked up recently. The countries imports grew by 11.2% in FY2015, due mainly to higher imports of capital machinery. The import payments in FY15 stood at USD 40.69 billion registering a positive growth compared to USD 36.57 billion in FY14.Import payments as a percentage of GDP decreased from 21.2% in FY14 to 20.9% in FY15. Remittance In FY2015 remittance earning has been recorded USD 15.32 billion compared USD 14.23 billion of the previous year, which is recovering to the normalcy and trending up with a solid growth. The flow of inward remittances from Bangladeshi nationals

working abroad regained its growth in FY15 and played an important role to increase foreign exchange reserve and strengthening the current account balance of the country. The workers' remittance inflows experienced a

moderate growth of 7.65% in FY15 compared to 1.5% negative growth in FY14. Bangladesh Bank expects 10% growth in remittances in FY16. Foreign Direct Investment (FDI) increases to USD 1.7 billion during the first 9 months

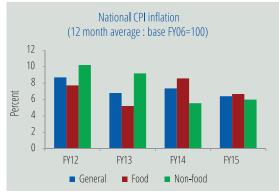
> in the just concluded year 2015 which is 46.55% higher than the amount USD 1.16 billion during the corresponding period in 2014. Though the amount is representing only 9 months' inflows, it is the highest amount of FDI till now.

The manufacturing sector bagged the highest amount of FDI which is USD 454.86 million followed by power, gas and petroleum sector, and trade and commerce. The trade and commerce drew USD 234.01 million of inward investment flow. The big portion of the FDI came in the form of reinvestment of profits earned

by foreign company. However, after the end of 2015 the FDI come to USD 1.83 billion by registering a robust 18% growth compared to USD 1.55 billion of the corresponding periods of 2014. A surplus in the overall balance of payments was maintained despite a deficit in current account balance. Overall export, import and remittance growth is 3.4%, 11.2% and 7.6% respectively for FY2015 – which leads to a reasonable balance of payment surplus of USD 4.37 billion in FY15 compared to USD 5.48 billion in FY14 and USD 5.13 billion in FY13. The current account surpluses as observed in FY13 and FY14 changed into deficit in FY15. To be more precise, the current account deficit in FY15 was USD 1.65 billion whereas the current account surpluses were USD 1.41 billion in FY14 and USD 2.39 billion in FY13. The shift of current account balance from a surplus to a deficit was attributable chiefly to an increase in the trade deficit, with a lesser contribution of balance of service account. The average inflation rate decreased to 6.4% at the end of FY15 from 7.4% at the end of FY14. This was driven by decrease in food inflation from 8.6% at the end of FY14 to 6.7% at the end of FY15.

On the other hand, non-food inflation showed a gradual increase and stood at 6.07% in June, 2015 compared with 5.5% in June 2014. Point-to-point inflation also decreased to 6.3% in FY15 from 7% in FY14.The exchange rate of Taka against USD remained almost stable throughout the whole FY15. The

> nominal exchange rate of USD depreciated by 0.22% in FY15. It stood at Tk. 77.80 as of end June 2015 compared with Tk. 77.63 as of end June 2014. The nominal effective exchange rate (NEER) of Taka, calculated against a trade weighted 10 currency basket (base: FY11=100), appreciated by 9.16% in FY15.The real effective exchange rate (REER) of Taka also appreciated by 14.03% in FY15. For decreasing inflation to its targeted path, Bangladesh Bank continued restraining monetary policy for FY16, while ensuring adequate private sector credit to stimulate inclusive growth.



Domestic savings and Investment

Investment

■ Domestic savings

Bangladesh Bank lowered the policy rates by 50 basis points to 6.75% (Repo) and 4.75% (Reverse Repo). Monetary Policy Statement has targeted 16.5% growth in domestic credit, 14.80% growth in private sector and 18.70%



growth in public sector during January-June period of 2016. It reflects weak credit demand from domestic and private sector. Net foreign assets grew by 25.67%, compared to the previous year 40.3%. The banking sector face

85 -

80 \_

5.5 -

5.0 -

4.5 -

4.0 ¬

Forecasting GDP Growth: FY2016- FY2019

2012 2014 2016

-- Projection 90% CI

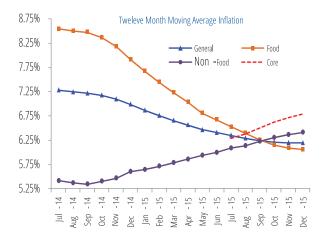
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challenges with estimated average earning decline by 7% in FY15 vis-à-vis 7.5% growth in FY14.

Money Supply Broad money (M2) growth decreased to 14.20% in December, 2015 compared to the growth of 13.35% in December, 2014. Based on the conflicting signals from general inflation and core inflation in 2015, Bangladesh bank decided to increase Broad money (M2) at the rate of 15% in June, 2016. M2 increased due to higher net foreign assets and net domestic assets that registered 25.67% and 10.35% growth respectively in 2015. The reserve

money recorded an increase of 14.39% (y-o-y) in November 2015 which is slightly higher than the increase of 14.31% during the same period of the preceding year. Of the sources of reserve money, total domestic credit declined by 10.1% from the previous year. The weighted average interest rates on deposits increased during FY10-FY13 and then started decreasing from FY14 and reached at 6.8% in FY15.

Similarly, the weighted average interest rates on lending increased during the period of FY10 to FY12 and started declining thereafter and reached at 11.67% in FY15. Though policy rates remained unchanged, lending rates declined due to lower cost of funds for banks, lower demand for credit as well as increasing competition from overseas lenders whose lending rates are in single digit. The spreads between lending rates and deposit rates were above 5% from FY10 to FY14 which decreased to 4.87% in FY15 from 5.31% in FY14.



The weighted average interest rate in the call money market ranging from 5.8% to 8.6% during FY15. During the same year the average volume of trade in the call money market decreased by Tk. 271.41 billion which was 18.9% lower than that in FY14. Both the volume of transaction and the weighted average interest rate in the call money market remained within the reasonable band with a declining trend in the 4th quarter of the year. Repo and Reverse Repo rates have been also re-fixed at 6.75% and 4.75% respectively from 7.25% and 5.25%.

Foreign Exchange reserve had significant improvement due to higher growth in export and remittance. This caused an increase in foreign exchange reserve to USD 27.4 billion in December 2015 from USD 22.38 billion (higher than at

Projection

any other time in the history of Bangladesh) of previous year, registering a remarkable growth of 22.43% which also helped to prevent devaluation of taka and was sufficient to cover import payments for eight months.

Bangladesh achieves Ba3 (Moody's) and BB- (Standard and Poor's) with stable outlook for the 5th consecutive years. Stable real GDP growth and strong external balances have helped Bangladesh to achieve this rating with stable outlook from Fitch Ratings for the first time. The Government has targeted GDP Growth

rate of 7% in financial year 2016 with the expectation that exports will grow with continued economic recovery in the US and the euro area, strong expansion in remittances will boost consumption demand, import will experience a double digit growth for capital machinery and raw materials, private and public investment will pick up as the business climate improves under a stabilizing political situation, and spending will increase under the annual development program.

Like the previous year, the banking industry of Bangladesh experienced competition amongst the private and public banks. Though the entire 1st quarter of the calendar year 2015 suffered serious political disruption for the demand of fresh election, banks managed to log in profits. The political and economic situation is apparently stable due to City Corporation election in the 2nd quarter but the strength of this normalcy will be well tested in the 2nd half of this year. To tide over the situation in best possible way bank will continue to pursue following strategy by mobilizing low cost deposit through campaigning, ensuring quick disposal of credit proposals, showing visible movements in retail financing and SME financing, ensuring more recovery from written-off loans, bringing loss making branches to profit making by reshuffling and continuing to expand network physically and virtually.

Country's banking sector showed slight growth owing to lowering of lending rates and sluggish business environment in 2015. The asset quality of banks improved to some extent during the period under review while the capital-to risk-weighted asset ratio (CRAR) recorded a minimum fall. Public sector registered negative growth of 1.70% because of slow implementation of government projects due to political unrest and private sector actual credit growth was 13.80% in December, 2015. As a result, there is excess liquidity in the banking business reached over Tk. 1,000 billion as the year 2015 ended. Relatively lower payment for imports, government mobilized resources from other sources; political instability and liberalized policy for borrowing from foreign sources are the main reasons of this.

The call money rate is remaining below or around 5% for a long time. The call money rate was 4.07% on 20th December but at the end of the 31st December 2015, it was 3.69% which is the sign of adequate liquidity, stable money market and good governance in banking sector. Sluggish demand for credit and the opportunity of foreign currency loans by local companies have contributed to this down trend. In spite of various difficulties, it has been possible to keep the NPL rate in single digit. The amount of NPLs rose to Tk. 513.71 billion in December, 2015 with a growth of 2.42% from Tk. 501.56

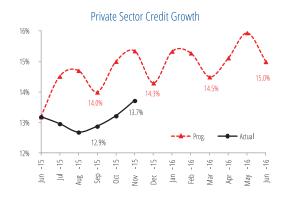


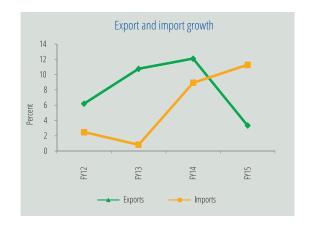
billion in December, 2014. On the other hand, provision coverage against NPL has risen at 95%.



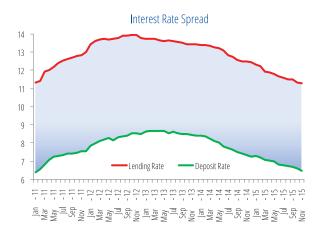
#### BANKING INDUSTRY OUTLOOK 2015

The world financial system became susceptible to escalate vulnerability and instability in the recent past. Yet the banking sector of Bangladesh underwent a moderate level of resilience in FY15. Banking sector in Bangladesh has travelled through a journey where the sector has experienced several ups and downs. Presently, there are 56 scheduled banks in Bangladesh which are fully under the supervision of Bangladesh Bank of which 4 State Owned Commercial Banks, 4 Specialized Banks, 31 Conventional Private Commercial Banks, 8 Islami Shariah based Private commercial banks and 9 Foreign Commercial Banks. Like the previous year, the banking industry of Bangladesh experienced competition amongst the private and public banks. This sector has come across a turbulent year facing many odds and pitfalls in the macroeconomic fundamentals. The major challenges faced by the banking industry were low credit growth, increasing trend of non-performing loans resulting to higher provisioning requirements, and surplus liquidity. The cumulative effects of these put pressure on the profitability of the banking sector as a whole. To tide over the situation banks have continued to pursue of strategy by mobilizing low cost deposit through campaigning, ensuring quick disposal of credit proposals, showing visible movements in retail financing and SME financing, ensuring more recovery from written-off loans, bringing loss making branches to profit making by reshuffling and continuing to expand network physically and virtually.





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review of stability of the individual bank as well as the whole banking system, (iii) exercise of stress testing, (iv) inclusion of underserved productive economic sectors and population segments in financial system, (v) monitoring of fraud-forgeries and strengthening internal control and (vi) compliance through self assessment of antifraud internal controls, etc. Monitoring of investment in stock market by the scheduled banks has been stringent. Risk Management Committee at the board level has been made mandatory to ensure proper risk management practice in the banks. Presently, the banks are being rated for their overall risk management performance. Focus has also been given on Corporate Social Responsibility (CSR) and green banking activities and a distinguished department has been working to monitor the initiatives being undertaken by banks. BB is shifting from a compliance-based approach to a forward-looking risk-based approach in regulation and supervision. Basel-III, the revised regulatory capital framework, has been implemented to improve the resilience of individual banking institutions during the periods of stress, while addressing system wide risks that arise across the banking sector. Two new tools namely the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) have been introduced for measuring liquidity under Basel-III to ensure stronger and more targeted liquidity management of banks. A Basel-III Compliance Unit has been established by each bank as per instruction of Bangladesh Bank.

#### **BANKING SECTOR OUTLOOK 2016**

Unlike the global economy, the economy of Bangladesh has been achieving an amazing growth in the current fiscal year. And the future looks even brighter. Investments are likely to gear up in 2016 as the fiscal and monetary authorities are coordinating in the areas of inflation, interest rates, exchange rates and revenue collection and Annual Development Programme (ADP) implementation. The government seems committed to augmenting the availability of infrastructure and energy. Given the experiences of 2015, political turbulence does not appear to flare up to destabilize the whole gamut of economic decisions in 2016. Bangladesh's projected growth for 2016 will be almost double of the World's and higher than China's. A recent World Bank study shows that one percentage point increase in India's growth contributes to an increase in Bangladesh's growth by 0.4 percentage points. Hence, the highest growth at 7.5 percent of India in the region will be beneficial for Bangladesh's investment and growth through the channels of trade and services.

Based on the Monetary Policy Statement of Bangladesh Bank for the period between January - June 2016, the following highlights may be noted:

- Broad money (M2) is projected to grow at 15.0 percent in June 2016 from 14.2 percent in December 2015. M2 is adequate to support the growth and inflation targets. It has also taken the growth rates of both public and private credit into account.
- Domestic credit is projected to grow at 15.5 percent at the end of the fiscal year 2016 from 10.9 percent in December 2015. Private sector credit is projected to grow at 14.8 percent in June 2016 from 13.8 percent in December 2015. Public sector credit is expected to grow at 18.7 percent from a negative number of 1.7 percent in December 2015.
- Inflation is expected to land in 6.07 percent in June 2016 from 6.20 percent in December 2015. Some effects of pay rise in the government sector are likely to be canceled out by the dampening fuel and commodity prices.
- After keeping a static set of policy rates: repo and reverse repo rates for

- a while, Bangladesh Bank now decides to lower the repo rate and reverse repo rate by 50 basis points, sending the repo to 6.75 percent and reverse repo to 4.75 percent from the current rates. This move will attempt to dampen other interest rates in the market and thus will help investment stimulate. Necessary market alignments warranted this change.
- This is an investment stimulating monetary policy that will focus on quality credit expansion through an inclusivity approach. Selective easing for agricultural and other productive sectors will draw enhanced attention.
- The falling fuel and commodity prices have globally created a low-inflation environment, paving the way for a considerable reduction in policy rates and thus signaling the market to raise investment when macro stability is commendable.
- Bangladesh Bank made a strategic shift in loan disbursement policy. All banks will be encouraged to substantially increase advances for micro, small, and medium enterprises.
- Bangladesh Bank's supervisory vigilance on banking governance will be straightened further to clamp down on loan delinquencies.

In the FY16 Bangladesh Bank will continue with the existing stance that is cautious overall but clearly accommodative in supporting productive pursuits. Commercial banks have been motivated and supported in extending loans to the productive and vulnerable sectors at lower interest rates. Green projects will avail loan at a lower rate and so will export promotion activities.

While the government targeted economic growth at 7.0 percent, the realized value may turn close to it in June 2016. Bangladesh Bank forecasts, one based on an ARMA model and the other one on sector-wise 10-year average growth, show a range from 6.8 and 6.9 percent. The World Bank projects growth for 2016 at 6.8 percent. Providing electricity, gas, and infrastructure to businesses are priorities to ensure slightly upward growth in a sustained fashion. Faster implementation of ADP will be helpful to promote revenue and growth potentials for the country.

Given all the positive indications, the key challenge for banking industry now is to attract good investors. Reportedly, the banks are sitting on huge idle money but cannot lend due to absence of good investment opportunities. If the banking industry of Bangladesh can tap the advantage of bullish economic growth of the country and attract good investors, surely the banks will enjoy a more fruitful year of 2016.

#### PERFORMANCE OF STANDARD BANK LIMITED

Standard Bank has successfully achieved improved operational results showing an impressive upward trend. Bank's operation has achieved the confidence of its customers with sound fundamentals in respect of deposit accumulation and loans & advances. As a result the bank has been able to earn a steady after tax profit growth.

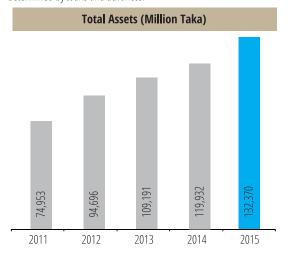
#### FINANCIAL RESULT OF THE BANK

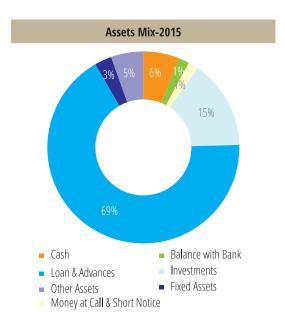
To uphold the continuous growth, the management of SBL is always striking optimum balance between liquidity and profitability. The Management emphasizes on the growth of quality of assets in addition to the quantity. Our financial highlights are growing year to year mainly due to operational efficiency and an increasing customer base. The financial results of the Bank are as under:



# PROPERTY AND ASSETS

As on 31st December 2015 total asset of the Bank stood at Tk. 132,370 million with a positive growth of 10% (ten percent) in comparison with corresponding previous year of 2014. The increase in Asset was mainly driven by significant growth of customers' deposits which were used for funding in loans & advances and holding of securities. The increase in asset is determined by loans and advances.





# CASH IN HAND

Cash in hand stood at Tk. 830 million in 2015 as against Tk. 873 million of the previous year i.e. 5% decreases that indicates the optimum utilization of idle fund in comparison to with the previous year.

# BALANCE WITH BANGLADESH BANK AND ITS AGENTS

During the year 2015, Balances with Bangladesh Bank and its agents decreased by more than 1% (one percent) amounted to Tk. 6,382 million.

# BALANCE WITH OTHER BANKS/ FINANCIAL INSTITUTIONS

During the year 2015 balances maintained with other banks and financial institutions stood at Tk. 2,278 million as against Tk. 2,049 million of the previous year which is increased by more than 11% from previous year.

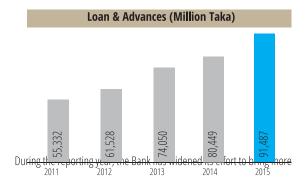
# **INVESTMENTS**

The Bank always gives emphasis on investment of Funds in high yield areas simultaneously maintaining Statutory Liquidity Requirement (SLR) as fixed by Bangladesh Bank. Besides, one of the investment activities of the bank is to maintain Statutory Liquidity Reserve (SLR) which mainly comprises Government Treasury Bill and Treasury bond of different tenure, Prize Bonds, Government approved Debenture. The Bank invested total Tk. 19,109 million in 2015 as compared to Tk. 19,854 million of the previous year.

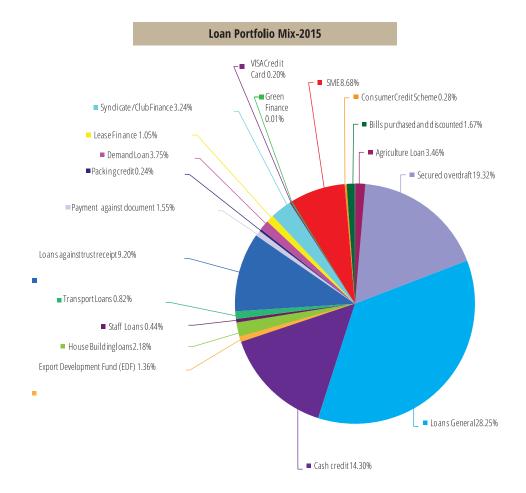
# LOANS AND ADVANCES

Total Loans and Advances of the Bank has increased to BDT 91,486.62 million as on December 31, 2015 in comparison to BDT 80,448.58 million as on December 31, 2014, which indicates an increase of 13.72% over the last year. Despite of volatile capital market, global recession declining trend of private sector credit growth, the Bank has successfully retained the progressive trend of credit portfolio of the Bank ensuring sustainable profitability to meet accountability towards the customers as well as the stakeholders.

Credit is the single largest component of the total assets of the Bank. Furthermore, during the year the Bank has put enormous emphasis to Credit Risk management since it is the main tool to ensure proper Credit Management. Quality of Credit can only be retained if prudent Credit Risk Management procedure is effective and efficiently followed. That's why, the Bank has established CRM to analyze Credit Risks in different sectors like Telecommunication, Power Generation, Pharmaceuticals, Steel re-rolling, RMG, Textile, Ceramics, etc. and to determine the necessary strategies and policies while extending credit facilities in those sectors.







compliant as per the guidelines of Bangladesh Bank in Credit Management System and to retain its continuance; the initiative has been taken to revise the existing Credit Policy. Credit Monitoring and Recovery Department has been strengthening to ensure regular monitoring of the existing credit facilities. Concentration of credit in a single sector or group has been strongly discouraged and alternatively financing in Small & Medium Enterprise (SME), Women Entrepreneur and Agricultural Sector are given more emphasis towards contributing in GDP as well as in poverty alleviation program.

Besides, to contribute in national economy, the Bank has extended its participation in Syndicated Financing in different prospective Greenfield and BMRE projects in the sectors like power generation, telecommunication, pharmaceuticals, textiles, manufacturing industries, etc. The total participation in Syndicated Financing at the end of the year 2014 was Tk. 2,852.60 Million which stands Tk. 2943.03 Million at the end of the year 2015.

To inform about the importance and increase awareness among the employees regarding green banking, the Bank has included special module on "Green Banking: prospect in Banking Sector" in different training programs arranged by Bank's Training Institute. Environment Risk Management has been taken as part of social responsibility for the Bank. It has financed in various environment friendly projects like CNG projects,

Effluent Treatment Plant (ETP) of manufacturing industries, Auto Brick Field using Hybrid Hoffman Kiln (HHK), etc.

Due to prudent initiative of the Management, it becomes possible to retain the non-performing loan within 3.23% i.e. Tk. 2,958.78 Million against the total loans and advances of BDT 91,486.62 million at the end of the year 2015.

The Bank has strengthen the credit division to continue regular supervision and monitoring for credit facilities disbursed to different borrowers to reduce the percentage of non-performing loans. Recovery Division has been reformed with new strategy and policy to recover the non-performing loans. To sustain in the competitive market, the Management of the Bank is always dedicated to take timely and appropriate decisions to flourish its credit portfolio in different sectors.

# CORPORATE FINANCE

Standard Bank Limited always adopts strategy for widespread service for the large and medium sized corporate customers and Bank's business is focused to a considerable extent on the corporate clients by maintaining a relationship and extending financial assistance based on a deep



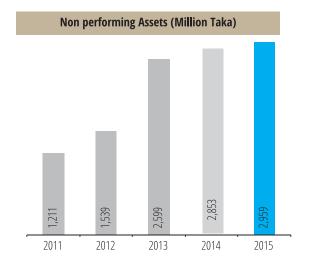
understanding of the clients' business environments, financial needs and internal strategies for growth. The Bank extends its financial support to the corporate clients either from own finance or by arranging syndicated/ club finance. The investment in corporate sector is the combination of a mixed and balanced allocation in various natures

## SYNDICATED FINANCE

Syndicated loans allow arranging funds for large projects spreading the risk amongst the partner Banks. Clients also enjoy the benefits of having access to larger pool of funds from multiple financial institutions but have to deal with one Agent Bank and one set of documentation. The Bank disbursed Tk. 575.21 million as funded and non funded facilities in Syndication Finance. The outstanding balance of the same as on 31.12.2015 was Tk. 2,943.03 million. The projects in which the Bank participated in syndication financing in different prospective Green field & BMRE projects in the sectors like Power Generation, Telecommunication, Pharmaceuticals, Textiles, Manufacturing industries etc.

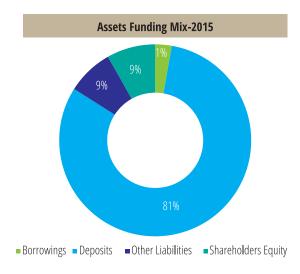
## NON PERFORMING LOAN MANAGEMENT

Credit Monitoring is a continuous process to maintain and upgrade the health of assets of the Bank. The Bank continued its efforts to maintain high quality assets. Besides giving emphasis on the satisfactory business performances of the customers and collateral support, the Bank geared up loan monitoring and follows up systems through Monitoring Department to check the loans from becoming non-performing. The non-performing loans of the Bank stood at Tk. 2,959 million at the end of 2015 compared to Tk. 2,853 million in 2014 i.e. 3.72% increase from pervious year.



# LIABILITIES AND SHAREHOLDERS' EQUITY

Total liabilities of the Bank stood at Tk. 1,20,896 million as of 31 December 2015 registering a growth of approxi-mately 10% (ten percent) over the last year. This was mainly due to increase in customers' deposits.



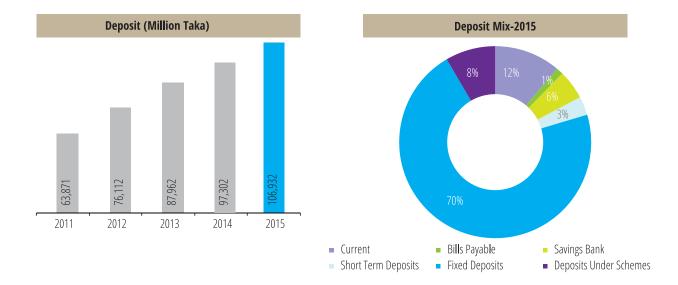
# Borrowings from other Banks, Financial Institutions and Agents

The function of the Treasury Division is borrowing and lending fund from money market. Borrowing from other Banks, financial institutions and agents including overnight borrowing stood at Tk. 1,116 million at the end of 2015 compared to Tk. 3,360 million of 2014. The Bank's borrowing also includes borrowing against refinance from Bangladesh Bank for financing under SME scheme and financing against SME (women entrepreneurs).

## DFPOSIT

Deposit is the principal source of fund invested to generate revenue in banking business. SBL always tried to give the highest return on the deposits from the customers The Bank's deposit stood at Tk. 1,06,932 million as on 31 December, 2015 compared to Tk. 97,302 million in 2014, thus recording 10% percent positive growth. Competitive interest rates, attractive deposit products, deposit mobilization efforts of the Bank and confidence reposed by the customers in the Bank contributed to the growth in deposits. SBL is offering different types of deposit products for the customers. Among the products, Fixed Deposits, Scheme Deposits of different types, savings deposits, short-term deposits remained the core deposits of the Bank. SBL Regular Income program (SRIP), Double Income Plus (DI+), SBL Regular Deposit Program (SRDP), Life Secured Double Income Program (LSDIP) etc. are some attractive products, which contributed to the grow the of deposit.





# SHARE CAPITAL

The Authorized Capital of the Bank was Tk. 15,000 million as on 31.12 2015. The paid up capital of the Bank has been increased to Tk. 6,557 million from Tk. 5,702 million due to declaration of 15% (Fifteen percent) stock dividend for the year 2014. The total equity of shareholders of the Bank at the end of the year 2015 stood at Tk. 11,474 million and in 2014 was at Tk. 9,886 million.





# STATUTORY AND OTHER RESERVE

The Statutory and Other Reserve increased to Tk. 3,769 million during the year by registering 14% (fourteen percent) increase over Tk. 3,306 million of the last year.

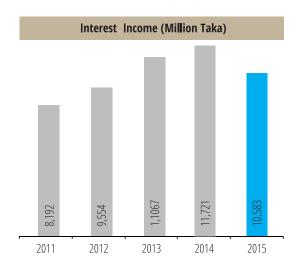
# OTHER LIABILITIES

During the year 2015, other liabilities of the Bank increased to Tk. 12,849 million from Tk. 9,383 million of 2014.

## **INCOMF**

#### Interest Income

During the year 2015 interest income of the Bank was Tk. 10,583 million as against Tk. 11,721 million of the previous year thus negative growth of 9.71% percent due to lower interest spread. The income generated mainly from loans and advances, which remained the principal contributor.

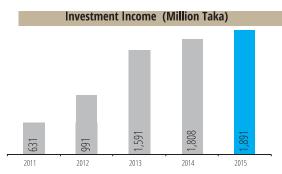


#### **Net Interest Income**

The net interest income of the Bank for the year under review stood at Tk. 2,790 million as against Tk. 3,158 million for the previous year.

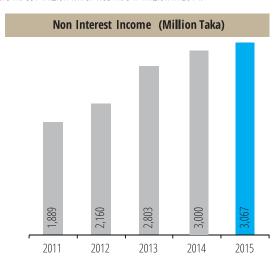
#### **Investment Income**

The Bank's investment income during the year 2015 was mostly in long term Govt. Securities which stood at Tk. 1,891 million as against Tk. 1,808 million in 2014. The Government Treasury Bonds have been purchased to cover the increased SLR arising from the growing of deposit liabilities.



#### Commission, Exchange & Brokerage Income

In the year under review, commission, exchange and Brokerage earnings were Tk. 897 million which was Tk. 947 million in 2014.



# **EXPENSES**

#### **Interest Expenses**

Interest expenses moved down from Tk. 8,563 million in 2014 to Tk. 7,793 million in 2015 posting a decrease of 9% (nine percent). The interest expenses of the Bank were decreased due to low cost of Deposits.

#### **Operating Expense**

In the year 2015, total operating expenses stood at Tk. 2,582 million as against Tk. 2,323 million of the previous year.

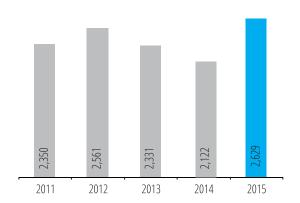




#### **Net Profit before Tax**

Net profit of the Bank before tax stood at Tk. 2,629 million as against Tk. 2,122 million of the previous year.

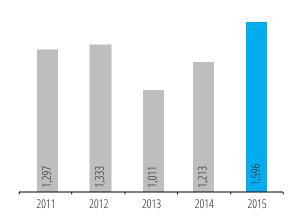
## Profit Before Tax (Million Taka)



#### **Net Profit after Tax**

Net profit of the Bank after tax stood at Tk. 1,596 million in 2015 as against Tk. 1,213 million of the previous year, thus records a amazing growth of approximately 32%.

## Profit After Tax (Million Taka)



# OPERATIONAL SUCCESS AND APPROPRIATION OF PROFIT

The operating profit of the Bank during the year 2015 was Tk. 3,275 million as against Tk. 3,835 million in 2014. The Bank was able to earn gross income of Tk. 13,650 million during the year 2015 whereas the gross expenses were Tk. 10,375 million.

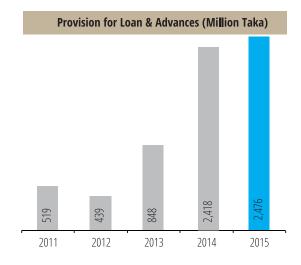
# DIVIDEND

The Board of Directors of the Bank in its 250th Board meeting held on 29.03.2016 has recommended 15% Stock dividend for the year 2015 of Tk. 983,611,178.00 by keeping Tk. 161,626,374.00 and Tk. 473,548,668.00 as retained earnings /surplus profit and Statutory Reserve respectively subject to approval from shareholders at 17th AGM of the Bank in order to maintain satisfactory capital base of the Bank.



# PROVISION FOR LOANS & ADVANCES

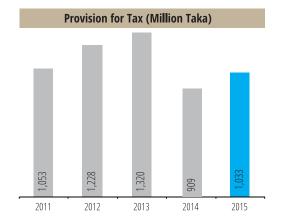
For making required provision amounting to Tk. 2,476 million against classified and unclassified advances as per revised directives of Bangladesh Bank by December 2015, the Bank made provision for Tk. 483 million during the year under report. At present there is no shortfall in provision against classified and unclassified loans and advances and Off Balance Sheet Exposures.





# PROVISION FOR TAX

Provision for tax for the year 2015 is Tk. 1,033 million compared to Tk. 909 million of previous year. According to Bangladesh Accounting Standards (BAS) 12, Current Tax of the Bank has been calculated.



# SEGMENT REPORTING

Following table also summarizes both the stand alone performance of the Bank and its two subsidiaries.

Particulars	Standard Bank Ltd.	SBL Capital Management Ltd	Standard Bank Securities Ltd	UK Ex.House	USA Ex.House	Total
Net interest Income	2,631,908,033.67	118,268,343.00	39,852,256.00	-	-	2,790,028,632.67
Total Operating Income	5,054,688,470.49	322,243,106.00	64,517,559.00	45,459,268.000	91,628,339.000	5,578,536,742.49
Total Non Operating Income	274,705,930.35	1,333,075.00	130,651.00	2,361,747.000	54,471.000	278,585,874.35
Total Operating Expenses	2,438,063,268.27	12,426,605.00	14,039,296.00	39,528,648.100	78,178,925.000	2,582,236,742.37
Profit before Provision	2,891,331,132.57	311,149,576.00	50,608,914.00	8,292,366.90	13,503,885.00	3,274,885,874.47
Total Provision	523,587,794.67	114,085,453.00	8,109,731.00	=		645,782,978.67
Profit before Tax (PBT)	2,367,743,337.90	197,064,123.00	42,499,183.00	8,292,366.90	13,503,885.00	2,629,102,895.80
Provision for Taxation	946,729,990.86	72,162,636.00	13,785,033.00	-		1,032,677,659.86
Profit After Tax (PAT)	1,421,013,347.04	124,901,487.00	28,714,150.00	8,292,366.90	13,503,885.00	1,596,425,235.94

# CREDIT RATING OF THE BANK

Surveillance rating of Standard Bank Limited was rated as on AA3 on the information of 31.12.2014 by the Credit Rating Agency of Bangladesh Limited (CRAB) which is a local rating company. The Bank has achieved **AA3 in long term and ST-2 in short term**. The above surveillance rating has been done in consideration of Bank's visible improvement in fundamentals such as assets quality, capital adequacy, liquidity position, profitability and limited market share.

# RISK MANAGEMENT

Risk Management is a dynamic process interrelated with the philosophy, culture and functionalities of the Bank. By nature, risks are extremely unpredictable. This makes it urgent for the Bank to evolve its risk management strategy in a way that best protects our interests against any insidious transactions. The management of Standard Bank Ltd. is fully cognizant to the importance of various risks involved in the banking business. Risk Management is one of the critical factors in banking. Bangladesh Bank has identified 06 (six) core risks Management of Banks and has provided necessary guidelines for prevention there from. The six core risks are:

- i. Credit Risk Management
- ii. Asset Liability Management-



- iii. Foreign Exchange Risk Management
- iv. Prevention of Money laundering
- v. Internal Control and Compliance
- vi. Information and Communication Technology (ICT) Risk

Effective risk management is indispensable for smooth commercial operation in all spheres of business. So Standard Bank Ltd. has implemented the following risk management system in line with the guidelines of Bangladesh Bank to prevent relevant risks.

#### i. Credit Risk Management

Credit risk is the risk of loss arising from the failure of a borrower, issuer, counterparty or customer to meet its financial obligations to the Bank. The Bank is exposed to credit risk both through direct exposures and through contingent exposures. Our endeavor in identifying, measuring, monitoring and controlling credit risk for each borrower and also at the portfolio level are working as the guiding principles of credit risk management. Standard Bank Limited always acknowledges effective Risk Management as the key to steady and stable growth for the Bank. The Bank's own lending policy has been introduced in the Bank in line with the directives received from the Bangladesh Bank and the Government. The Branches are the business unit of the banking system. The loan application assessment process starts at branch level by the Manager Operation (MO) and ends at Credit Risk Management approval Unit. The CRM Unit analyses the proposal from different perspectives in line with lending policy of the Bank. If the proposal is found business worthy the CRM Unit places it to the Credit Committee with its recommendations. Mentionable that Credit approval authority has been delegated to the individual executives. Proposal beyond their delegation is submitted to the Board of Directors/Executive Committee and the top management.

#### ii. Asset Liability Management

Asset Liability Management (ALM) is an integral part of Bank Management that manages the Bank's on and off-Balance sheet position to offer competitively priced products and services to customers. The Asset-Liability Management Committee (ALCO) holds meetings regularly to discuss both the opportunities and threats to the Bank's Balance Sheet & Liquidity. As per Bangladesh Bank guidelines the Bank formed Asset Liability Committee comprising with the following members:

- Managing Director & CEO
- Additional Managing Director
- Deputy Managing Directors
- Head of Branch Management and Operation.
- · Head of Credit
- Head of Treasury
- Head of IT
- Head of ID
- Head of FAD
- Head of SME
- · Head of IBW

ALCO members sit at least once in a month to review mainly the aspects of economic and money market status risks as a whole, liquidity risks related with Balance Sheet, transfer pricing risk, risks related to interest rate on deposits and advances and various important aspects including monetary policy of Bangladesh Bank.

#### iii. Foreign Exchange Risk Management

Foreign Exchange Risk arises from the variation in rates of exchange that prevail at domestic and international markets. The introduction of market based exchange rate of Taka has resulted in both trading opportunities and associated Foreign Exchange volatility risk. Foreign Exchange risks are the potential change in earning arising due to change in foreign currency prices. The front office of the Bank's Treasury Division continues to determine foreign exchange rate & tries to reduce the associated risk while the Back office settles all foreign exchange transactions and reconciliation. As a result treasury activities of the Bank are being operated smoothly and efficiently.

# iv. Prevention of Money Laundering Compliance of guidelines on AML/CFT of Bangladesh Financial Intelligence Unit (BFIU)

Anti Money Laundering Division of Standard Bank Ltd has been functioning to ensure proper compliance of overall Anti Money Laundering and Combating Financing Terrorism activities under the guidance of Bangladesh Financial Intelligence Unit, Bangladesh Bank. The AML Division is to strongly implement Bank's AML Policy to cover all latest AML issues for combating money laundering and terrorist financing maintaining International Standard.

#### **Central Compliance Unit (CCU)**

In the year 2015 Central Compliance Unit (CCU) of the bank has been reformed and as per instruction of BFIU, Bangladesh bank. Standard Bank has appointed one DMD as Chief Anti Money Laundering Compliance officer (CAMLCO) & the Head of CCU to supervise overall Anti Money Laundering activities of the bank.

## **Money Laundering Prevention (Amendment) Act-2015**

Bank has been ensuring the implementation of Money Laundering Prevention (Amendment) Act, 2015 and Anti Terrorism (Amendment) Act, 2013 in the bank to cope with latest AML strategies of national and global arena.

## **Branch Self Assessment process**

Branches are to follow internal Self Assessment procedures to justify their position regarding AML and report it to Head Office in half yearly basis. On the basis of the branch reports HO, AML Division submits its half yearly AML reports to the Honorable Managing Director and a copy of the report is to send BFIU, Bangladesh Bank.

#### **CTR Monitoring**

AML division reports CTR monthly for Tk. 10.00 Lac and above as per instruction of BFIU, Bangladesh Bank. In 2015 the numbers of CTRs of our bank were 124576 and which were reported to BFIU, Bangladesh Bank through goAML -a new software, introduced by BFIU, Bangladesh Bank as well as CD Medium.

#### **STR Monitoring**

Bank follows standard procedures to detect suspicious transaction of its clients and monitor them closely. In 2015 AML Division has detected 06(six) STRs in four different branches of the bank and reported to BFIU, Bangladesh Bank through goAML as well as traditional way.

### **Independent Testing Procedures (ITP)**

Internal Control and Compliance Division (ICCD) of the bank conducts Independent Testing Procedure to assess the status of the branches



regarding AML/CFT activities of the branches. Regional offices are also instructed by HO to conduct AML inspection in their respective regional branches to improve AML compliance status.

## Branch's AML System check up

AML Division of the Bank initiated Anti Money Laundering Inspection to check up AML system in the branches. In this process, AML Division inspected 18(eighteen) branches in the year-2015 to review their compliance status. It has a plan to conduct AML System check inspection more than 50(fifty) branches in the year-2016.

#### **Check & Sort out of KYC Procedures**

A work plan for check & sort out of KYC procedures of different active accounts opened up to 21.05.2015 was prepared by the AML division and executed the same by the branches in time.

#### **Training and Awareness**

AML Division conducts AML training/workshop with the cooperation of SBL training Institute on a periodic basis to enrich AML/CFT knowledge of its employees. AML are incorporated in all types of training being held at Head Office training institute such as Foundation, Orientation, Refresher Training and Credit, Foreign Exchange and Practice & Laws of Banking/General Banking. 212 Officials of the bank took part in AML workshop in the year-2015 and it has a plan to organize 07(seven) workshop on AML/CFT for more than 210 officials of the bank in the year 2016.



## **Correspondent Banking Relationship**

SBL has to maintain correspondent banking relationship with its foreign counterparts to conduct international business. It is to follow strict KYC procedure as per instruction of the regulatory body and giving reply of different questionnaire on Money Laundering and Terrorist Financing as received from organization abroad. In 2015 AML Division update the KYC profile with Uni Credit SPA Italy, Bank AI Jazira, Commerz Bank AG, Sonali Bank UK Ltd, Habib American Bank, Standard Chartered Bank etc.

### v. Internal Control & Compliance

Internal Control Mechanism refers to a set of tools aimed at the achievement of Organizational Overall objectives. It helps an organization to safeguard its assets, check the accuracy and reliability of data. Internal Control & Compliance (ICC) promotes operational efficiency and encourages compliance with managerial policies and procedures, laws and regulations and supervisory requirement. The ICC comprises the following three units:

- i) Internal Audit & Inspection Unit
- ii) Monitoring Unit and
- iii) Compliance Unit

An effective Internal control System can assure bank to meet the following objectives:

- To establish an effective and efficient system to identify and detect errors, omission, fraud and forgeries and to take/suggest effective measures to protect repetition thereof.
- 2) To help to establish reliable, complete adequate and timeliness of financial and management information.
- 3) To ensure compliance with applicable laws and regulations.

As per instruction of Bangladesh Bank the Bank has set Internal Control & Compliance (ICC) Division at Head Office to ensure that the internal control processes are in place through establishment of Audit Committee. The Committee reviews the internal & external Audit reports without any intervention of the Bank Management and ensures that Management takes effective measures in case of any deficiencies/lapses are found in the reports of Internal Control System.

The Bank has introduced Risk Based Internal Audit (RBIA) to assess the business risk as well as the control risk associated with the branches and determine how much care, monitoring & periodicity of comprehensive internal audit would be required to reposition the branches.

Internal Control & Compliance (ICC) Division sets out a Risk Based Internal Audit Program each year. The Risk Based Internal Audit Program for the year 2015 was chalked by ICC Division which was duly approved by the Management as well as the Audit Committee of the Board of Directors. The Audit program included the timing and frequency of audit of branches. Accordingly comprehensive audit has been conducted on 96 (ninety six) branches & 10 (ten) Divisions of Head Office, Surprise Inspection has been conducted on 13 (thirteen) branches and 01 (one) Special Investigation has been conducted during the year 2015. Moreover, in 2015 we have examined Cash Incentive Payments made by the 14 (fourteen) no of AD Branches. ICT Audit has been conducted on 32 (thirty two) branches. Major irregularities or lapses of the reports were presented to the Management and the Audit Committee of the Board of Directors. As per directions/suggestions of the Board Audit Committee as well as the higher Management, corrective measures have been taken so as to stop recurrence of such lapses or irregularities in future.





Besides, Bangladesh Bank Inspection team also conducted 47 (forty seven) different inspections in the year 2015 on various branches and Departments of Head Office. Details are as under:

Nature of Inspection	Head Office/Division	Branches
Special Inspection on Core Risk	03	-
Comprehensive	01	29
Foreign Exchange Transaction	-	08
Special Inspection	-	01
Surprise Inspection	-	05

To comply with the directives of Bangladesh Bank, ICC Division of the bank takes proper initiative to comply with the observations/suggestions of Bangladesh Bank and also sent the Compliance Report on time.

The Management Committee (MANCOM) of the Bank monitors the effectiveness of Internal Control System from time to time. The MANCOM provides certificate on overall adequacy and effectiveness of Internal Control System based on Bank's policy and procedure to the Board of Directors.

The audit Committee of the Board of Directors supervises the internal control, audit and compliance functions. Framework of the Bank is designed to manage the Bank's risks within an acceptable risk profile to implement the policies and achieve the goals and objective of the Bank. The Bank has taken various steps for ensuring internal control and compliance as per directives and guidelines of Bangladesh Bank for managing core risks in banking with a view to conduct banking business more effectively and efficiently. The Management through Internal Control and Compliance Division undertakes periodical and special audit of the branches and departments at Head Office for review of the operation.

## vi. ICT Security Risk

Information Technology has brought phenomenal transformation in the Banking industry. Moreover, Information and Communication Technology System are the essential assets of the bank as well as customers and stakeholders. The use of ICT in Standard Bank Limited is increasing extensively over the years. Considering the increased use of ICT has become inevitable to be more careful to address the Risk associated to ICT Security. Bank has formulated a well-defined ICT Policy in line with the international best practices and prudential guidelines of Bangladesh Bank on ICT Security.



## INFORMATION TECHNOLOGY

Over the last decade, there has been a major transformation on the technology front in the banking sector. Information Technology has opened up new markets, new products, new services and efficient delivery channels for the banking industry. Standard Bank Limited explores the new business with market trend and introduces new services, products based on the technology. Bank has already introduced SMS Banking, Internet Banking, ATM network, POS, KIOSK etc. and very soon we will soon introduce Mobile Banking facility.

This year a significant enhancement took place in our core banking system. We have successfully completed year closing operation of the entire bank in iStelar. Much new functionalities are added and many requirements are fulfilled. Bangladesh Bank RIT Reporting, ISS Reporting are gradually fulfilled. Some long pending general account and general ledger reconciliation works are going on.

SBL has implemented WASA, DPDC, BRTA online bill collection system successfully and collecting bills from customers regularly. Other utility bill collection systems such as DESCO, Passport fees etc will be added soon.

e-Government Procurement (e-GP) or e-Tendering system is running smoothly in our Bank and providing services to our customers through branch network across the country.

In the year 2015, SBL inaugurated 09 new branches at different locations where we deployed new PCs and structured communication network with redundant link and implemented online CBS system.

SBL purchased Mobile Apps and started its implementation. Through this service customers can have access to banking product and services with their own phone. Branch load will be reduced and digitalization of banking will be achieved. Soon this service will go on live.

As a financial inclusion endeavour from Bangladesh Bank and Government, Standard Bank has purchased Agent Banking software and started its implementation. Through this service non-banked people will get the banking service even at the remote areas. This will create a good image of our bank in the banking industry as well as throughout the country. Soon this service will will go on live.

As a modern secured and instant payment system, we have implemented RTGS system in our bank this year and went on live operation. All the banks are creating awareness to the customers and it is becoming popular gradually.

To comply with all the regulatory authorities in 2015, we have implemented AML Sanction Screening system and FATCA in some of the branches and will be implemented in the whole bank within 2016.

Bank has a plan to be the most respected and preferred brand for banking services by providing a superior value proposition to the customers and fulfilling their financial needs in the fastest and most appropriate way. In this regard, Board of Directors and Management express has given approval to establish the state-of-the-art new Datacenter and Disaster Recovery Center. Information Technology Division has completed need analysis and RFP preparation for establishing cost effective, reliable, robust and secured Datacenter and Disaster Recovery Center.



For efficient and high performance operation, The i-Stelar (core banking system) and Ultimus (off-shore banking system) are implemented in our bank. i-Stelar will enhance our business operation. IT Division has implemented i-Stelar in all the branches and within 2016 full banking operation will be run through i-Stelar. Last year, we have completed year closing operation of all the branches and offices through i-Stelar. Also management has planned to improve our bank's internal operation through a new ERP system, Contact Centre and Credit Approval system. IT Division has been working to implement the rollout of ERP.

For smooth operation in Month-End and Year-End process IT Division has planned to centralize process. Initially, IT Division will manage General accounts interest and Deposit products interest provision centrally within the first quarter and rest of the process will be done centrally within 2016.

# **HUMAN RESOURCES**

Human Resources Division of Standard Bank Limited plays a very vital role in formulating policies, developing corporate practice and culture. The Bank utilizes the existing skilled manpower and also brings in the best talents through a prudent recruitment policy in the right direction to fulfill the mission and vision of the bank. Proper recruitment policy lays the solid foundation for establishment of an institution at the initial stage and sustainable growth in future. The division has been performing the job of recruitment from the very inception of the institution maintaining 100% clarity and transparency under a well-regulated system to establish a free and fair selection of its team under the able guidance of the executives and officers.

Total number of Executives, Officers and Staff in the bank is 1604 as on December end 2015. Out of them male employees and female employees are 1381 and 223 respectively. They are relentlessly working in a team with a

vision to serve the bank with devotion and dedication to uphold its glorious image.

## **Training, Research and Development**

Training is regarded as one of the most effective and well-organized tools for human resource development. It plays a key role in increasing knowledge and developing skill and changing in attitude.

Standard Bank Training Institute (SBTI) was established in March, 2005. The training institute is entrusted with the responsibility of designing course curricula, reading materials and course contents for imparting training on deferent banking issues for enhancing professional efficiency of all officers, managers and executives of the bank. To cope with the changes and introduction of new ideas, tools, techniques and technologies in banking and also for regulatory bodies, SBTI lays emphasis on actual need-based training.

With a view to continue effort to contribute to the strategic capability of Standard Bank Limited in conformity with its vision by developing a skilled, committed, ethical and well-motivated human resource through training, Standard Bank Training Institute has already covered a total number of 7,808 (cumulative) officers and executives under different branches of training through 307 courses and workshops since its inception in 2005. In 2015, SBTI organized training for a total number of 1735 officers and executives through 64 courses and workshops. In 2015, important areas of training include Managerial Competence Development for Branch Managers, Banking Laws & Practices, Import & Export Procedure, Credit Operation & Management, SME, Micro and Agri-Credit, Communicative English in Banking, Loan Classification & Provisioning, Management of Non-Performing Loan, Money Laundering Prevention, Internal Control & Compliance, Credit Risk Grading, Developing Customer Services, Application of Negotiable instruments in Banking, Green Banking & ERM, Understanding Financial Statements, Alternative delivery



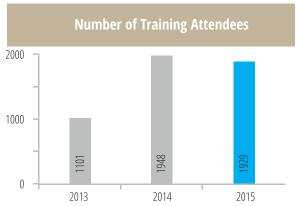


channel, Inclusive Banking etc. SBTI focused training program on Branch Management and Office management is looking for probable branch managers. The institute also conducted module-based workshops on credit operations for the same group of credit desk officers to choose and grow as certified credit officer. Training Institute also integrates ethical values, integrity, stringent transparency and accountability in all the training programs.

Moreover, the Training Institute expresses intent to extend its activity by undertaking research and study on issues relevant to banking, innovation of new products and business strategy of Standard Bank Limited.

Besides, in 2015, a total of 130 executives and officers have been imparted training on different banking areas at different training institutes of the country including NIBM, India, Nepal, Dun & Brad Street BIBM, BBTA, BIM, BAB etc. Further, 7 senior executives/officials have been facilitated with foreign training.

The reflection of the strength in the field of training and development may be perceived through continuing effort carried out in the year-wise training performance (2005 – 2015) in the following graphical representation: The category of participants in 2015 is shown in the following Table and Graphical representation:



Designation	Number (cumulative)	Male	Female
SEVP/EVP	29		
SVP/VP	32		
SAVP/AVP	112		
FAVP	104	1,517	218
SEO	117	(87%)	(13%)
EO	503		
SO	412		
OFFICER	130		
AO	296		
TOTAL	1,735		

Keeping pace with demand of need-based training, the training institute, in 2016, has stressed on massive training programs focusing on current and modern banking issues, regulatory compliance and managerial competence

enhancement aspects for exploring professional skill, update knowledge, expertise and techniques about modern banking as well as corporate behavior with changing circumstances with a view to achieving a steady and holistic growth of the bank by all-out sincere effort, endeavor and perseverance of the officials of the bank at all levels.

# CARD DIVISION

In recent times, credit card portfolios have been very profitable for banks, largely due to the booming economy. Most of the private banks are offering credit card along with the banking services. Due to rapid globalization, advances in communication technologies and digitalization, the standard of living are advancing day by day in Bangladesh. The infrastructures have been changed over the years. As a result, people are becoming more demanding. They are getting acquainted with the changing global economy. In order to serve maximum number of card users, Standard Bank Ltd joined with National Payment Switch of Bangladesh (NPSB) network through Central Bank so that our customers can have access to ATMs and POS all over the country. Thus we can provide banking services regardless of time and location. We have introduced Standard Bank Debit Card and have installed 49 ATMs and more ATMs will soon be installed. Together with Card Division, ADC have been working on it.

#### Debit and Credit Card Status as of December 2015

No. of Debit Cards issued : 40,253 No. of Credit Cards issued : 3,253

## **Profit and Advances as on December 2015**

Total Profit : BDT2,20,01,036.38 Total Advances : BDT 177,854,072.78



Standard Bank Limited signed an agreement with FARS Hotel & Resorts. Under this agreement SBL cardholder will enjoy discount facility at FARS Hotel & Resorts.

Additional Managing Director of SBL Mr. Mamun- Ur- Rashid signed the agreement on behalf of Standard Bank Limited.

# CARDS DEVELOPMENT-2015

## Introducing Zero Percent EMI Facilities (Zero Pay)

Card Division launched a sub product named Zero Pay to provide Zero Percent interest facility among the credit card users. Under this facility cardholders can go for high volume of purchase which can be paid under different installment plan ranging from 3 to 24 months.



#### **Alliance Partners**

Customers like to avail discount facilities. We have tied up with different Hotels & Resorts (eg Grand Sultan Hotel & Tea resort, Hotel Seagull, Long Beach Hotel, Hotel Ocean Paradise, Hotel Prassad Paradise, Hotel the Cox Today, Sea Crown, White Orchid, Hotel Media, Agrabad) Tours and Travel agent (Lexus Holiday), Fashion outlets (eg Vasavi, Rich Man, Lubnan, Artisti etc.) and Electronics product sellers (Transcom Electronics, Transcom Mobile, M.K Electronics) to provide discount facilities to our valuable cardholders. Our effort is to keep up tying up with more alliance partners.

### One Account One Card (Debit Card)

To maximize the number of debit card users and business relationship with bank, each accountholder of the Standard Bank Limited must avail debit card facilities. Management has already circulated issuing Debit Card for account holders.

#### Introduce E-Statement

E-Statement is an electronic version of paper statement. It offers the same comprehensive information as the paper statement. To help drive the reduction of paper consumption in conserving our natural resources, we encourage our valuable clients switch to e-Statement,

## **Standing Instruction**

With Standing Instruction facility of Credit Cards, cardholders can take care of their credit card bill payments automatically without writing cheques and wait in a queue. Under this facility, cardholders can provide 5% or 100% auto debit payment instruction from SBL Savings Account.

## **Upcoming Products and Services**

Card Division set its ambitious strategies for making consistent business growth in 2016. By the end of 2016 Card Division forecasted about 10000+ credit cards and 100000 Debit Cards to be increased.

#### **Formation of Card Sales Team**

Card market is a very competitive market in Bangladesh, especially credit card. About 89.6 crore people are using cards in Bangladesh. To increase the card market share and number of card users, SBL is about to launch Sales Team and hopefully by the end of January our dedicated sales team will serve our valued customers.

## **Launching EMV Card Products**

Launching new product is a continuous process of card Division. Card Division is going to launch EMV Gold and Platinum card for more secure PIN Based card transactions. Also plan to introduce VISA Travel, Hajj, and Prepaid and Payroll cards soon. It will help to grab new customer propositions and increase market share.

#### **POS Acquiring**

Card Division is planning to introduce POS Acquiring Business for Debit, Credit and Prepaid cardholders. It will help us increase cards revenue and Bank's Brand image also.

## The more the merrier

Corporate agreement plays an important role to enhance the card business. To make our cardholders happy through providing different kinds of card facilities, Standard Bank Card Division is planning to more tie up with renowned corporate houses.

#### 24/7 Customer Service (Call Center)

It enables seamless experience that meet the high expectations of today's customers. We are planning to introduce phone channel solution to customers in order to increase customer loyalty, satisfaction and their overall experience. Our continuous endeavor is to enhance service quality and product diversification for ensuring customers satisfaction.

# ALTERNATIVE DELIVERY CHANNELS

Alternative Delivery Channels are channels and methods for providing banking services directly to the customers where they can perform banking transactions through ATM, Branch POS, KIOSK, Internet Banking, SMS Banking, Mobile Banking and Agent Banking. These channels have enabled the bank to reach a wide customer-base across geographies. ADCs ensure the smooth flow of regular transactions and provide the bank with higher profits with lower operational expenses and transaction costs. After the establishment of this department at SBL, ADC Department has proven its ability to meet the customerss expectations by ensuring accuracy, convenience, and timeliness in service 24/7 and the channels are set to play a key role for achieving the Financial Inclusion goals of the bank.

## i) Banking through ATM

Standard Bank Limited has a well distributed ATM network across Bangladesh. SBL ATM has the latest security technology and anti-fraud mechanisms for client's complete peace of mind and provides a quick and convenient way to withdrawal funds from any owned and shared ATMs at 24/7. SBL has already installed 49 ATM Booths at different locations of Bangladesh. The Below statistics provide the no. of transactions occurred in our ATM during the year 2014 and 2015.

	Own ATM Transaction Report											
Year	Jan	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	ОСТ	NOV	DEC
2014	7360	7478	8984	8800	8752	8517	9238	8375	9464	8720	10074	11020
2015	10496	10125	11587	10732	11242	10962	11028	10803	11184	11421	11941	12589

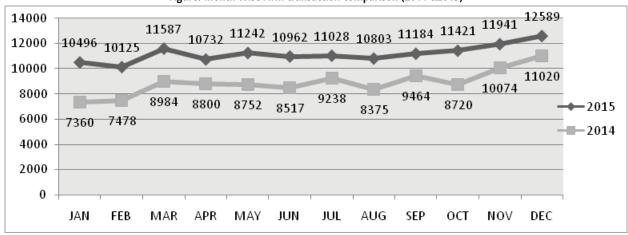


Figure: Month Wise ATM transaction comparison (2014 &2015)

## (ii) National Payment Switch Bangladesh (NPSB)

Standard Bank Limited is successfully connected with National payment System Bangladesh (NPSB). Now customers of SBL have access over 7700 ATM networks as well as 16500+ POS networks allowing ATM transactions (Cash Withdrawal, Mini Statement and Balance Inquiry) and POS retail purchase service. More Banks are going to join soon. Sooner we are going to access all ATM & POS networks of Bangladesh.

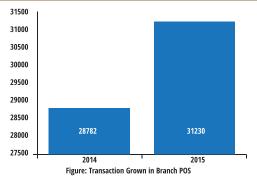
#### (iii) Branch POS

SBL already deployed 81 units of Branch POS in different branch. POS terminals help customers carry out chequeless transactions at branch by swiping debit cards on the POS machine and this is advantageous when ATMs are not nearby. Our Transactions are increasing regularly. Below is the statistics of the transactions occurred in our ATM during the year 2014 and 2015.

Branch POS Transaction Report

Particulars	2014	2015
No. of Transactions	28,782	31,230
Amount of Transactions	34,83,85,211.19	404,019,952.47

	NPSB Transaction Report(ATM)						
	Particu <b>l</b> ars	2014	2015				
SBL Card at	No. of Transactions	7,499	70,650				
NPSB ATMs	Amount of Transactions	4,13,46,500.00	46,36,91,100.00				
NPSB Cards	No. of Transactions	1,380	67,213				
at SBL ATMs	Amount of Transactions	1,04,60,500.00	41,89,55,500.00				





Hon'ble Chairman of the Board of Directors of SBL and immediate past President of FBCCI Mr. Kazi Akram Uddin Ahmed is seen to inaugurate "Spot Cash", a mobile financial service of SBL.



## iv) "SBL Express" Booth

SBL introduced "Standard Express" Model, a concept aimed to offer some integrated banking services. Standard Express is equipped with ATMs and CDMs where customers can deposit cash, cheque, refund warrant, dividend warrant etc. This model will also place to offer personalized customer service including requisition for cheque book and take delivery of their debit/credit cards/Loan Forms etc. In addition, the officials present at Standard Express will offer assistance in opening a Mobile Banking account and other banking services.



Honorable Chairman Mr Kazi Akram Uddin Ahmed is seen to inaugurate SBL Express Booth

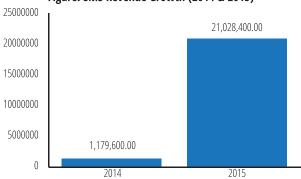
Consequently it can easily be concluded; developing the use of alternate channels is now seen as an important strategy for delivering significant savings for Standard Bank Limited. In the future we have plans of expanding our services significantly by adopting state of the art technology in order to satisfy the needs of our clients at an optimum level.

## v) SMS Banking:

SMS Banking service provides instant notifications about all transactions as and when it happens. It helps SBL clients to keep a watch on their account with a round the clock service. Now, they are always in a position to detect unauthorized access to their account. Additionally, it also helps to know their balances and mini statements instantly by sending Push-Pull SMS. Below is the statistics of No of SMS transaction and earned revenue comparison of 2014 & 2015:

Year	No Of Customer	No Of SMS	Revenue
2014	9474	4,91,124	Tk. 11,79,600
2015	183695	25,47,760	Tk. 2,10,28,400

Figure: SMS Revenue Growth (2014 & 2015)





#### vi) "Spot Cash" Mobile Financial Service (MFS)

SBL already implemented mobile financial service as a brand name "Spot Cash" which is completely new addition to its existing services. The "Spot Cash" Mobile Account model works on the fundamental principle of giving everyone an access to a bank account and adding value to lifestyle of customers irrespective of social strata in Bangladesh. Accordingly, we have already implemented 90 branch outlets and created 1021 mobile banking accounts, total number of transactions is 734 with total amount Tk. 4,03,821.99 /- up to December 2015.

## vii) Internet Banking

We already started technology driven innovative banking services like Internet Banking. By using our secured Internet Banking service anyone can check their account balance, print statement and do fund transfer quite easily from anywhere around the globe using Internet.

# PLANNING FOR 2016

#### Mobile Apps & E-commerce:

By the year 2016, SBL is also planning to integrate Mobile Application which will allow SBL clients to make utility payments, mobile recharge, online purchase etc. at any place at any time.

Inter/intra Bank Fund Transfer These facilities will be incorporated with

Mobile apps along with Internet Banking services of SBL where customers can transfer fund to other bank account.

Credit Card Bill Payment Customer can pay their credit card bill

using Internet banking/Mobile Apps.

Mobile Top-up SBL Customer's can top-up their prepaid mobile & post-paid bill by logging into

Internet banking/Mobile Apps.

> convenient and affordable way to buy products. It's convenient and cost effective way of making transaction through

internet banking.

Utility Payment Through Mobile Application/Internet

Banking, customers can execute payment of electricity (DESCO), Dhaka WASA, TITAS GAS bill, telephone bills, insurance premium bills etc. at their convenient time

and place.

Two Factor Authentication Security is the main concern for every

party involved in Online Banking. One particular system known as Two-Factor Authentication and SBL is going to make it mandatory for customers to have Two-Factor Authentication enabled to enjoy above online banking facilities.

#### **Value Added Service MFS**

Currently Cash In, Cash Out, P2P Transfer, Mobile Top-up, Balance Enquiry and Mini statement facilities are available at "Spot Cash" Mobile Financial Service. By the year 2016, we will incorporate additional value added services like Cash Collection Service, USSD Menu, MFS Cash Card through engaging

Agent Network.

## **ATM Security & EMV Chip Card**

By the year 2016, SBL is also planning to incorporate some security features across different delivery channels, such as;

ATM Security Complying the Central Bank's instruction

and as well as for securing ATM transactions from skimming fraud, we are going to install anti skimming device and PIN shield at all ATMs of SBL. By the Year 2016, we are planning to install additional 20 More ATM's all over Bangladesh.

EMV Chip Based Debit Card For securing customer data at Debit Card,

we are planning to incorporate EMV Chip based card in place of Magnetic striped

card.

Switching System up-gradation We are going to upgrade our switching

system to provide more security and enhance some value added service. After Migration we are going to implement an interface with Credit Card System so that our credit cardholder can use our ATM, Branch POS & Merchant POS.

Similarly, it can easily be concluded; developing the use of alternate channels is now seen as an important strategy for delivering significant savings for Standard Bank Limited. We have plans of expanding our services significantly by adapting state of art technology in order to satisfy the needs of our clients at an optimum level.

# AGENT BANKING

Agent Banking, concept provides low cost banking solution for the un-banked population, are part of the economy but dispersed due to geographic isolation. Agent banking is an additional delivery channel that can enhance the convenience to provide quality and affordable technology based real-time online banking services for the underserved population in a cost-efficient manner towards financial inclusion of un-banked Population.



Bangladesh Bank issued Guidelines on Agent Banking for Banks vide



Payment system Department circular letter no.05 dated 9th December, 2013, BRPD circular Letter No.07 dated 24th March, 2014 and subsequently Bangladesh Bank issued Guidance Note for Approval and operation of Agent Banking Activities for Banks vide GBCSRD circular letter no.02 dated 3rd June, 2014.

Board of Directors at its 234th meeting to held on 2nd.April, 2015 approved introduction of Agent Banking and establishment of a separate Division for handling of agent Banking.

Bangladesh Bank has given permission for operating Agent Banking vide letter No. BRPD (P-3)/745(43)/2015-4907 dated 30th June, 2015. In the meantime, we opened 4(Four) Agent outlets under Pilot Phase operation in 3(Three) districts and will open more agent Outlets throughout the Country soon.

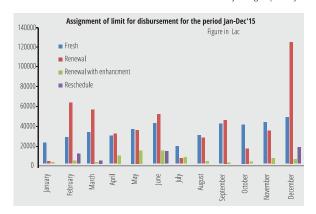
Year wise Agent Banking Implementation Plan:

Location	Year-2016	Year-2017	Year-2018	Year-2019
District	30	40	50	64
Upozi <b>l</b> a	120	200	300	400
Union/Ward	240	360	480	600

# CREDIT ADMINISTRATION

The Credit Administration Division as a vital part of credit risk management is performing its duty in compliance with the guidelines & circular of Bangladesh Bank, guidelines, circular and instructions of the management of the bank.

We, Credit Administration Division, are in incessant endeavor to serve the branches smoothly, swiftly and judiciously all through the year. A profoundly important point is to be recapped in this regard. The branch should read Head Office sanction advice between the lines so that they can grasp every



nook of the theme and requirement of documentation as specified thereon. If any requirement is deemed unnecessary, redundant or unfillable, they must contact the sanctioning authority well before documentation and take necessary deferral, waiver or omission therefrom and very then, send the file to Credit Administration Division for approval for disbursement authority.

An important point to be noted that Credit Administration Division, Head Office has no authority to amend/waive/omit/defer etc. of terms and conditions of Head Office sanction advice. So all terms and condition of Head

Office sanction letter, Bank's credit norms must be complied before sending file to Credit Administration Division for disbursement authority. Moreover, the branch should apply prudence to address any matter, whatsoever, unattended in Head Office sanction advice or Bank's credit norms to uphold bank's interest.

The division follows the procedural steps as follows

- Scrutiny of documents in commensurate with the terms and conditions as stipulated in the sanction advice as well as enunciated in Bangladesh Bank circular applicable for individual types of loan.
- 2. Assignment of limits in core banking software enabling the branch open account(s) against the disbursed facility.
- Providing reports of assignment of limits (fresh, renewal, renewal with enhancement and reschedule) to the management regularly.
- 4. Communicating with ICCD regarding reports as and when sought

The assignment of limit by Credit Administration Division for the period from January 2015 to December 2015 can be figured by the following way:

# LAW & RECOVERY DIVISION

As per Bangladesh Bank guidelines, the loans after being classified are transferred to Law & Recovery Division for proper treatment. After getting files of classified loans from Credit Division, Law & Recovery Division follows up the classified loans and gives proper treatment/advice to the branch regularly for realization/regularization of the loans. Besides this, Law & Recovery Division always monitors the suits filed by the bank against the defaulting borrowers as well as suits filed by the borrower against the bank through lawyers and informs the position to the Higher Management and Board of Directors of the Bank time to time.

As a result loans and advances for Tk. 295.90 Crore has become non-performing as on December, 2015 i.e. 3.26% total loans and advances of Tk. 9,084.40 Crore compare to 264.41 crore i.e. 3.57% of the previous year of loans and advances has turned into newly classified and an amount of classified loan of Tk. 259.41 Crore was reduced by cash recovery of Tk. 20.41 Crore, by rescheduling Tk. 195.50 Crore, by waiver of interest of Tk. 0.70 Crore and by write-off of Tk. 42.81 Crore. The bank is aware of the increasing trend of NPL and effective recovery efforts have been geared up to reduce the non performing loans. Bank is very alert to the asset quality and taking proper steps to maintain asset quality by reducing the classified loan and stopping new classification of loans and advances in the current year.



# **BUSINESS TEAM**

The "Business Team" of Head Office is effectively organizing our day to day business operations through IT enabled solutions. In the meantime, we have already moved ahead and successfully running latest version of Core Banking Software 'i-Stelar'. Automation has brought much improvement in customer service and most of the transaction related activities have been automated at Branch and Head Office level. In order to minimize the overall risk and strengthen our monitoring system in the new environment, Business Team is working round the clock. The situation has come to look into the whole system in computerized environment and do new mapping so that unauthorized and fraudulent activities can be stopped as far as practicable and to minimize the risk. We have also introduced Agent Banking services for extending banking facilities towards our clients all over the country outside the branch counter. In addition, we have introduced a new dynamic website for our bank instead of existing one.



Annual Business Conference 2015 held at Ballroom of Pan Pacific Sonargaon, Dhaka under the Chairmanship of Managing Director Mr Md. Nazmus Salehin. Hon'ble Chairman of the Bank and President of FBCCI Mr Kazi Akram Uddin Ahmed graced the occasion as chief guest.

# SME FINANCING

SMEs are important to almost all economies of the world, but especially to those in developing countries like Bangladesh. Financing in SME sector is a good opportunity to diversify the portfolio risks. Small & Medium Enterprise (SME) remains the engine of growth in the emerging economy. Standard Bank Limited has been putting its emphasis on Small and Medium Enterprise Financing in line with the Prudential Regulations/ Guidelines of Bangladesh Bank. The Bank's strategy was to provide working capital and term loan to different small and medium scale manufacturers, traders and service providers that fall under SME sector.

The Bank disbursed Tk. 4,944 million in SME sector during the year in 2015 out of which small enterprise Tk. 3,249.7 million and medium enterprise Tk. 1,694.4 million. The outstanding balance of the same as on 31.12.2015 stood at Tk. 7,887 million. As a vision to diversify the credit portfolio as well as to minimize credit risk, the bank is now focusing more on SME sector. A yearly target of Tk. 750.00 Crore was set up for the year 2015 and disbursed Tk. 494.41 Crore under SME sector during 2015 while it was Tk. 422.75 Crore up to December 2014.



### **Refinance Agreement with Bangladesh Bank**

Agreement has been executed with Bangladesh Bank on 06.04.2010 & 06.07.2010 for refinance against disbursed loan to Women Entrepreneurs (@10% interest) & for refinance against disbursed loan for setting up agro-processing rural industries and another agreement with Japan International Corporation Agency (JICA) on 11.06.2012 to get refinance against disbursed loan to support Small & Medium sized manufacturing enterprises. So far we have received Tk. 9.11 Crore refinance from Bangladesh Bank for lending to Women Entrepreneurs.

In view of Govt. policy, Bangladesh Bank directives and for diversification of risk, Branch incumbents are advised to diversify their loan portfolio and enrich SME sector and Women Entrepreneurship.



Standard Bank Limited signed an agreement with Bangladesh Bank to facilitate long-term financing under the World Bank funded Financial Sector Support Project (FSSP). Managing Director of SBL Mr Md. Nazmus Salehin and Executive Director (FSSP) of Bangladesh Bank Mr Md. Ahsan Ullah signed the agreement on behalf of their respective organizations.

## Comparative Business Performance on SME financing as on 31.12.2015:

#### **Comparative Business Performance on SME financing as on 31.12.2015:**

(Fig in Crore)

Enterprise		sement the year	Growth Rate	Yearly Target	Achievement (%) Outstanding as on 31.12.2014		Outstanding as on 31.12.2015
	2014	2015	2015	2015	2015	011 3 1. 12.20 14	011 31.12.2013
Small	263.04	324.97	23.54 %	300.00	108.32 %	365.49	489.19
Medium	159.72	169.44	6.08 %	450.00	37.65 %	242.00	299.47
Total	422.75	494.41	16.95 %	750.00	65.92 %	607.49	788.66

#### **Events and Fairs on SME participated by Standard Bank Limited during 2015**

<sup>1. &</sup>quot;2nd SME Banking Match Making Fair" of 9th International Women's SME Expo Bangladesh- 2015 organized by Chittagong Women Chamber of Commerce & Industry (CWCCI).

<sup>2.</sup> SME entrepreneurs-Bankers fair arranged by SME Foundation & Bangladesh Bank at Hotel Sonargaon.



# AGRICULTURE & RURAL CREDIT

In the present day Agricultural sector's contributing more than 16% into our National GDP. In the nature of our economy all kinds of activities related to agriculture & rural credit sector. Keeping this in view, Bangladesh Bank has taken all possible measures to reinforce the aspect of extending financial support in this sector through the Bank & advise all Banks to set target of financing sector. Accordingly Bangladesh Bank fixed target of Tk. 155.00 Crore which is 2% of Loans /Advances outstanding of Banks as on 31.03.2015 for the fiscal year 2015-2016. This target has been set up to be achieved through 67 Branches including seven SME/Krishi Branches directly and NGO linkage programs the micro financing institute (MFIs).

During the calendar year we attend several seminars, symposium, farmer's meeting, open loan disbursement program at Dhaka, Jessore, Rajshahi, Comilla, Ranjpur, Chittagong, Dinajpur, Pabna. Few of the programs are organized by Bangladesh Bank. Our Bank's representative regularly attend Zilla Krishi Rin Committee meeting headed by DC, at District level. Divisional Head of Agri./Rural Credit Division is very punctual to attend every routine meeting & special meeting. Agri./Rural Credit Division comply each & every query & reporting in time so as to consolidate our Bank's Position & image.

# FINANCING IN WOMEN ENTREPRENFURS



Standard Bank believes that empowerment of women can be truly achieved if they get opportunity to attain their economic emancipation. Women Entrepreneurs financing has been introduced in the Bank to encourage the women in doing business in Small & Cottage industry and others. The outstanding balance in this sector stood at Tk. 20.9 million at the end of the year 2015.

# POVERTY ALLEVIATION SECTOR FINANCING

Bank continued to extend commercial loan to the enthusiastic youths and small entrepreneurs for various sectors through its different branches on priority basis during the year. For this purpose the Bank disbursed loan in dairy and poultry to obliterate the poverty and to create employment opportunities for the destitute. The outstanding balance in this sector stood

at Tk. 237.2 million at the end of the year 2015.

## Molla Matsha Khamar at Takerhat, Madaripur a fishery project under agricultural finance of Standard Bank Limited

Standard Bank Limited in the last fiscal year 2014-2015 we achieved our Agri/Rural Credit disbursement target Agri/Rural Credit disbursement target set by Bangladesh Bank and Bangladesh Bank appreciated by the Hon'bel Governors' letter. This greatly consolidated our position & image. Our target was Tk. 140.00 Crore for loan disbursement & we achieved Tk. 218.09 Crore. We achieved target but this was due mainly to the fact that we were constrained to disbursed above 80% of Agri/ Rural Credit through MFI(s).

Apart from the existing terms & condition for disbursing Agri./Rural Credit. Bangladesh Bank has recently brought all private Banks under varied rating standard including CAMEL rating. So far as to take —up new challenge of the rating standards our disbursement & recovery portfolio need Under this circumstances that we have less than enough man power & number of rural Branches, Honorable Board of Directors approved to appoint 104 contractual employees. We deployed 29 contractual designated officers as CRO (Customer Relationship Officer) on 2014-2015. Out of them at present 20 nos. are posted & performing their duties. Step by step we shall deploy more contractual employees so that our own capacity will be built up. Through Branch own capacity & marketing by CRO of SBL disbursed Tk. 18.52 Crore in own capacity & collected deposit Tk. 30.94 Crore.

# GREEN BANKING

For Sustainable development & there by save the planet, Bank hold a unique position in an economic system that can affect production, business & other economic activities through their launching activities & thus may save the contribute to save environment from pollution, Green Banks or environmentally responsible Banks do not only improve their own standards but also affect socially responsible behavior of other business, the activities that are no hazardous to environment & helps conserve environment, In the year 2015 Green finance disbursement target was TK. 103.60 Crore, Bank utilized fund Tk. 419.31 Crore in Green Finance, Climate risk fund, marketing training & capacity building. Number of project rating under environmental risk rating 196 of which amount in Tk. 1796.69 Crore, initiate in house environment management number of branch 104. Consumption of water, Paper & Energy amount in Tk. 2.17 Crore. Number of total account under internet Banking 50,487 & number of account mobile banking 67,793, Employee training in 2 session total 55 nos. SBL initiate a Green Banking policy Guide line with 47 products and to be adapted all circular proclaimed by Sustainable Finance Department of Bangladesh Bank.





Standard Bank Limited donated blankets to the honorable Prime Minister's Relief & Welfare Fund to distribute among the cold affected people. Mr. Kazi Akram Uddin Ahmed, Chairman of the Bank & immediate past President of FBCCI is seen to hand over the blankets on behalf of the Bank to the Honorable Prime Minister Sheikh Hasina at Ganabhaban on 09 December 2015.



Standard Bank Limited donated BDT 5 crore to the honorable Prime Minister's Relief & Welfare Fund to the victims of Rana Plaza, Savar tragedy.

Mr. Kazi Akram Uddin Ahmed, Chairman of the Bank & immediate past President of FBCCI is seen to hand over the cheque on behalf of the Bank to the Honorable Prime Minister Sheikh Hasina





Standard Bank Limited donated to the honorable Prime Minister's Relief & Welfare Fund for Lakho Konthe Shonar Bangla Fund. Mr. Kazi Akram Uddin Ahmed, Chairman of the Bank & immediate past President of FBCCI is seen to hand over the cheque on behalf of the Bank to the Honorable Prime Minister Sheikh Hasina



Standard Bank Limited donated blankets to the honorable Prime Minister's Relief & Welfare Fund to distribute among the cold affected people. Mr. Kazi Akram Uddin Ahmed, Chairman of the Bank & immediate past President of FBCCI and Mr. Md. Nazmus Salehin, Managing Director and CEO of the Bank is seen to hand over the blankets on behalf of the Bank to the Honorable Prime Minister Sheikh Hasina



Standard Bank Limited distributed clothes and food items to the Leprosies for the upcoming Eid-ul Fitr.

Hon'ble Chairman of the Board of Directors of the Bank and immediate past President of FBCCI Mr. Kazi Akram Uddin Ahmed handedover the goods among 1500 Leprosies as chief guest.



# **BUSINESS & MARKETING**

Marketing Division engaged in marketing of corporate products by way of mobilizing deposits and extending financial benefits & various supports to reputed business entities and mass market throughout Bangladesh & Abroad. The division successfully established banking relationship with different Government & semi Government bodies, NGO's such as Titas Gas Transmission & Distribution Ltd, WASA, BTRC, DPDC, DECSO, BTCL, PDB, REB, BSTI, RJSC, BGMEA, Parjatan Corporation, Passport office, Election Commission, Grameen Bank, PKSF, ICB, Petroleum Corporation, Petro Bangla, Municipal Development Fund, National Housing, House Building Finance, IDCOL, Padma Bridge Projects, Ministry of Industries, Ministry of Religious Affairs, Ministry of Health, Ministry of Manpower, Ministry of Education, Ministry of Commerce, Ministry of Food etc.



Standard Bank Limited and Dhaka Power Distribution Company Limited signed an agreement for collecting Electricity Bill through online banking system from SBL branches. Additional Managing Director of SBL Mr. Mamun-Ur-Rashid and General Manager (Finance & Accounts) of DPDC Mr. Md. Aminul Islam, FCMA signed the agreement on behalf of their respective organizations.

The Division is being opened collection accounts for receiving Utility Bills for individual households, commercial and Industrial sectors through offline & online by different branches of bank particularly in the commercial area of Dhaka, Narayangonj, Gazipur & Savar. Besides online Hajj fees collection through all branches is also remitted to Saudi Arab every year through Sonali Bank Limited.

The Division has successfully able to communicate & arranged agreement of E-Tendering program with CPTU, Ministry of Planning which is already started all of our branches successfully. For this reason the division arranged to issue Bank guarantee from which bank is gaining multiple benefits. We already started to collect WASA bill through online collection, BRTA vehicle and registration fees and charges along with taxes, REB bill collection, DPDC, TITAS and DESCO bill collection by our selective branches.

Recently the division is going to arrange an agreement with BTCL for online T&T bill collection of all zones through our branches. There are some more upcoming projects like passport fees collection, NID fees collection, RJSC fees collection and BSTI fees collection. The Division has already arranged School Banking initiatives of all branches as per instruction & guideline by Bangladesh Bank.

We are communicating with the officials of Dhaka South City Corporation, Dhaka North City Corporation, Bangladesh Road & Transport Authority, Election Commission, National Board of Revenue & they showed positive approach to move forward. These different types of approach will give us a sustainable growth.

## INTERNATIONAL TRADE OPERATION

#### International Trade

One of the most important components of Standard Bank's business profile is financing in International Trade that has been playing a significant role in the

overall foreign exchange business since inception of the bank. The bank is contributing in country's national economy by successfully handling foreign exchange business offering a broad spectrum of Trade Finance Products through its 19 Authorized Dealer (AD) and OBU (Off-shore Banking Unit).

## **Import**

Import volume of the bank was USD 691.79 Million eqv. To BDT 53,932.10 Million in the year 2014. Import business during the year 2015 was USD 658.16 Million eqv. to BDT 51,491.61 with 4.86% decrease.

### **Export**

During the year 2015, total export volume stood at USD 498.92.18 million equivalents to BDT 38,746.38 million with compare to the export of USD 561.18 million equivalent to BDT 43,587.75 million for the year 2014 which has decreased by 11.09%.

#### **Foreign Correspondents**

Quality and quantity of foreign exchange business depends on better correspondent banking relationship with reputed banks all over the world. Among others, increase of foreign exchange business is an objective of the bank. Keeping the objective in consideration, all out effort is being under process to establish correspondent banking relationship with internationally reputed banks globally. Now the bank has correspondent banking network with 417 renowned banks around the globe along-with RMA (Relationship Management Application) under SWIFT covering their all branches globally. We have already established RMA arrangement under SWIFT with 47 local banks also.

The bank is enjoying credit line of substantial amount from most of the renowned banks covers globally where Standard Chartered Bank, Mashreqbank psc, Habib American Bank New York(China, Turkey, Japan, South Korea, Indonesia, UAE), ICICI Bank(Singapore, New York, India, Hong kong, London), Commerzbank AG Germany, AB Bank Mumbai, EBL Finance (HK) Ltd., AB International Finance Hong Kong, Habib Bank Zurich (HK) Ltd.



(former HBZ Finance HK Ltd.) and UBI Banca, Italy are mentionable. SBI-Jeddah, Bank Maskal-Riyadh & Bank Al-Jazira also confirm our LC in Saudi Arabia on case to case basis. This helps us to rule our LC business and also to fulfill our payment commitment abroad.

## **Foreign Remittance Drawing Arrangement**

Presently, the bank has remittance drawing arrangement with Wall Street Finance LLC, USA and MoneyGram Payment System USA Inc. MoneyGram facilitates remittance made by Bangladeshi expatriates all over the world by using their Global network. In UAE, we have arrangement with Wall Street Exchange Centre LLC, Al-Ghurair Exchange, Universal Exchange and Instant Cash FZE UAE. We have also made remittance drawing arrangement with Western Union, USA and ZENJ Exchange Company, Bahrain & Xpress Money, UAE as sub agent. Drawing arrangement with Al-Ghurair Int'l Exchange, UAE is under process. The bank continues its efforts to make remittance drawing arrangements with different exchange houses in the potential countries.

#### **Inward Remittance**

Foreign Remittance Business of the bank stood at USD 144.35 million equivalents to BDT 11,369.47 million for the Year 2015, which is higher by 36.04% compared to previous year 2014 of remittance USD 106.11 million equivalents to BDT 8,291.23 million.

#### **Remittance received from Exchange Companies**

During the year 2015, we have received USD 123.56 million equivalents to BDT 9,754.61 million through different exchange companies which is increased by 47% with compare to the remittance of 84.10 million equivalent to BDT 6,586.90 million for the year 2014.

#### **Bank's Own Exchange Company**

We have the following two Money Transfer Companies in UK and USA, 100% owned subsidiary of Standard Bank Ltd.

- 1) Standard Exchange Co (UK) Ltd.: The Company started its operation at 101 Whitechapel Road, London E1 1DT, UK. in the month of August 2009. We have received remittance GBP 25.94 Million equivalent to BDT=3,158.00 Million during the year 2015 which is 66.39% higher with comparison to previous year of remittance GBP 15.59 Million equivalent BDT=2,029.05 Million.
- 2) Standard Co. (USA) Inc. U/A/N "STANDARD EXPRESS": The Company started its operation on 1st March 2011 by opening its 1st branch at 37-22 73rd Street Suite # B2, Jackson Heights, NY 11372, U.S.A. It has now 6 branches located at Jackson Heights, Jamaica, Ozon Park, Brooklyn and Bronx in New York and one branch in Los-Angeles at 4151 West Third Street, Unit A, Los Angeles, California 90020, U.S.A. We have received remittance for USD=38.22 Million equivalent to BDT=3,034.39 Million from Standard Express during the year 2015 which is 22.91% higher than the previous year's(2014) remittance for USD=31.09 million equivalent to BDT=2,437.04 Million.

## **Foreign Currency Exchange Booth:**

We have opened Foreign Currency Exchange Booth at Arrival Lounge, Concourse Hall in Hazrat Shahjalal International Airport, Dhaka on 27th March 2013 which is another remarkable value added service in the Foreign Exchange Business of our bank.

#### Off-Shore Banking Unit (OBU):

We have started operation of our Off-Shore Banking Unit from this year which will widen our coverage of business services. Total 130 bills amounting to \$12.33 Million have been discounted through OBU from Jan to Dec 2015.

# **TREASURY**

SBL Treasury is an important and unique banking unit and it has been performing consistently with respect to contribution to bank's profit. It performed remarkably well in 2015 through executing strategies properly and forecasting market accurately especially in Money Market Dealing with the Local Currency for managing and utilizing fund and the other is Foreign Exchange Dealing with the Foreign Currency. We have a superb Treasury Team working for prudent fund management with excellence in performance and skill. During the Year 2015 income from the Treasury was Tk. 152.73 Crore

## **Business & Financial Highlights**

**Money Market Desk (Local Money):** Our money market deals with Call Money, short & medium term borrowing and lending with the financial market in order to meet the liquidity requirement of the bank along with meeting regulatory requirements (SLR & CRR).

**Foreign Exchange (FX) Desk:** Through our FX desk our dealers have explored proprietary FX trading (mainly in USD, GBP & Euro) and provided pricing facilities to other players in the inter-bank market. Mode of foreign currency dealings are mainly buying, selling, corporate dealing & also SWAP. Our FX desk is also providing funding support to our offshore banking unit.

**Securities Desk:** Our securities desk is active in mainly government securities deals with both primary and secondary market, also invest in sub-ordinate bonds. The Securities Investment Committee takes investment decision and review the performance of the portfolio. Types of government securities are T-bills (91 Days, 182 Days, 364 Days) and T-bonds (2 years, 5 years, 10 years, 15 years, 20 years) for banks and non-bank customers. Besides, SBL Treasury invests in 30 days tenure Bangladesh Bank Bills. By the end of 2015, our team positioned itself as one of the most promising member among the banks in secondary trading of government securities.

**Asset Liability Management (ALM) Desk:** We have separate ALM desk under Treasury division which analyze and provides market information to Asset Liability Management Committee (ALCO) for taking strategic decisions.

**Reuters:** Our dynamic Treasury team is supported in all their activities by Reuters. The platform provides us with instant connectivity with Banks and Financial Institutions in Bangladesh and abroad. It also allows them to conduct analysis of all kinds of securities that the market players are dealing in. The platforms offer a wide array of information from numerous sources enabling the team to conduct complex analysis and forecasts to support its trading and investment decisions. Our team is one of the top teams in the market in terms of performance and coverage. We aim to be the top treasury team in the market by 2016.

#### **Treasury Investments**

Treasury Investment mainly cause for maintaining the Statutory Liquidity Ratio (SLR). SBL Treasury usually maintains its Investment portfolio mainly for maintaining SLR and to some extent for the prudent fund management. SBL Portfolio mostly containing of Government Treasury Bills (i.e. 91 Days, 182 Days & 364 Days) and Government Treasury Bonds (i.e. 2 Years, 5 Years, 10 Years, 15 Years and 20 Years) in our holding. At the end of year we also invested in Bangladesh Bank Bills to diversify our investment and also to take the privilege to maintain Statutory Liquidity Ratio (SLR). Our portfolio also reflects distribution of liquidity performance. At the end of year 2015, the size



of Investment portfolio was Tk. 1627.12 Crore against Tk. 1708.08 Crore in the year 2014 showing a decrease of 4.74%. In spite of decreasing investment we have increased profit because of maintaining the portfolio well all over the year. Within the portfolio of 2015, 22.19% are in the HFT (Held for Trading) mode and the rest 77.81% are in the HTM (Held to Maturity) mode. Besides the investment of Government Treasury Bills/Bonds, SBL invested Tk. 27.06 Crore to the Fixed Rate Subordinated Bond of Dhaka Bank Limited, National Bank Limited, Trust Bank Limited Unsecured Subordinated Non-convertible Bond and First Bangladesh Fixed Income Fund.

# STRATEGIC BUSINESS OUTLOOK

Growth requires vision and long term targets. Bangladesh is still one of the fastest growing economies in the world. This means that the bank's strategy of prioritizing investments over profits will yield greater returns in this growing economy.

Generation, Pharmaceutical, Ship-Building, Iron & Steel industries. Due attention is now being given to Agri & Agri based sector. SME and other micro credit operations are new areas for us for uplifting national economy at large.

During the year under review, out focus and strategy was concentrated on sustainable long term grown of business, better deposit mix, improving the quality of assets, rationalizing of operating cost, improving operational efficiency and productivity of resources, better and faster customer service, expansion of branches and ATM, mobile banking services, agent banking, offering a number of new product in retail banking, SME financing, Card services and strengthening the overall risk management as well as corporate governances system. At home some more Branches are being opened considering potentialities and demand of the economic needs of the concerned areas. Its ultimate goal is to cover more areas with technology based delivery channels.



Managing Director Mr. Md. Nazmus Salehin is holding trophy of Best Corporate Award 2013 awarded by ICMAB.

Standard Bank Ltd. has put in strong endeavor to involve in banking sectors with the vision to grow with the economy of the country. It considers the entire spectrum of businesses activities irrespective of size, not only for the better service to its dients, but for all stake holders and people at large.

The changing scenario at Banking sector is experiencing different attention on different perspective. The priorities are also taking new style in recent development of Regulatory structure and market condition in Bangladesh. Thus Standard Bank Ltd. has taken number of steps to diversify its business avenue. Special attention is being given to finance in Infrastructure, Power

Dynamic decision making process, Moderate Risk based Management, Diversified and peoples friendly business model, Dedicated IT infrastructure, Technology base product, Strong Internal Control System and Efficient Performance of the Management team are most effective tools in attaining better outcome at Standard Bank Ltd.

Ours strategic investments in IT infrastructure, Branch ATM network, mobile banking, agent banking services and human capital continues in 2016. Standard Bank Limited has been consciously making this strategically important investments to provide much better customer service with a wide range of products that will definitely bring long term stable growth and a more inclusive banking for all.



Our strategic management is a process that evaluates and controls our business in the total Banking industries, in which we are exactly involved. We also assess the market environment to set goals and strategies by taking into consideration of all potential competitors.

# CUSTOMER SERVICES

Customers are the first priority to the Bank and the company philosophy is to satisfy the clients who act as ambassadors of the Bank for image building. Our prime focus is to give total solution to customer problems. The Bank is providing different customized services for our valued customers. Customers are our first priority and the main contributing agent to our success. Our customers come from all walks of life.

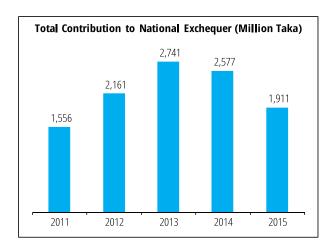
# CORPORATE GOVERNANCE

One of the basic policies of the Bank is to strengthen its corporate governance status by establishing responsible management system and strengthening supervision. Corporate governance is the system by which business companies are directed and controlled. Since its inception, Standard Bank has actively and fully adhered to the principles of sound corporate governance. Fairness, Transparency, Accountability and Responsibility are the minimum standard of acceptable corporate behavior today. Standard Bank Limited continues to ensure the compliance of Corporate Governance as per Bangladesh Securities and Exchange Commission rules and regulation. Corporate Governance establishes specific responsibility to ensure accountability.

# CONTRIBUTION TO NATIONAL EXCHEQUER

During the year 2015 the Bank's contribution to the National Exchequer was BDT. 1,911 million. The bank's contributions to the National Exchequer for the last 5 years are given below:

Total Contribution to National Exchequer				(Figure	in Mi <b>ll</b> ion)
Year	2011	2012	2013	2014	2015
Amount	1,556	2,161	2,741	2,577	1,911



# BRANCH MANAGEMENT & OPERATIONS DIVISION (BMOD)

Branch Management & Operations Division (BMOD) of the Bank's Head Office deals in core banking system. This Division is playing a vital role in Branch management and its operational control. Its scope of work includes obtaining permission from Bangladesh Bank on different issues, designing Principles and Procedures, Primary Products & Services, Standard Operating Procedures, Corporate Arrangement, Branch Establishment, Business Development, all Operations, Control, Vigilance, Preventive and Corrective Measures for all Crore banking job. List of the jobs doesn't include Credit and Foreign Exchange. These jobs can basically be segregated into 4 (four) broader groups:

- A. Business Development: Deposit Mobilization
- B. Operational Control
- C. Vigilance
- D. Product Development & Market Research

### A. Business Development: Deposit Mobilization:

- Opening/Shifting new branches: Selection of Premises, Obtaining of BB Approval etc.
- 2. Business target fixation, monitoring & achieving.
- 3. Introduction of New Deposit Products.
- 4. Arranging periodical Branch Managers' Conference.
- 5. Monitoring e-GP / e-tendering issues.
- 6. Branch performance evaluation.
- 7. Fixation of Bank's Schedule of Charges.
- 8. Collection of Utility bills Pay-Rolls, Business Agreement etc.
- 9. Grading / Categorization of Branch.
- 10. Corporate arrangements.

## **B. Operational Controls:**

- 1. Account: Opening, Operation, Procedures & Controls etc.
- 2. Issuance of Duplicate of all types of Lost Instruments- FDR, PO, DD & FDD etc.
- 3. Settlement of the Deceased Accounts.
- Re-confirmation of LIEN of our Deposit Instruments i.e. FDR & other
  Deposit and Savings Scheme /Instruments to other Banks and FIs as per
  instruction of Bangladesh Bank.
- 5. Fixation of vault limit & arrangement of cash remittance etc.
- 6. Matters on mutilated and dirty bank notes & Coins.
- 7. Dealings with FAKE bank notes.
- 8. Bank's Lockers management.
- 9. Vault Key maintenance.
- 10. Dealing of Sanchayapatra/Prize Bond.
- 11. BACH Clearing.
- 12. Dealing with Blocked Accounts & Dormant Accounts.
- Circulating General/Emergency Circulars since received from BB and other regulatory authorities to our branches and giving feed-back of the same.
- 14. Changing fixed deposit and others A/C terms.
- 15. Circulating bank's circular centrally/ CMS.
- 16. Compliance of FATCA (Foreign A/C transaction compliance act.).
- 17. Preparation of Bank's Operational Manual/Guidelines.
- 18. Provide New Website write-ups in regards to Deposit products, Charge Schedule, Locker, Utility bills, e-GP, different Forms Upgrade etc.
- 19. All other related & relevant works other than credit & foreign exchange portfolio.
- 20. Upgrading Forms and formulation/upgrading standard operating procedure.



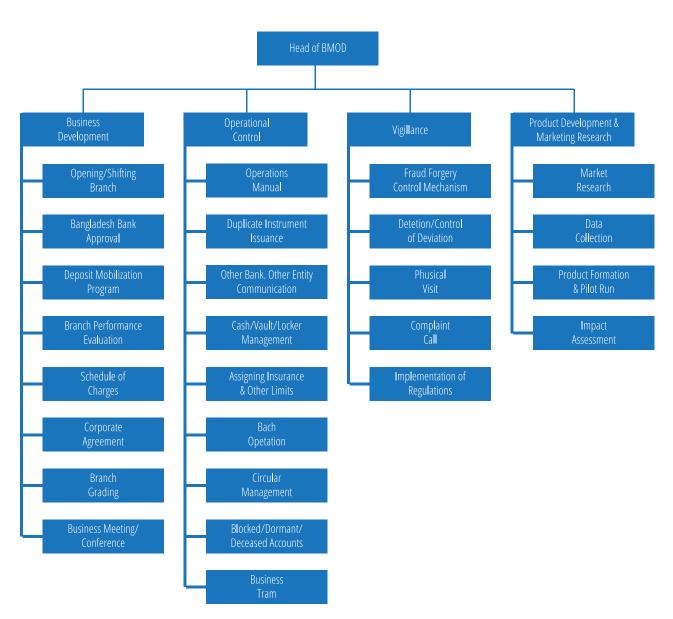
## C. Vigilance:

- Issuing Circular /Instruction for prevention of fraud forgeries, monitoring & legal actions.
- Implementation of Self-Assessment of Anti-Fraud Internal Controls checklists of Bangladesh Bank to our branches.
- 3. Physical visit.
- 4. Complaint Cell.
- 5. Implementation of regulations.

## D. Product Development & Market Research

- 1. Market Research.
- 2. Data Collection.
- 3. Product formulation & Pilot Run.
- 4. Impact Assessment

# ORGANIZATION STRUCTURE OF BRANCH MANAGEMENT & OPERATIONS DIVISION





We have executed corporate agreements with a view to providing value added customer services. These are as follows:

- 1. Agreement with CPTU for functioning E-Tendering through all Branches.
- Agreement with Dhaka WASA for On-line bill collection of WASA Bills through all Branches.
- 3. Agreement with BRTA for collection of motor vehicles Taxes and fees through On-line Banking system.
- Agreement with DPDC for On-line collection of Electricity Bills through all Dhaka based Branches of SBL.
- 5. Agreement with DESCO for On-line collection of Electricity Bills through all Branches
- 6. Agreement with REB for collection of Electricity Bills at all rural Branches.
- 7. Agreement with Radisson Hotel for Accommodation facility and services is under process
- 8. Agreement with HAAB for Hajj Fees collection through all Branches.

The following arrangements are under process:

- Agreement with BTCL for On-line collection of T&T Bills through all Branches
- 2. Agreement for Passport fees collection is under process.
- 3. Agreement for collection of City Corporation's holding & other taxes is under process.

Standard Bank Limited achieved the 3rd position during the School Banking Conference & Fair 2015 at Bogra organized by Bangladesh Bank. A total of 47 banks opened their stalls at the fair to give students banking service.

As on 31 December, 2015 the bank performs its activities across the country through 104 Branches out of which 39-Rural-SME/Krishi & 65-Urban. Besides that 02 Islami Banking windows are operating smoothly- one in our Topkhana Road Branch, Dhaka and another in Agrabad Branch, Chittagong.

The Management has planned to expand bank's network by opening 10 more new branches during the year 2016 at the important commercial hubs of the country.

The division being formed on 3rd March 2015 constantly thriving to render best possible services to the branches and gradually integrating more functionality to its scope for better operation of the branches.

## ISLAMI BANKING WING

For clients full satisfaction Vis-à-vis our sponsors' also, we have introduced Islamic Banking alongside our conventional Banking at the end of the year 2009. Currently we are operating Islamic Banking through two Windows at Topkhana Road Branch, Dhaka & Agrabad Branch, Chittagong under a separate high profile Islamic Banking Software which is known as HIKMA Software. We are providing Islamic Banking facilities to the customers on behalf of any of two windows through all conventional branches of the Bank in the country by utilizing the online Banking software. We are following & maintaining properly the Guidelines for Islamic Banking issued by Bangladesh Bank. We are also maintaining separate CRR/SLR with Bangladesh Bank for our Islamic Banking, Our Islami Banking books & accounts, deposits, investments, profit/loss, balance sheet etc. everything is fully separate from the conventional. Standard Bank Limited has formed Shariah Supervisory Committee for its Islamic Banking consisting of 5 (five) honorable members including some eminent Islamic scholars of the country. We are doing our Islamic Banking activities as per Islamic Shariah.

We are offering the following Deposit, Investment, Foreign Trade & Foreign Exchange products to our clients under Islamic Banking:



Mr. Kazi Akram Uddin Ahmed, Hon'ble Chairman of the Bank who is also the Chairman of Shariah Supervisory Committee presided over the meeting.



# **DEPOSIT PRODUCTS**

- 01. Al-Wadiah Current Account
- 02. Mudaraba Savings Account(MSA)
- 03. Mudaraba Special Notice Deposit Account (MSND)
- 04. Foreign Currency Account
- 05. NFCD Account
- 06. RFCD Account
- 07. Mudaraba Term Deposit Receipt Account (MTDR)
- 08. Mudaraba Monthly Savings Scheme (MMSS)
- 09. Mudaraba Hajj Savings Scheme (MHSS)
- 10. Mudaraba Regular Income Program (MRIP)

## INVESTMENT PRODUCTS

- 01. Bai-Murabaha
- 02. Bai-Muajjal
- 03. Bai-Salam
- 04. Hire Purchase under Shirkatul Melk (HPSM)

# FOREIGN TRADE & FOREIGN EXCHANGE

i. Import, ii. Export & iii. Remittance

In our above 02(two) Islamic Banking Windows and also through all conventional branches of the Bank on behalf of any of two windows by utilizing the online Banking software, we are providing all the above products, Services & facilities to our clients.

Our vision of Islamic Banking is to open more Islamic Banking Windows/Branches soon and to convert the whole Bank into Islamic Banking from conventional Banking by obtaining permission from Bangladesh Bank.

## SBL CAPITAL MANAGEMENT LIMITED

After a great sliding in the year 2010, the Capital Market of Bangladesh passed a somewhat promising year in 2015. Through the market was up, it was not sufficient for the merchant banks and most of their clients to recover from the brunt of the fall that started in the end of 2010. SBL Capital Management Ltd (SCML) has been ardently working to contain the negative impact of that period and towards the recovery of the client's portfolio as well as its own financial health.

In 2015, SCML showed a gradual increasing growth and reshuffling of SCML own portfolio was done regularly on prudent basis to realize profit at opportune moments without disturbing the market. In view of the above, regular repayment of loan to Head Office was made in order to come close to single party exposure limit set by Bangladesh Bank. During this period applications were made on behalf of the affected small investors to avail the 'interest waiver facility' through fulfilling certain formalities as well as applications were made in Initial Public Offerings (IPO) on behalf of investors through the 'IPO quota 'earmarked for them. But very few investors have availed the 'interest waiver' facility but all of them availed the guota facility in IPO. The account holders who received IPO shares through this quota became benefited to some extent. But these steps were not sufficient enough to recover the equity shortfall in investor's portfolio. Under this circumstances, The Board of Directors of SBL Capital Management Ltd in its 17th Board meeting held on 09.03.2015 have approved a "Rescheduling Policy" for the negative equity portfolio holders and a good number of portfolio holders have availed of the rescheduling facility to recover their equity as well as capital loss. In order to give comfort to the merchant bankers and brokerage houses the Bangladesh Securities and Exchange Commission (BSEC) again provided one year time extension up to 2016 for maintaining provision on the amount of un-realized loss in the Own portfolio as well as negative equity in the investors portfolios.

During the year 2015, the SCML earned operating profit of Tk. 31.11 Crore in comparison with 2014 which was Tk. 30.03 Crore. We are confident that we would be able to earn significant profit in the future through expansion of clientele base and new ventures.



19th meeting of the Board of Directors of SBL Capital Management Limited chaired by Mr. Kazi Akram Uddin Ahmed.



SBL Capital Management Ltd at a glance:

BDT in Crore

SI.	Particulars	2015	2014
1	Portfo <b>l</b> io Net Deposit	154.77	162.61
2	Portfolio Margin Loan	214.20	189.33
3	Borrowing	169.48	156.04
4	Total Income	48.99	53.06
5	Total Expenditure	17.88	22.76
6	Operating Profit	31.11	30.30

We expect that Bangladesh capital market will regain its normal pace in the days ahead with the restoration of peace and stability in the socio-political environment of the country.

# STANDARD BANK SECURITIES LIMITED

Standard Bank Securities Limited (SBSL) a wholly owned subsidiary of Standard Bank Limited, was incorporated as a Public Limited Company under the Companies Act, 1994 vide certificate of incorporation no. C-105752/12 dated 22 November 2012 and obtained its certificate for commencement of business dated 26 November 2012. Standard Bank Securities Limited is

corporate TREC holder of Dhaka Stock Exchange Limited. The company started its commercial operation in the month of June 2013. The principal place of business is the Registered Office at 2 DIT Avenue (Ext.), Motijheel C/A, Dhaka-1000. The main objectives of the company for which it was established are to carry on the business as stock broker and stock dealer in relation to shares and securities transactions, other services related to the Capital Market and other activities as mentioned in the Memorandum and Articles of Association of the company. Standard Bank Securities Limited is dedicated to providing a high level of professional and personalized services to its all clients. The company intends to offer high level of quality product and services at a competitive rate to all clients. It has proven reputation in serving customers by maintaining strong compliance practices and extreme ethical standard.

The number of clients of SBSL is more than thousand and it comprises of local individual & institutional investors. SBSL also acts as Agent Broker of SBL Capital Management Limited. During the year 2015, the company earned operating profit of taka 50.60 million as against taka 90.90 million in 2014. Total paid up capital of this company is taka 800 million.

This year the initiatives taken by Bangladesh Bank regarding PCB's capital market exposures, BSEC's Public Issue rules will have long term impact on the development of capital market to protect the interest of investors and confidence significantly.



8th meeting of the Board of Directors of Standard Bank Securities Limited chaired by Mr. Kazi Akram Uddin Ahmed.

# CAPITAL ADEQUACY

To manage the overall risk exposure of the bank, our primary focus has always been to reinforce our risk management policy with a strong internal control system. Our Capital Adequacy Ratio has remained consistently above the threshold (10% of RWA) of Minimum Capital requirement (Solo-12.41 % Consolidated-12.18% as on 31 December 2015) with fresh injection of capital as subordinate bond of Tk. 200 crore. To meet up the compliance of BASEL-III deadline, Standard Bank Limited with consent of Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, have issued "STANDARD BANK COUPON BEARING NON CONVERTIBLE SUBORDINATED DEBT (BOND)" for 06(six) years where ICB Capital Management Limited act as a "Trustee" for BDT 200.00 crore to meet up the Tier II capital requirement of the Bank.



# BRANCH EXPANSION AND BUSINESS DIVERSIFICATION

The year 2015 was a remarkable as well as worth noting for us because of the fact that the year had been marked by an astounding record of growth and development through multidimensional steps taken by the management. Several epochs making steps in matters of business dissemination and diversification had taken place during the year.

Keeping in mind the existing ongoing strategy plan set before and, we, during the year 2015, opened 8 (eight) new branches including 4 (Four) Rural Branches with the total number of branches coming at 104 (one hundred four) out of which 19 branches are Authorized Dealer. These AD branches properly manned by highly dedicated professionals and dexterously supported by state-of-the-art technology, are capable of and adept in handling all types of foreign Exchange Business and transactions.

Our bank plans to open 10 (ten) new branches both urban (5) and rural (5) areas in the year 2016 across the country in order to reach the more general masses and make available banking services to every sectors/areas, thus speeding up the pace of growth of economy.

Standard Exchange Co (UK) Ltd., 100% owned subsidiary company of Standard Bank Limited is operating in London, UK since August, 2009. Besides, we have opened Standard Co. (USA) Inc. under the brand name "STNADARD EXPRESS" at U.S.A. on 1st March, 2011 with total 07 branches at Jackson Heights, Jamaica, Ozon Park, Brooklyn, Bronx, Jackson Heights and Los Angeles in California.

We have also planned for opening more Exchange Companies in Italy, Spain, Singapore and other potential areas of the world in near future. As such, Bangladesh expatriates will be able to remit money with ease, comfort and confidence.



Standard Bank Limited opened Karwan Bazar Branch. Ln. Kazi Akram Uddin Ahmed, Chairman of the bank & immediate past President of FBCCI formally inaugurated the branch as Chief Guest.



Standard Bank Limited opened Chapainawabgonj branch at Boro Indra More, Chapainawabgonj. Ln. Kazi Akram Uddin Ahmed, Chairman of the bank & immediate past President of FBCCI formally inaugurated the branch as Chief Guest.





Standard Bank Limited opened Jhenaidah Branch. Ln. Kazi Akram Uddin Ahmed, Chairman of the bank & immediate past President of FBCCI formally inaugurated the branch as Chief Guest.



Standard Bank Limited opened Kadamtoli Branch at Rahat Centre, 295 D. T Road, Kadamtoli, Chittagong. Kazi Akram Uddin Ahmed, Chairman of the bank & immediate past President of FBCCI formally inaugurated the branch as Chief Guest.



Standard Bank Limited opened Banti Bazar Branch at Haji Musha Plaza, Banti Adarsha Bazar, Arai Hazar, Narayangonj. Mr. Md. Zahedul Hoque, Director & former Vice Chairman of the bank formally inaugurated the branch as Chief Guest.





Standard Bank Limited opened Kholamora Branch at Abdul Aziz Super Market, Kholamora, South Keraniganj, Dhaka. Mr. Kamal Mostafa Chowdhury, Vice Chairman (then) of the Bank formally inaugurated the branch as Chief Guest.



Standard Bank Limited opened Kumira Branch at S A Tower, Ghatghar, Baro Kumira, Sitakund, Chittagong. Chairman (then) of the Executive Committee of the Board of Directors of SBL Mr. Ashok Kumar Saha formally inaugurated the branch as Chief Guest.



স্ট্যাডার্ড ব্যাংক লিমিটেড-এর প্রধান কার্যালয়ে গঠিত **"কেন্দ্রীয় গ্রাহক সেবা** ও অ**ডিযোগ ব্যবস্থাপনা সেল"** ও এর কার্যাবলীর প্রতিবেদনঃ

ব্যাংকের মুনাফা, প্রবৃদ্ধি ও সামাজিক দায়বদ্ধতা ইত্যাদি গুরুত্বপূর্ণ উদ্দেশ্যসমূহ অর্জনের পাশাপাশি সুষ্ঠ গ্রাহক সেবাদানের বিষয়টিকে ব্যাংকের অগ্রাধিকারমূলক উদ্দেশ্য হিসাবে গণ্য করে ব্যাংকের গ্রাহকগণের স্থার্থ সংরক্ষণ, গ্রাহক সেবার ন্যুনতম মান নিশ্চিতকরণ এবং অভিযোগ নিষ্পত্তি সংক্রান্ত সুষ্ঠু কর্মপদ্ধতি প্রণয়নের লক্ষ্যে ফাইন্যাগিয়াল ইন্টিপ্রিটি এড কাস্টমার সার্ভিসেস ডিপার্টমেন্ট (কাস্টমার সার্ভিসেস ডিভিশন) বাংলাদেশ ব্যাংকের নির্দেশনানুযায়ী স্ট্যাডার্ড ব্যাংকের প্রধান কার্যালয়ে সম্মানিত ব্যবস্থাপনা পরিচালক মহোদয়ের সরাসরি তত্ত্বাবধানে 'কেন্দ্রীয় গ্রাহক সেবা ও অভিযোগ ব্যবস্থাপনা সেনা' (CCS & CMC) পুনঃগঠনের মাধ্যমে গ্রাহকদের যে কোন অভিযোগ শোনা, লিপিবদ্ধ করা ও তা প্রশমনের জন্য প্রয়োজনীয় ব্যবস্থা গ্রহন করা হয়েছে।

কেন্দ্রীয় গ্রাহক সেবা ও অভিযোগ ব্যবস্থাপনা সেলের অধীনে ব্যাংকের আঞ্চলিক কার্যালয়ের দ্বিতীয় প্রধান কর্মকর্তাকে/ক্ষেত্রবিশেষে আঞ্চলিক ব্যবস্থাপককেই প্রধান করে দুই সদস্য বিশিষ্ট আঞ্চলিক গ্রাহক সেবা ও অভিযোগ ব্যবস্থাপনা সেলে (ZCS & CMC) এবং আঞ্চলিক গ্রাহক সেবা ও অভিযোগ ব্যবস্থাপনা সেলের অধীনে/কেন্দ্রীয় গ্রাহক সেবা ও অভিযোগ ব্যবস্থাপনা সেলের অধীনে শাখার নির্ভরযোগ্য একজন কর্মকর্তা কে প্রধান করে এক সদস্য বিশিষ্ট শাখা পর্যায়ের গ্রাহক সেবা ও অভিযোগ ব্যবস্থাপনা ডেক্ষ (BLCS &CMD) গঠনের জন্য এবং প্রতিটি অভিযোগ ব্যবস্থাপনা সেলের করণীয় কার্যাবলী উল্লেখ করে তাহা পরিপালন করার জন্য গত ০৪.১২.২০১৪ ইং তারিখে পত্রের মাধ্যমে শাখা ও আঞ্চলিক কার্যালয়কৈ নির্দেশনা প্রদান করা হয়েছে এবং প্রতিটি শাখা ও আঞ্চলিক কার্যালয় নির্দেশনানুযায়ী কাজ করে যাচ্ছে।

- 'অভিযোগ বাক্স লেখা' একটি বাক্স প্রধান কার্যালয়ের দৃশ্যমান স্থানে অভিযোগকারীদের অভিযোগ পত্র ফেলার জন্য তালাবদ্ধ অবস্থায় রাখা হয়েছে।
- ব্যাংকের কোন সেবা ও পণ্য সম্পর্কে যদি কোন অসন্ত্রিষ্টি থেকে থাকে তবে দেশ ও দেশের বাইরে থেকে নিম্নুলিখিত ঠিকানা, ইমেইল ও টেলিফোন নম্বর ব্যবহার করে সম্মানিত গ্রাহকগণকে তাদের অভিযোগ জানাতে পরামর্শ দেয়া হয়েছে।

### ঠিকানাঃ

হেড অব সেন্ট্রাল কাস্টমার সার্ভিসেস এড কমপ্লেইন্ট ম্যানেজমেন্ট সেল স্ট্যাডার্ড ব্যাংক লিমিট্রেড, প্রধান কার্যালয়, মেট্রোপলিটন চেম্বার বিল্ডিং (৪র্থ তলা), ১২২–১২৪ মতিঝল বা/এ, ঢাকা–১০০০

# CORPORATE SOCIAL RESPONSIBILITY

This year Corporate Social Responsibility (CSR) activities of the Bank expenses to Taka 51.80 million under Health, Education, Disaster Management, Environment, Cultural welfare, Infrastructure improvement in remote/underprivileged areas, Income generating activities for the underprivileged population, and Others program's as against Taka 48.3 million in 2014 to reaffirm the commitments of the Bank towards society.

# APPOINTMENT OF AUDITORS

Shafiq Basak & Co. Chartered Accountants have completed their first year as statutory auditor of the Bank. As per rules statutory auditor of a bank can be appointed for three consecutive years. As such Shafiq Basak & Co is eligible for reappointment and they have expressed their willingness for reappointment. The Audit Committee reviewed their expression of interest and recommended to the Board. The Board in its 252nd meeting held on 2nd May 2016 recommended to the shareholders regarding re-appointment of Shafiq Basak & Co. Chartered Accountants as a statutory auditor of Standard Bank Ltd. for the year 2016 at an existing remuneration of BDT 5,00,000 (taka five lac only) Now in exercise of the power conferred upon Section 210(10) of the Companies Act, 1994. The shareholders of the company will approve the appointment and to fix the Auditor's remuneration in the ensuing annual general meeting. In this regard prior approval from Bangladesh Bank will be taken to appoint Shafiq Basak & Co. Chartered Accountants.





## **BOARD OF DIRECTORS**



The 235th Board Meeting of Standard Bank Limited chaired by Mr. Kazi Akram Uddin Ahmed.

The Board of the Bank consists of 15 Directors as on December 31, 2015 of high academic caliber and excellent professional knowledge, experience and skills together with the Managing Director as Ex-officio member. All of the Directors were elected by the shareholder of the company for a terms of 3 years. During the year 2015, there had been 16(sixteen) Board meetings.

To ensure the company's prosperity by collectively directing the company's affairs the Board approved different loan & investment proposals and adopted policies and plans for smooth growth of business. The Board provided guidelines for technological development in consideration of requirement of time and to face the challenges and competitions. The Board also reviewed different policies & programs on monthly basis in order to establish effective risk management in credit and other key areas of operations and provides guidelines to the Management for upholding and protecting the interest of the Bank. In addition to business and financial

issues, boards of directors deal with challenges and issues relating to corporate governance, corporate social responsibility and corporate ethics.

# INDEPENDENT DIRECTOR

To ensure good governance in the bank management and as per BSEC guidelines, the Board appointed 2 (two) Independent Directors whose are highly educated, esteemed

professional with long experience in banking industry namely Mr. S.S. Nizamuddin Ahmed who has above 50 years of checkered career in banking arena and another Independent Director Mr. Najmul Huq Chaudhury who served as Managing Director of 02 (two) Joint Venture Companies for about 32 years and has practical experience in diverse business management. The Independent directors are also Chairman and member of the Audit Committee of the Board.

# COMMITTEES OF THE BOARD

The Bank has 03(three) Board committees as set by the Bangladesh Bank namely (i) Executive Committee, (ii) Audit Committee) and (iii) Risk Management Committee with an objective to monitor and manage Bank's operations, performance and strategy.

#### i) Executive Committee

The Board delegated financial, business and administrative power to the Executive Committee to decides or acts in those cases as instructed by the Board of Directors that are not specifically assigned on full board through the Bank Company Act and other laws and regulations. The Committee used to ensure the implementation of policy and guidelines of the Board and continuous efforts guides the Management to develop uniform and minimum



123rd meeting of the Executive Committee of the Board of Directors of Standard Bank Limited held on June 22, 2015.

Chairman (then) of the committee Mr. Ashok Kumar Saha presided over the meeting.

acceptable credit standards for the Bank. The present executive committee of the Bank is comprised with 7(seven) members. During the year 2015 there were 5 (five) meetings held of the Executive Committee.



#### ii) Audit Committee

The Audit Committee constituted as under by the Board of Directors of the Bank in accordance with the BRPD circular letter no. 12 dated 23.12.2002 issued by Bangladesh Bank: The present Audit Committee of the Bank is comprised with 5(five) members. The Company Secretary of the Bank has been nominated as Secretary of the said Committee as per Bangladesh Bank Circular. During the year 2015, the Audit Committee conducted 7 (seven) meetings.



68th meeting of the Audit Committee of the Board of Directors of Standard Bank Limited chaired by Mr. S. S. Nizamuddin Ahmed, Chairman of the committee.

## iii) Risk Management Committee

Risk management committee was formed to play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently. The Committee identifying and assessing several risk factors. The committee will scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified. The present Risk Management Committee of the Bank is comprised with 5(five) members.

# MANAGEMENT COMMITTEE (MANCOM)

Management Committee consists of senior executives and departmental heads of the bank. The head of this committee is the Managing Director & CEO of the Bank. The committee meets every month and helps the Board of Directors to formulate policies/ guidelines and implements the same.

# DIRECTORS' HONORARIUM

During the year an amount of Tk. 1,417,000/- has been paid to the Directors including Independent Directors' as honorarium for attending the meeting of Directors'. It may be mentioned here that as per Bangladesh Bank's BRPD circular letter no. 11 dated 4th October, 2015 each Directors entitle to get maximum Tk. 8,000 (eight thousand) as honorarium for attending each meeting.



### COMPLIANCE OF SECTION 1.5(XXI) OF BANGLADESH SECURITIES AND EXCHANGE COMMISSION (BSEC) NOTIFICATION NO. BSEC/CMRRCD/2006-158/134 ADMIN/44 DATED 07 AUGUST, 2012

- The pattern of shareholding position as on 31.12.2015 i) Parent/ Subsidiary/ Associated Companies and other related parties: Nil
- ii) Shareholding position of Directors

SI.	Name	Position	No. of Shares	(%) of shareholding
		Chairman		
ı	Mr. Kazi Akram Uddin Ahmed	Chalfillafi	15,440,839	2.35%
2	Mr. Ferozur Rahman	Vice Chairman	13,587,084	2.07%
3	Mr.Kamal Mostafa Chowdhury	Director	15,820,108	2.41%
4	Mr. Ashok Kumar Shaha	Director	13,180,140	2.01%
5	Mr. Md. Monzurul Alam	Director	13,115,620	2%
6	Mr. S. A. M. Hossain	Director	17,856,377	2.72%
7	Mr. Mohammed Abdul Aziz	Director	18,560,827	2.83%
8	Al-Haj Mohammed Shamsul Alam	Director	17,099,775	2.61%
9	Mr. Gulzar Ahmed	Director	13,128,112	2%
10	Mr. Md. Zahedul Hoque	Director	14,963,038	2.28%
11	Al-Haj Mohd. Yousuf Chowdhury	Director	13,115,071	2%
12	Investment Corporation of Bangladesh represented by its Managing Director	Director	16,975,716	2.59%
13	Mr. S. S. Nizamuddin Ahmed	Independent Director	198,660	0.03%
14	Mr. Najmul Huq Chaudhury	Independent Director	0	0%
15	Mr. Md. Nazmus Salehin	Ex-Officio Director	0	0%

### iii) Shareholding of CEO, CFO, Company Secretary & Head of Internal Audit:

1.	Chief Executive Officer and his spouse & minor children	Nil
2.	Company Secretary and his spouse & minor children	Nil
3.	Chief Financial Officer and his spouse & minor children	Nil
4.	Head of Internal Audit and his spouse & minor children	Nil



iv) Shareholding of Executives (Top five salaried persons other than CEO,CFO, CS and HIA):

SI.	Name	Designation	Shareholding
1.	Mr. Mamum-Ur-Rashid	AMD	Nil
2.	Mr. Quazi A.S.M. Anisul Kabir	DMD	Nil
3.	Mr. Md. Motaleb Hossain	DMD	Nil
4.	Mr. Mohammad Ali	SEVP	40,347
5.	Mr. A.M.M. Laskar	SEVP	69,330

### BOARD MEETING AND ATTENDANCE

The board meeting usually holds at least once in every month, but in an emergency the meeting holds more than one. Directors who cannot able to attend the meeting(s) leave of absence were granted by the board as per their prayer. During the year 2015 total 16 meetings were held.

As per compliance of Section 1.5(XX) of Bangladesh Securities and Exchange Commission (BSEC) notification No. BSEC/CMRRCD/2006-158/134 Admin/44 dated 07 August, 2012 the attendance record of Directors in 2015 are as follows:

SI.	Name Position		Meetings Held	Attended	Remarks
1	Mr. Kazi Akram Uddin Ahmed	Chairman	16	16	
2	Mr. Ferozur Rahman	Vice-Chairman	16	15	
3	Mr. Kamal Mostafa Chowdhury	Director	16	16	
4	Mr. Ashok Kumar Saha	Director	16	11	
5	Mr. Md. Monzurul Alam	Director	16	2	
6	Mr. S.A.M. Hossain	Director	16	15	
7	Mr. Mohammed Abdul Aziz	Director	16	16	
8	Al-haj Mohammed Shamsul Alam	Director	16	14	
9	Mr. Gulzar Ahmed	Director	16	14	
10	Mr. Md. Zahedul Hoque	Director	16	16	
11	Al-haj Mohd. Yousuf Chowdhury	Director	16	9	
12	ICB, represent by its Managing Director	Director	16	14	
13	Mr. S.S. Nizamuddin Ahmed	Ind. Director	16	15	
14	Mr. Najmul Huq Chaudhury	Ind. Director	16	13	
15	Mr. Md. Nazmus Salehin Managing Director & CEO	Ex-Officio Director	16	16	



### DIRECTOR'S DECLARATION AS TO FINANCIAL **STATEMENTS**

- a) The Financial Statements prepared by the management present fairly its state of affairs the result of its operations, cash flows and changes in
- b) Proper books of accounts as required by law have been maintained.
- c) Appropriate accounting policies have been consistently applied in
- d) Bangladesh Accounting Standards (BAS)/ Bangladesh Financial followed.
- been effectively implemented and monitored.

The Board expresses gratitude to the Almighty Allah for the success of the Bank in 2015. The Board extends thanks to the valued customers, patrons and well-wishers for their continued support and co-operation to the Bank. The Board also appreciates the dedicated services of the Senior Management thanks to the Government of Bangladesh, Bangladesh Bank, Bangladesh Auditor of the Bank, for their efforts for timely completion of Audit. The Board

Finally, the Board thanks the respected Shareholders and assures them that it will continue to add to the Shareholders' wealth through further strengthenenthusiastic and skillful employees and trust bestowed upon us by our valuable clients and shareholders.

Sincerely

ehalf of the Board of Directors Ln. Kazi Akram Uddin Ahmed



Humans are social beings; we seldom live and work in isolation. Whether consciously or unconsciously, we are always in interaction with other people and we are continually planning, developing, managing and ceasing our relations with others. These relations do not appear out of nowhere. They depend on our actions and our ability to manage our actions. We all come from different ethnic, cultural, national, religious and political backgrounds. This makes each and every one of us unique with different set of morals, beliefs and values.

create an environment which will enable to motivate, develop and retain the right people in order to achieve qualitative productivity.

### HUMAN RESOURCE MANAGEMENT AS A STRATEGIC FUNCTION

It is important to have HRM on the strategic level because it provides a broader range of solutions to complex problems generated by the changing nature of work, employee diversity, changing customer needs and globalization. Effective organisational strategies can only be set if resources such as people, money and technology are taken into account. Organisations need to know their employee's capabilities and their financial and technological capacities before laying down any plans for the future. HRM is a strategic process because management of human resources plays a decisive role in determining the future success or failure of employee performance and the business as a whole. It is important that the HR strategy has to be aligned with the organisational strategy; otherwise a healthy strategic fit cannot be achieved.

Current strategic HRM trends suggest that firstly, there is a relationship between HR systems and organizational performance. Secondly, strategic HRM is more likely to be adopted in privately owned companies rather than state owned or public sector organisations, especially in the case of emerging economics. Thirdly, in the case where there are parent and subsidiary organisations.

### TRANSFORMATION OF HUMAN CAPITAL

Corporate strategy covers the overall strategy for a diversified organisation and focuses on the various businesses and practices and the ways in which strategies of each department are coordinated. Fourthly, there are attempts to merge human capital with organisational learning to develop new models and understanding of the importance of strategic HRM. A company's objective is to maximize results — to grow the bottom line. But



the process to maximize results has changed. Great profits today are based on building loyal customers, which first requires engaged and empowered employees. Employee engagement — employees' intellectual and emotional connection to their work, and the alignment of the workforce to the company's strategy — is now the tipping point of great results. This has elevated the role and impact of today's HR professionals. They have both the ability and responsibility to transform human capital into financial capital.



Human capital now accounts for approximately 70% of a company's operating expenses and is responsible for creating 85% of a company's value; its people are its profits. How its workforce is recruited, hired, aligned, educated, developed, managed and inspired is the key to successfully implementing a company's strategy and driving its best results. Activating these success factors are now the roles of the company's HR professionals.

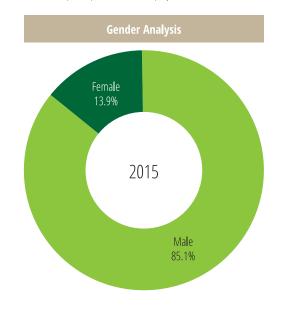
### CARFER PROGRESSION

Needless to say that career development is one of the key points in attracting and retaining employees. It is therefore significant to both employees, in terms of their individual progression, and also to the organization, in terms of retaining a vital resource for competitive advantage. In order to gain employees trust, improve their commitment and motivation and prolong their stay in the organization, SBL HR provides opportunities for them to develop their careers. Standard Bank Ltd. has completed its successful business year i.e. 2015 with 1604 employees. Every year SBL recruits number of efficient employees to achieve organizational goals. The growth rate of employment in 2015 was 3.62%.



### **GENDER BALANCING**

Standard Bank Ltd. is always committed to provide a congenial environment to the employees with equal opportunity for learning and personal growth. The ratio of male and female employees has been increasing over the year. Currently, there are 223 female employees in the bank. The female participation in the employment in 2015 was 13.9%.



### COMBINATION OF HUMAN CAPITAL

Standard Bank Ltd. always tries to ensure right number of people in right place in right time. For ensuring smooth operations, Standard Bank Ltd. has divided the total employees into four levels in which 7.61% employees are in senior level, 39.53% are in mid level, 29.74% are in junior level and rest of 23.12 % are in ancillary level.

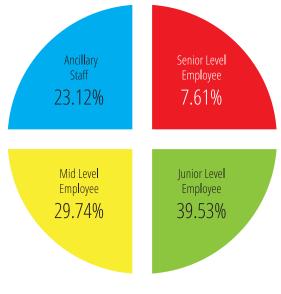


Figure: Employees at various levels of SBL



### PEOPLE IN ORGANIZATIONS

Organizations are created by the rules and resources drawn upon and enacted by people; and the nature of organizations is a result of people's actions. Thus an organization's behavior reflects people's psychological, ethnic, racial, cultural, political and social make-up. People are the most important assets of an organization. The importance of people in organization is immense it is the people that plan, design, implement, sustain and end an organization's life. From this simplistic but vital point, we can assume that one of the most important functions in an organization in the management of the human resource function.

To achieve the desired goals and to hold values, SBL management focuses managing an efficient human capital inventory. The changes in employee level over the last 3 years are as follows

Particular	2015	2014	2013
Total Employee at the beginning	1548	1365	1271
Number of Newly Recruited Employee	97	250	148
Departures (Retirement/Resignation etc.)	41	67	54
Total Employee at the end	1604	1548	1365

### PEOPLE, ORGANIZATIONS AND EMPLOYMENT

Today the success of individuals and organizations are measured by their adaptability to change. Organizations have abandoned the traditional thinking of what work is and how people should work. Employment now means more than having a job. It is not just something and individual does, but a combination of shared responsibilities and duties between the organization and the individual.

### MOTIVATION AND COMMITMENT AT WORK

One of the greatest challenges for organizations', in particular for the HR functions, is to create and maintain a motivated and committed workforce. After all, our economy depends on maintaining the motivation and commitment of employees and their increasing performance at work. Employee motivation and commitment continues to be a topical issue in business and management. Motivated employee and committed employee behavior is at the heart of HRM and a central feature that distinguishes HRM from traditional personnel management.

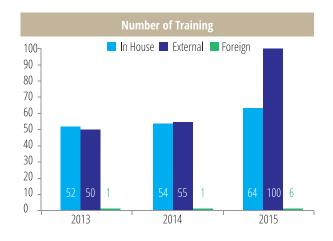
### CREATING QUALITY CULTURE

HR Division of Standard Bank Limited plays a pivotal role in formulating policies, retaining talented professionals and nurturing corporate practice and culture. SBL utilizes the existing skilled manpower and also brings in the best talents through a transparent and competent recruitment policy in the right direction to fulfill the mission and vision of the bank. Recruitment and selection are some of the important inputs to healthy organizational activities. Recruitment procedure commences within the bank due to turnover, promotion, retirement, new business strategy etc. Bank's philosophy is to retain and develop in house talents and hire the best performers in the industry. The recruitment procedure includes internal job watch, and from external sources skill set, need and availability of suitable and competent individual are the prerequisite criteria for recruitment at SBL.

A total number of executives, officers and staff in the bank stand at 1604 as on 31 December 2015. Out of them the total male employees and female employees are 1381 & 223 respectively.

### TRAINING AND DEVELOPMENT

All organizations today face rapid and often unexpected change. Giving employees the skills, knowledge and attitudes to cope with such change is a primordial factor to survival and success, both personal and business. SB Training Institute focuses to research and planning for analytical review of bank's operational achievement and performances to review the management and set strategy to sustain and improve bank's qualitative growth to build up public image and prestige. Since, the training institute is mainly entrusted with the responsibility of imparting training, a tailor-made training courses have been designed to equip them with required knowledge, skills and virtue so that they can translate bank's dream into a reality. Since its inception, SBL Training Institute has been working relentlessly to train and retrain employees on various banking issues apart from different soft skills throughout the year. The training scenario over the last 3 years is as follow-





### INVESTMENT ON TRAINING & DEVELOPMENT

Standard Bank Ltd. always emphasizes on actual need based training to enhance the efficiency and to ensure the necessary knowledge, skills and competencies for carrying out the individual responsibilities. It invested a lot to its employees on training and development for the development of its existing talents. The investment on training & development over the last 3 years is as follows



### HUMAN RESOURCE ACCOUNTING

Human Resource Accounting involves mea¬suring the costs incurred by organizations to recruit, select, hire, train, and develop human assets. It also involves measuring the economic value of people to the organization. It is the measurement of the cost and value of people to organizations. Nowadays this concept has been used to measure the cost incurred on human resources should be capitalized as it yields benefits measurable in monetary terms. Human Resource accounting is highly important for an organization to assess the overall strength of the organization. That's why; the management keeps record and prepares some reports based on the HR accounting data to analyze and to take strategic decisions for the betterment of the organization.

Some key HR accounting information of Standard Bank Ltd.

Particulars	2015	2014	2013
Total Employees	1604	1548	1365
Operating Revenue Per Employee (Million in Tk.)	3.65	4.00	3.69
Net Profit before Taxes per Employee (Million in Tk.)	1.70	1.37	1.71
Net Income Per Employee (Million in Tk.)	1.01	0.80	0.75
Asset Per Employee (Million in Tk.)	82.52	77.48	79.99
Direct Investment in Human Capital (Million in Tk.)	1629.65	1500.33	1045.81
Medical & Employee Welfare (Million in Tk.)	553.3	480.7	396.5
Training & Development Expenditure (Tk.)	4550174	3539407	2648198
Training & Development Expenditure Per Employee (Tk.)	2837	2286	1940

### STANDARD BANK TRAINING INSTITUTE

SBL has a full-fledged training institute that aims at imparting hands-on training as well as sharpening skills, attitudes and gaining professional knowledge to improve performance of employees. Since inception in 2005, the training institute has arranged various training on different topics conducted by in-house & external facilitators to enhance the professional efficiency in banking to compete in this era of knowledge-based economy. In 2015, SBTI conducted 64 training & development programs for 1735 executives/officers on Credit & Advances, Foreign Exchange and General Banking.

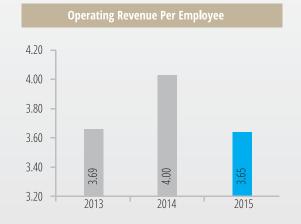


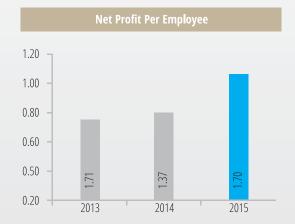


## GRAPHICAL PRESENTATION ON SOME HUMAN CAPITAL ISSUES

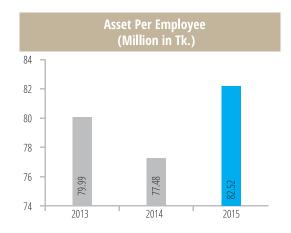
### Total Employee 2000 1500 1000 500 2013 2014 2015

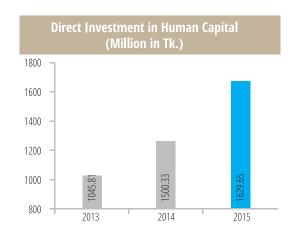


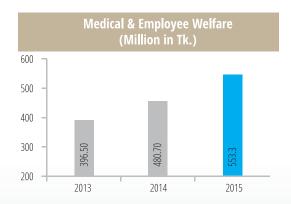


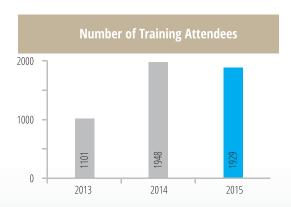


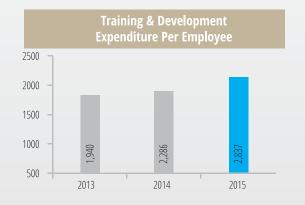
















# CHIEF RISK OFFICER'S REPORT ON

Risks are usually defined by the adverse impact on profitability of several distinct sources of uncertainty. Risk Management system is the pro-active action in the present for the future. Business grows mainly by taking risk. Greater the risk, higher the profit and hence the business unit must strike a tradeoff between the two.

The goal of risk management is to ensure depositor's interest as well as addressing the objectives of the bank's stakeholders, including: Customers, Management, Employees, Boards and shareholders, Supervisors, Rating agencies, investors, creditors and counterparties.

Risk-taking is an inherent element of banking and, indeed, profits are in part the reward for successful risk taking in business. On the other hand, excessive and poorly managed risk can lead to losses and thus endanger the safety of a bank's depositors.



### **Risk Management Framework:**

The primary objective of risk management are to ensure that the outcomes of risk-taking activities are consistent with the Bank's strategies and risk appetite, and that there is an appropriate balance between risk and reward in order to maximize shareholder returns. The Bank's enterprise wide risk management framework provides the foundation for achieving these goals. This framework is subject to constant evaluation to ensure that it meets the challenges and requirements of the global markets in which the Bank operates, including regulatory standards and industry best practices. The risk management programs of the Bank's subsidiaries conform in all material respects to the Bank's risk management framework, although the actual execution of their programs may be different. The Bank's risk management framework is applied on an enterprise wide basis and consists of three key elements:

- · Risk Governance,
- Risk Appetite, and
- Risk Management Techniques.

### Risk governance:

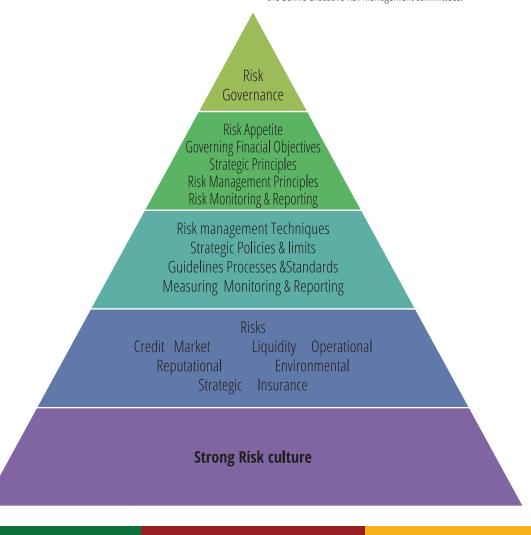
Effective risk management begins with effective risk governance. The Bank has a well-established risk governance structure, with an active and engaged Board of Directors supported by an experienced senior management team that is independent of the business lines. Decision-making is highly centralized through a number of senior and executive risk management committees.

### The Risk Management Committee of the Board:

The Board of Directors, either directly or through its committee ensures that decision-making is aligned with the Bank's strategies and risk appetite. The Risk Management Committee receives regular updates on the key risks of the Bank and approves key risk policies, limits, strategies, and risk appetite. The Risk management Division of the Bank reports to Risk Management committee of the Board on the effectiveness of the risk governance structure and risk management framework regularly.

### **Executive Risk Management Committee:**

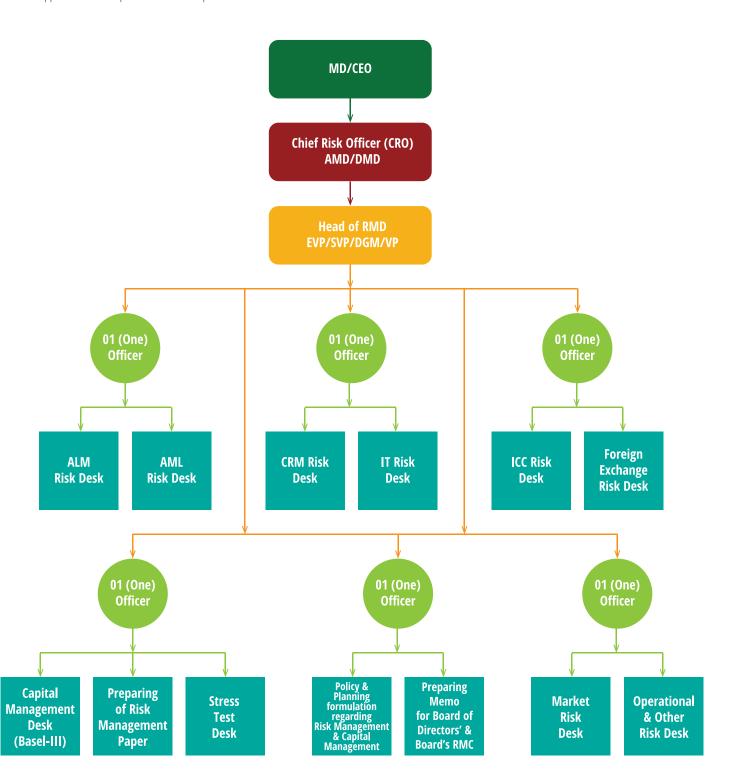
Executive management, and in particular the Managing Director and CEO and the Chief Risk Officer (CRO), are responsible for risk management under the oversight of the Board. The CRO, who oversees the Risk Management Division of the Bank, reports to the CEO but also has direct access to the Executive and Risk Committee of the Board. The Managing Director and CEO, and CRO chair the Bank's executive risk management committees.





### Organogram of Risk Management Division (RMD):

Banks has been made a Board-approved organogram of the Risk Management Division (RMD) ensuring the use of information technology along with the appointment of adequate and skilled manpower.





### **Risk Management Culture:**

Effective risk management requires a strong, robust, and pervasive risk management culture.

The Business Lines are responsible for the development and execution of business plans that are aligned with the Bank's risk management framework, and are accountable for the risks they incur. Understanding and managing these risks is a fundamental element of each business plan.

### Risk appetite:

Effective risk management requires clear articulation of the Bank's risk appetite and how the Bank's risk profile will be managed in relation to that appetite.

The Bank's risk appetite framework governs risk taking activities on an enterprise-wide basis.



**Risk Management Principle** 

• The Bank's Risk Appetite Framework consists of four components, and combines qualitative as well as quantitative terms of reference to guide the Bank in determining the amount and types of risk it wishes to prudently undertake.

### Risk management principles:

Provide the qualitative foundation of the risk appetite framework. These principles include:

- Promotion of a robust risk culture,
- · Accountability for risk by the business lines,
- Independent oversight exercised by Risk Management Division,
- Avoidance of excessive risk concentrations, and
- Ensuring risks are clearly understood, measurable, and manageable.

### Strategic principles:

Provide qualitative benchmarks to guide the Bank in its pursuit of the Governing Financial Objectives, and to gauge broad alignment between new initiatives and the Bank's risk appetite. Strategic principles include:

- Placing emphasis on the diversity, quality and stability of earnings,
- Focusing on core businesses by leveraging competitive advantages, and
- Making disciplined and selective strategic investments.

### **Governing financial objectives:**

Focus on long-term shareholder value. These objectives include sustainable earnings growth, maintenance of adequate capital in relation to the Bank's risk profile, and availability of financial resources to meet financial obligations on a timely basis at reasonable prices.

### Risk appetite measures:

Provide objective metrics that gauge risk and articulate the Bank's risk appetite. They provide a link between actual risk taking activities and the risk management principles, strategic principles and governing financial objectives described above. These measures include capital and earnings ratios, market and liquidity risk limits, and credit and operational risk targets.

### Risk management techniques:

Effective risk management includes techniques that are guided by the Bank's Risk Appetite Framework and integrated with the Bank's strategies and business planning processes.



**Strategic, Policies & Limits** 

\*Risk management techniques are regularly reviewed and updated to ensure consistencywith risk-taking activities, and relevance to the business and financial strategies of the Bank.

### **Strategies, Policies and Limits**

### **Strategies:**

Provide quantitative and qualitative guidance. This guidance is, in turn, used to set limits and guidelines on the types of risk taking activities the Bank is prepared to assume in pursuit of its strategic and financial objectives.

### **Policies:**

Apply to specific types of risk or to the activities that are used to measure and control risk exposure. They are based on recommendations from risk management, audit, business lines, and senior executive management. Industry best practices and regulatory requirements are also factored into the policies. Policies are guided by the Bank's risk appetite, and set the limits and controls within which the Bank and its subsidiaries can operate.

- Key risk policies are approved by the Board of Directors, either directly or through the Risk Management Committee of the Board.
- Management level risk policies associated with processes such as model development and stress testing are approved by the Board of Directors through Risk Management Committee of the Board.

### Limits:

Control risk-taking activities within the tolerances established by the Board and senior executive management. Limits also establish accountability for key tasks in the risk-taking process and establish the level or conditions under which transactions may be approved or executed.



### **Guidelines, Processes and Standards**

### **Guidelines:**

Guidelines ensure the Bank has the appropriate knowledge of clients, products, and markets and that it fully understands the risks associated with the business it underwrites. Guidelines may change from time to time, due to market or other circumstances. Risk taking outside of guidelines usually requires approval of the Board.

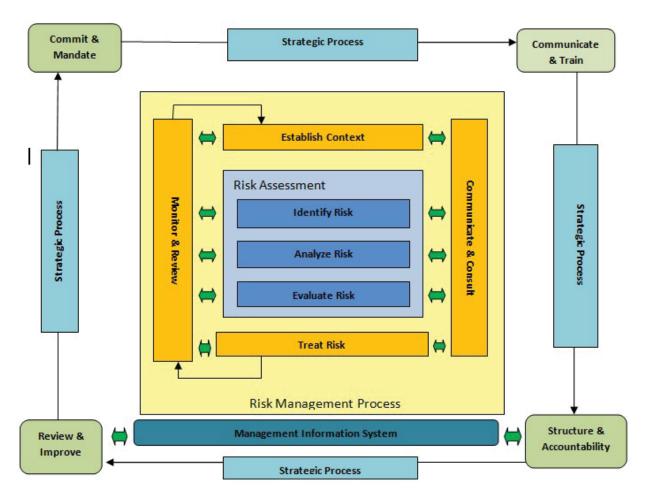
### **Processes:**

The activities are associated with identifying, evaluating, documenting, reporting and controlling of risk.

The context element in the Risk Management Process sets the stage for the decision or activity requiring risk management. Risk assessment identifies, analyzes and evaluates the risks. Risk treatment enhances the probability of positive outcomes and reduces the incidence of negative outcomes to within acceptable levels. Monitoring and review keeps close watch over the risk and the controls implemented to modify the risk. Finally, the process includes a permanent, ongoing effort at communication and consultation to ensure that the stakeholders are engaged and contribute to the management of risks.

### Standards:

Define the breadth and quality of information required to make a decision, and the expectations in terms of quality of analysis and presentation. Processes and standards are developed on an enterprise wide basis, and documented in a series of policies, manuals and handbooks under the purview of RMD.



Compatible Risk Management Framework and Risk Management Process



### Measurement, Monitoring, and Reporting:

### Measurement:

RMD is responsible for developing and maintaining an appropriate suite of risk management techniques to support the operations of the various business lines, and for supporting the measurement of economic capital on an enterprise-wide basis. The risk sections explain the application of these techniques.

Risk measurement techniques include the use of models and stress testing. The Bank uses models for a range of purposes including estimating the value of transactions, risk exposures, credit risk ratings and parameters, and economic and regulatory capital. The use of quantitative risk methodologies and models is balanced by a strong governance framework and includes the application of sound and experienced judgment.

### **Regular Monitoring:**

Ensure that business activities are within approved limits or guidelines, and are aligned with the Bank's strategies and risk appetite. Breaches, if any, of these limits or guidelines are reported to senior management, and/or the Board depending on the limit or guideline.

### **Risk Reports:**

According to Department of Offsite Supervision (DOS) of Bangladesh Bank, DOS circular letter no. 13 dated 09 September 2015, has instructed to bring greater expertise in the area of risk management activities of the bank and exercise international best practices, a format named 'Comprehensive Risk Management Report (CRMR)' for assessing risks of the bank and submitted to the same to BB on half yearly basis for determination of the Comprehensive Risk Management Rating and understanding of the shock resilience capacity of the bank. For all months other than June and December, bank submit the monthly report, prepared as per prescribed format and meeting minutes of the management-level risk management committee by the end of the following month. In addition to the above issues the bank has also been instructed to comply with the following issues:

- The RMD shall report high-risk related matters, identified by the management-level risk committee, directly to the Board risk management committee, and shall provide a copy to the Managing Director/Chief Executive officer for acknowledgement.
- Banks shall entrust in the RMD the responsibility of monitoring implementation of required corrective action, related to objections revealed in the inspections conducted on the basis of the core risk management guidelines.

### Initiation of Implementation of Basel-III

Basel III refers to the latest capital and liquidity standards prescribed by the Basel Committee on Banking Supervision (BCBS). Bangladesh has entered into the Basel III regime effective from January 01, 2015. Bangladesh Bank (BB) amended its capital standard which was based on Basel III and circulated new regulatory capital and liquidity guidelines in line with Basel III of BCBS. The new capital and liquidity standards have great implications for banks. Let us focus the guideline of the BB and identify the challenges ahead for the banks of Bangladesh.

Basel III reforms strengthen the bank-level i.e. micro prudential regulation, with the intention to raise the resilience of individual banking institutions in periods of stress. Besides, the reforms have a macro prudential focus also, addressing system wide risks, which can build up across the banking sector, as well as the procyclical amplification of these risks over time. These new global regulatory and supervisory standards mainly focused the following areas:

- raise the quality and level of capital to ensure banks are better able to absorb losses on both a going concern and a gone concern basis,
- increase the risk coverage of the capital framework,
- introduce leverage ratio to serve as a backstop to the risk-based capital measure,
- introduce Liquidity Standard including two liquidity ratios such as Liquidity Coverage Ratio (LCR) & Net Stable Funding Ratio (NSFR)
- raise the standards for the supervisory review process (Pillar 2) and.
- Enhanced public disclosures (Pillar 3).

The macro prudential aspects of Basel III are largely enshrined in the capital buffers. Both the buffers i.e.the capital conservation buffer and the countercyclical buffer are intended to protect the banking sector from periods of excess credit growth.

The financial instability took a heavy toll and led to economic crisis in various countries. Basel III guideline has been formulated to improve shock resilience capacity of the banks to prevent recurrence of such financial and economic crisis.

Basel III has identified the reasons of bank failure in recent crisis. The main reasons of the crisis, as identified in the Basel III document, are use of excessive on & off balance leverage which is accompanied by a gradual erosion of level and quality of capital base, insufficient liquidity buffer, pro-cyclicality and excessive interconnectedness among systematically important institutions.

The Banking Regulation & Policy Department (BRPD) of Bangladesh Bank vides BRPD circular no.-18 dated December 21, 2014 issued an Action plan/ Roadmap for implementation of Basel-III in Bangladesh which came into force with effect from January 01, 2015. In this connection they have published a "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel-III)" which will be replaced "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel-II)" issued vide BRPD circular No.-35/2010. On the other hand The Department of Offsite Supervision of Bangladesh Bank vide DOS circular no.- 01 dated January 01, 2015 published a Guidance Note on Liquidity Coverage Ratio (LCR) & Net Stable Funding Ratio (NSFR)" which came into force with effect from January 01, 2015.



Action Plan of Bangladesh Bank for Basel-III	Deadline
Issuance of Guidelines	December 2014
Capacity Building of Banks & BB officials	Jan-2015-Dec 2019
Commencement of Basel III Implementation process	January 2015
Initiation of Full Implementation of Basel III	January 2020

	2015	2016	2017	2018	2019	2020
Minimum Common Equity Tier-1 (CET-1) Capital Ratio	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Capital Conservation Buffer	=	0.63%	1.25%	1.88%	2.50%	2.50%
Minimum CET-1 plus Capital Conservation Buffer	4.50%	5.13%	5.75%	6.38%	7.00%	7.00%
Minimum T-1 Capital Ratio	5.50%	5.50%	6.00%	6.00%	6.00%	6.00%
Minimum Total Capital Ratio	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Minimum Total Capital plus Capital Conservation Buffer	10.00%	10.63%	11.25%	11.88%	12.50%	12.50%
Phase-in of deductions from CET1						
Excess Investment over 10% of a bank's equity in the						
equity of banking, financial & insurance entities	20%	40%	60%	80%	100%	100%
Phase-in of deductions from Tier 2 Revaluation R	eserve (RR)					
RR for Fixed Assets, Securities & Equity Securities	20%	40%	60%	80%	100%	100%
Leverage Ratio	3%	3%	3%	3% Readjustment	Migration to	o Pi <b>ll</b> ar 1
Liquidity Coverage Ratio	≥100%	≥100%	≥100%	≥100%	≥100%	≥100%
Net Stable Funding Ratio	>100%	>100%	>100%	>100%	>100%	>100%

### Calculation of Risk Based Capital Adequacy (under Basel-III):

The adoption of Basel III has been boost to implement of Risk Management practices and corporate good governance in banks. Capital to Risk Weighted Asset Ratio (CRAR) & Minimum Capital Requirement covers the credit risk, market risk & operational risk under pillar-I of Basel-III. Moreover Bank faces many other risks such as residual risk, concentration risk, interest rate risk, liquidity risk, reputation risk, strategic risk, implementation status of core risk management & environmental risk which does not cover to calculate the minimum capital requirement & Capital to Risk Weighted Asset Ratio (CRAR). That is why Bank calculates Adequate Capital (ICAAP) to cover for those risks under Supervisory Review Process (SRP), pillar-II of Basel-III.

### **Basel Implementation Unit:**

Standard Bank Ltd has been formed a Basel Unit with a Committee as well as a competent working team for strengthen & smooth implementation of Basel-III here is called Basel Accords. The Basel Accords implementation Committee is constituted under the Chairmanship of Managing Director as well as a working team is comprised which is supervised by the above committee with the following terms of reference:

### Terms of Reference (TOR) of the Unit:

- Implementation of the Action Plan of Basel Accords in Banks.
- To communicate issues related to Basel implementation to the Bank Management
- To attend QIS & accountability for the compliance of Basel Accords.
- Arranging customized training programs according to Training Need Assessment

### **Supervisory Review Process (SRP):**

Supervisory Review Process, the Second Pillar of Basel-III of Risk Based Capital Adequacy Framework is intended not only to ensure that banks have adequate capital to support all the risks in their business, but also to encourage banks to develop and use better risk management techniques in monitoring and managing their risks. The key principle of the supervisory review process (SRP) is that "banks have a process for assessing overall capital adequacy in relation to their risk profile and a strategy for maintaining their capital at an adequate level".



The main aspects of a rigorous SRP are as follows:

- · Board and senior management oversight,
- Sound capital assessment,
- · Comprehensive assessment of risks,
- Monitoring and reporting and
- Internal control review.

### **Board and senior management oversight:**

A sound and vibrant SRP for a bank requires a structure of three layers:

- a) Strategic Layer: The Risk Management Committee will be responsible on behalf of the Board of Directors to implement SRP in banks. The agenda of each meeting of the committee must include the SRP implementation in bank.
- b) Managerial Layer: Bank must have an exclusive body naming SRP team which will be constituted by the concerned departmental heads of a bank and headed by Managing Director. The formation and modification of SRP team and its terms of reference (ToR) must be approved by the Board of Directors and to be notified to Bangladesh Bank. The SRP must meet at least bimonthly to monitor the implementation of SRP.
- c) Operational Layer: The bank must have an operational unit in this respect which will be responsible for collecting information from concerned departments and branches, regulatory correspondences, compiling the required calculations of ICAAP reporting and the tasks assigned by the SRP team.

### Sound capital assessment:

Bank must have a document (called Internal Capital Adequacy Assessment Process-ICAAP). This document is also to be approved by the Board of Directors. The ICAAP document may include—

- Policies and procedures designed to ensure that the bank identifies, measures, and reports all material risks;
- (ii) A process that relates capital to the level of risk;
- (iii) A process that states capital adequacy goals with respect to risk, taking account of the bank's strategic focus and business plan; and
- (iv) A process of internal control, review and audit to ensure the integrity of the overall management process.

### Comprehensive assessment of risks

All material risks faced by the bank should be addressed in the capital assessment process. It is recognized that all risks could not be measured precisely but a process should be developed to estimate risks. In addition to the risks covered under pillar 1, banks should consider the following risks under SRP:

### Risk to be covered:

- Residual risk: Error in documentation and error in Valuation of collateral security.
- Concentration Risk: Credit concentration too few groups, sector or a region.
- Interest Rate Risk in the Banking Book: Due to poor asset liability management and volatile movement market like bills, bond, debentures
- Liquidity Risk: Unable to fulfill the commitments in time payment falls due. Following aspects are to identify the risks.
  - CRR

- SLR
- Medium Term Funding Ratio (MTFR)
- Maximum Cumulative Ratio
- Advance Deposit Ratio (ADR)
- Liquidity Coverage Ratio (LCR)
- Net Stable Funding Ratio (NFSR)
- Reputation Risk: Internal & External Fraud, Non-payment of ABP, Credit Rating, Bad customer service.
- 6. **Strategic Risk:** Camels rating falls below-2, operating expenses exceeds 45% any bank. Classified loans exceeds 5% of total loan, Recovery falls below 20%., Write off loan recovery falls 15%., Interest waiver exceeds 5% of total classified loans, Cost of fund, Strategic plan(deposit growth plan, Loans growth plan, Profit growth plan), Rescheduling of loans and advances (rescheduled more than three times capital charge will be imposed.
- 7. Settlement Risk: The banks pose to the risk when it fulfills its contractual obligations (payment or delivery), but the counterparty fails or defaults to do the same. Non receiving or delayed receiving of receivable bills (foreign & domestic) will be evaluated to assess settlement risk.
- 8. **Appraisal of Core Risk Management Practice.** BB identified 6 (six) risk areas which are termed as core risk through issuing an industry best practices framework. Bank must develop their own methodology for assessing each core risk separately which will be approved by the BOD. No capital charge will be imposed for risk rating Strong and satisfactory. Additional capital charge will be imposed for Fair, Marginal and unsatisfactory.
- 9. **Environmental and Climate change Risk.** To evaluate this risk, Sector Environmental Due Diligence (EDD) Check List specified in Guidelines on Environmental Risk Management (ERM) issued vide BRPD Circular No. 01/2011 dated 30/01/2011 will be used. For the loans under the sectors specified in the guidelines and which will have EnvRR21 of 'High (H)'will be considered for the capital charge against this risk.
- 10. Other Material Risk: In the context of an institution's activities, all risks which affect the achievement of business objectives should be considered material. Other risks (such as Accounting Risk, Human Resources Risk, Natural Disaster Risk) are usually difficult or impossible to quantify, thus their measurement and management typically call for qualitative methods.

In order to address the SRP issues under Basel-III in Standard Bank limited, an exclusive body naming SRP team headed by Managing Director has been constituted with the following terms of reference:

### Terms of reference (ToR) of the Team:

- To conduct dialogue with Bangladesh Bank for determining the adequate level of capital requirement for the Bank.
- To meet at least bimonthly to monitor the implementation status of SRP in the Bank.
- To formulate policies and procedures in order to address all
  existing/probable material risk of the bank (through risk avoidance,
  reduction, transfer and retention).
- To set standard for capital requirement of the bank depending on degree of risk of the borrower.
- 5) To monitor and follow-up the comprehensive assessment of risk in the Bank
- To prepare and review the capital planning of the Bank.



As per Bangladesh Bank guidelines the year end Risk Based Capital adequacy position are given below:

### Solo Basis (Only Bank)

(Taka in Crore)

SI	As on	Capital Maintained	CRAR Maintained (%)	Buffer Capital	CRAR Required	CRAR Required at 2019
01	31.12.2014	1079.00	10.90%	89.28	10.00%	12.50%
02	31.12.2015	1410.97	12.41%	274.38	10.00%	12.50%

### **Consolidated Basis (With Subsidiaries)**

(Taka in Crore)

SI	As on	Capital Maintained	CRAR Maintained (%)	Buffer Capital	CRAR Required	CRAR Required at 2019
01	31.12.2014	1094.82	10.99%	98.64	10.00%	12.50%
02	31.12.2015	1424.55	12.18%	255.19	10.00%	12.50%

### **Liquidity Risk:**

Basel III includes a new liquidity standard introducing two liquidity ratios. The Liquidity Coverage Ratio (LCR) is introduced to improve the short-term resilience of the liquidity risk profile of institutions, requiring them to hold a buffer of "high quality" liquid assets to match net liquidity outflows during a 30-day period of stress.

The Net Stable Funding Ratio (NSFR) is designed to promote resilience over the longer term by requiring institutions to fund their activities with more stable sources of funding on an ongoing structural basis.

### **Liquidity Coverage Ratio:**

The Liquidity Coverage Ratio (LCR) requires institutions to hold a sufficient buffer of "high quality" liquid assets to cover net liquidity outflows during a 30-day period of stress. The stock of high quality liquid assets (numerator) should include assets of high credit and liquidity quality. The stress scenario that is used to determine the net cash outflows (denominator) reflects both institution-specific and systemic shocks.

### **Net Stable Funding Ratio:**

The Net Stable Funding Ratio (NSFR) requires institutions to maintain a sound funding structure over one year in an extended firm-specific stress scenario. Assets currently funded and any contingent obligations to fund must be matched to a certain extent by sources of stable funding. As per Bangladesh Bank guidelines the year end Liquidity Ratios are as follows:

Particular	<b>Maintained Ratio</b>	<b>Required Ratio</b>
Liquidity Coverage Ratio (LCR)	127.16%	≥100.00%
Net stable Funding Ratio (NSFR)	102.97%	>100.00%
Stock of High quality liquid asse	ts 2359.06	
Total net cash outflows over the next 30 calendar days	1855.19	
Available amount of stable fund	ing 1051.02	
Required amount of stable fund	ling 1020.75	

### Leverage Ratio:

In order to avoid building-up excessive on- and off-balance sheet leverage in the banking system, a simple, transparent, non-risk based leverage ratio has been introduced. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements. The leverage ratio is intended to achieve the following objectives:

- a) Constrain the build-up of leverage in the banking sector which can damage the broader financial system and the economy; and
- b) Reinforce the risk based requirements with an easy to understand and a non-risk based measure.

As per Bangladesh Bank guidelines the year end Leverage Ratio is as under:

Particular	Solo	Consolidated	Required Ratio
Leverage Ratio	7.35%	7.40%	3.00%
On balance sheet exposure	12962.87	13079.32	
Off balance sheet exposure	1912.53	1892.03	
Total exposure	14834.01	14927.96	

### **Stress Testing:**

Stress tests are used in proactively managing the bank's risk profile, capital planning and management, strategic business planning and setting of capital buffers. Stress testing is an integral component of the group's internal capital adequacy assessment process (ICAAP), and is used to assess and manage the adequacy of regulatory and economic capital. More specifically, stress testing may reveal a reduction in surplus capital or a shortfall in capital under specific scenarios. This may then serve as a leading indicator to the bank to raise additional capital, reduce capital outflows, adjust the capital structure and/or reduce its risk appetite. Bank has assessed combined shock by aggregating the results of credit shock, exchange rate shock, equity shock & interest rate shock. In case of credit shock, increase in NPLs, results of increase in NPLs due to default of Top large borrowers, fall in the forced sale value (FSV) of mortgaged collateral, negative shift in the NPLs categories & increase of NPLs in particular 2 sectors have taken into consideration.



The outcome of the stress tests indicated that the bank was well within its risk tolerance levels in all of the scenarios. The result is given below:

		CRAR After Shock			
Different Shocks	Existing CRAR (%)	CRAR after Minor Shock (%)	CRAR after Moderate Shock (%)	CRAR after Major Shock (%)	
Performing loan directly downgraded to B/L: Sectoral Concentration 1	12.41	12.37	12.27	12.17	
Performing loan directly downgraded to B/L: Sectoral Concentration 2	12.41	12.40	12.36	12.32	
Increase in NPLs due to default of top large borrower	12.41	11.16	10.66	9.93	
Decrease in FSV of the Collateral	12.41	12.32	12.22	12.02	
Increase in NPLs	12.41	11.75	9.94	6.63	
Negative shift in NPLs categories	12.41	12.31	10.99	10.79	
Interest rate	12.41	11.63	10.84	10.05	
Foreign exchange rate	12.41	12.40	12.40	12.39	
Equity shock	12.41	12.41	12.40	12.38	
Combined Shock	12.41	10.74	6.71	2.18	

This process finally produces a numerical estimate of the change in the value of risk exposed positions. To interpret the result, Bank used a series of consideration to evaluate bank's overall positions; deterioration in quality of asset result in stress losses that affect bank's profitability & finally bank's capital adequacy. In today's economy, Banks are faced with critical challenges in finding new and better ways to increase top-line revenues, maintain necessary capital ratios, improve margins, strengthen balance sheets and enhance efficiencies. Regulatory changes, compliance, economic volatility, and issues involving data security, distressed lending and troubled assets add even more concern.

Risk Management Division is responsible to manage and measure risk on the basis of the bank's approved risk parameters, independently of regulatory requirements and category. It is responsible for designing risk management strategy, establishing risk management policies & procedure, communicating views of Board & Senior Management regarding risk issues throughout the bank, informing Board & All Risk Committee about appetite for risk, measuring & monitoring risk, identifying & quantifying bank's exposure to material loss, independently monitor limits, developing & implementing loss prevention/retention programs, securing & maintaining adequate loss coverage, periodic stress testing, preparation of monthly risk management paper & holding meeting of All Risk Committee etc. Recently, BASEL III, an updated version of BASEL II, came as regulatory response to the banking crisis, which envisages updating shortcomings of the earlier version.

On a final note we are committed to remain fully complied and maintain transparency in risk mitigation for which its Risk Management Division is playing more significant role in bank's efforts to minimize risks at optimal level so that we can build our business on the concrete foundation of "sustainability".

With Thanks and Best Regards.

(Mamun-Ur-Rashid)
Additional Managing Director

Chief Risk Officer



In compliance with the Sub-section (3) of Section 15Kha of the Bank-Company Act-1991, (Amended-2013) and the subsequent BRPD Circular No. 11, dated 27 October, 2013 issued by Bangladesh Bank, the Board of Directors of Standard Bank Ltd has formed a committee named 'Risk Management Committee of the Board' by its 218th Board meeting held on 09.01.2014 and further included 02 (two) new members by its 237th meeting held on 16.06.2016 for the term of 03 years.

### RISK MANAGEMENT COMMITTEE

SI. No.	Name of the members	Status with Bank	Status with Committee	Meeting Attended
01	Mr. Kazi Akramuddin Ahmed	Chairman	Chairman	3/3
02	Mr. Monzurul Alam	Director	Member	0/3
03	Mr. S.A.M. Hossain	Director	Member	2/3
04	Mr. Mohammed Abdul Aziz	Director	Member	3/3
05	Mr. Al-haj Mohd. Yousuf Chowdhury	Director	Member	3/3
06	Mr. Md. Nazmus Salehin	Managing Director	Ex-officio Member	3/3
07	Mr. Md. Ali Reza, FCMA	CFO and Acting Board Secretary	Secretary	3/3

Risk Management Committee of the Board has been made mandatory to ensure proper risk management practice in the bank. The Committee is to assist the Board to perform their related duties and responsibilities to mitigate the various risk arises while conducting day to day operation of the banking business.

### QUALIFICATIONS OF THE MEMBERS:

- Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;
- 2. Each member should be capable of making valuable and effective contributions in the functioning of the committee;
- To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.

### ROLES AND RESPONSIBILITIES OF THE RISK MANAGEMENT COMMITTEE:

### 1) Risk identification & control policy

 To formulate and implement of appropriate for risk assessment and its control

- To monitor risk management policies & methods and amend it if necessary
- iii) To review the risk management process to ensure effective prevention and control measures

### 2) Construction of organizational structure

- To ensure an adequate organizational structure for managing risk within the bank.
- i) To supervise formation of separate management level committees
- iii) To monitor their activities for the compliance of instructions of lending risk, foreign exchange transaction risk, internal control & compliance risk, money laundering risk, information & communication risk including other risk related guidelines.

### 3) Analysis and approval of Risk Management policy

- To review Risk Management Policy & guidelines of the Bank annually.
- ii) To recommend Board of Directors regarding any propose amendments if necessary
- iii) To review limit including lending limit at least once annually and amend if necessary

### 4) Storage of data & Reporting system

- To approve adequate record keeping and reporting system developed by the bank management.
- ii) To ensure proper use of the system (record keeping & reporting system).



 Minutes its proposal, suggestions & summary and inform it to the Board of Directors.

### 5) Monitoring the implementation of overall Risk Management Policy

- To monitor proper implementation of overall risk management policies
- ii) To monitor whether proper steps have been taken mitigate all risks including lending risk and management risk.

### DELIBERATION OF THE RISK MANAGEMENT COMMITTEE IN 2015

During the year 2015, the Risk Management Committee carried out its functions in areas relating to its responsibilities. The issues it discussed and the decisions it took for improvement of risk management scenario in the Bank are enumerated below:

- Assessed the Capital to Risk-weighted Assets Ratio (CRAR) of the Bank from time to time against minimum requirement.
- 2. Reviewed the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) of the Bank from time to time against minimum requirement set by the regulator.
- Reviewed Stress Testing reports and endorsed the same for onward submission to the Bangladesh Bank.
- Reviewed Bangladesh Bank's report on SBL's Risk Rating and Stress Testing.
- Advised the management to improve asset quality by taking pragmatic steps. A balance between the growth of asset and capital be maintained to improve the CRAR.
- Early Warning System be strengthened and post-loan monitoring process be intensified for effective credit risk management.
- Periodically reviewed the duration gaps of Bank's assets and liabilities and advised the management for their prudent management.
- 8. Advised the management to obtain additional securities from the large borrowers on best effort basis to reduce charge on Bank's capital.
- Advised for diversification of Bank's loan portfolio as far as possible and practicable.
- Advised the management to persuade the existing good corporate and SME borrowers for their credit rating to reduce charge on Bank's capital.
- 11. Advised the management to strictly follow the single borrower exposure limit as per the guidelines of Bangladesh Bank.
- 12. Loan rescheduling be very cautious and selective based on merits of each case.
- 13. Advised the management to take all-out effort to recover classified and written off loans. Performing loans be closely monitored so that those loans do not turn into NPL categories.
- 14. Effective measures be geared up for recovery of Bank's dues from the top-20 defaulters.
- The management was advised to create new quality assets for continuity of Bank's profitability.
- 16. The large loans of the Bank be closely and regularly monitored to ensure that they continue to be performing.
- 17. The Heads of Branches be asked to diversify their loans and manage related risks efficiently.
- 18. Advised the management to monitor the Non-Performing Loans of the bank constantly to bring those back to performing status.
- 19. The Heads of Branches be asked to exercise added due diligence in assessing credit proposals.

- 20. Off-Balance Sheet items of the Bank be handled with more care and caution so that they don't turn into funded exposure.
- Advised the management to take timely initiatives to settle overdue accepted bills.
- 22. The advice and guidelines of Bangladesh Bank be complied with for qualitative improvement of the Bank.
- 23. The internal control of the Bank be strengthened further to thwart fraud and forgery attempts by unscrupulous persons.
- 24. Capital market exposure of the Bank should be kept complying with the guidelines of Bangladesh Bank.

### REPORTING TO THE BOARD

The decisions and recommendations of the Risk Management Committee were submitted before the Board of Directors for review and the Board closely reviewed them.

Minutes of the Risk Management Committee to Bangladesh Bank The minutes of meetings of the Risk Management Committee were submitted to Bangladesh Bank for their information.

### MEETINGS OF THE RISK MANAGEMENT COMMITTEE

According to Bank Company Act-1991 (Amended- 2013) and BRPD Circular No. 11, dated 27 October, 2013 of Bangladesh Bank, the Risk Management Committee of the Board held 03 (three) meetings during the year 2015. Meeting dates are as follows:

SI	Meetings Date o	f Meetings
01	1st Risk Management Committee Meeting-2015	29.07.2015
02	2nd Risk Management Committee Meeting-2015	26.10.2015
03	3rd Risk Management Committee Meeting-2015	30.12.2015

The committee would like to extend thanks to all the members of the Risk Management Committee for their valuable time and support for facilitating to-carry forward the objectives of the Board. The Committee also likes to express their gratitude thanks to the Board of Directors, Management & the Risk Management Team of the Bank for their sincere cooperation to discharge its due role.

Andrey

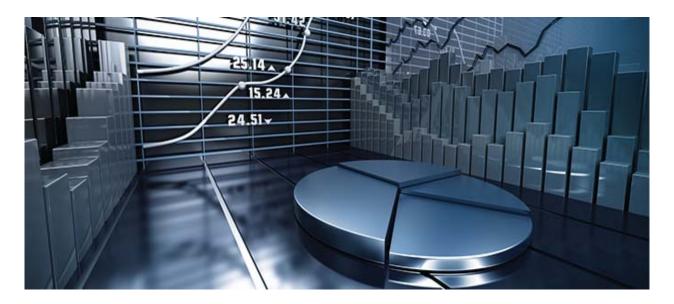
Kazi Akramuddin Ahmed

Chairman

Risk Management Committee



### CAPITAL PLANNING AND MANAGEMENT



Capital planning is a dynamic and ongoing process that, in order to be effective, is forward-looking in incorporating changes in the bank's strategic focus, risk tolerance levels, business plans, operating environment, or other factors that materially affect capital adequacy. Capital planning assists the bank's Board of Directors and senior management to:

- identify risks, improve their understanding of the bank's overall risks, set risk tolerance levels, and assess strategic choices in longer-term planning,
- identify vulnerabilities such as concentrations and assess their impact on capital.
- integrate business strategy, risk management, capital and liquidity planning decisions, including due diligence for a merger or acquisition, and
- 4) a forward-looking assessment of the bank's capital needs, including capital requirements that may arise from rapid changes in the economic and financial environment.

Bank has been maintained some key principle for its capital framework to operate smooth banking activities. These principles are, meet regulatory requirement, maintain proper CRAR level, support implementation of development strategy planning, optimize asset structure, allocate economic capital reasonably, realize maximum return on capital, and assurance sustainable and healthy development of bank.

The bank's capital framework serves to ensure that the bank and its principal subsidiaries are adequately capitalized in line with the risk profile, regulatory requirements, economic capital standards and target ratios, at both bank and subsidiary level. The bank's capital planning objectives are to:

- maintain sufficient capital level to meet minimum regulatory capital requirements set by Central Bank in accordance with Basel III requirements;
- maintain sufficient capital resources to support the bank's business & risk appetite;
- cover unexpected loss within the bank's target confidence levels and support the bank's credit rating;
- allocate capital to businesses to support the bank's strategic objectives, including optimizing returns on economic and regulatory capital; and
- ensure to maintain buffer capital as excess of minimum requirements to meet ICAAP need.

The capital planning process has been included the following components:

- i. Identifying and evaluating risks
- ii. Setting and assessing capital adequacy goals that relate to risk
- iii. Maintaining a strategy to ensure capital adequacy and contingency planning
- Ensuring integrity in the internal capital planning process and capital adequacy assessments.



### A) CAPITAL PLANNING

SBL has been forecasting capital for 5 (five) years from 2015 to 2019 for meeting ICAAP (Internal Capital Adequacy Assessment Process) requirement under SRP (Supervisory Review Process) of Basel-III guideline. Bank has already enhanced its Authorized Capital from Tk. 880.00 crore to Tk. 1500.00 crore. To use of capital efficiently Bank tries to reduce Risk Weighted Asset (RWA) by its best effort. Moreover Bank issued subordinated bond of Tk. 200.00 crore on December-2015 for enhancing capital to meet regulatory requirement. In 5 (Five) years capital planning Bank has been predicted to be required and maintained of capital as well as to be required and maintained of capital to risk weighted asset ratio (CRAR) which are shown in the graphs:

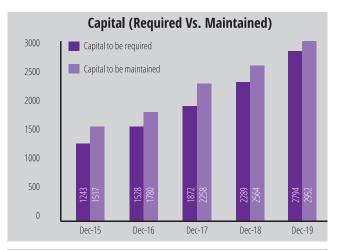
### B) CAPITAL STRUCTURE

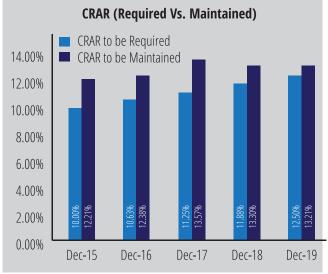
Bank's Authorized Capital is now Tk. 1500.00 crore. The Paid-up Capital of the Bank has stood at Tk. 655.74 crore & the Statutory Reserve stood at Tk. 375.34 crore as on 31.12.2015. The total Tier-I capital of the Bank at the end of the 2015 stood Tk. 1104.34 crore. In future Bank has a plan to enhance both the authorized capital & paid-up capital of the Bank to cope with financial growth and BaseI-III implementation. The total regulatory capital of the Bank has stood Tk. 1424.55 crore at the end of 2015.

### C) CAPITAL ADEQUACY

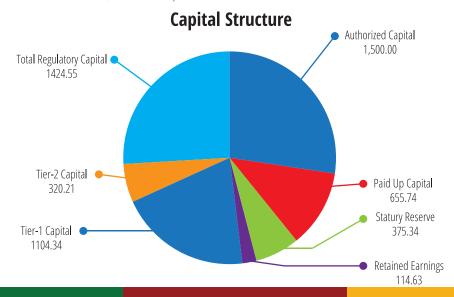
In terms of Bangladesh Banks' revised Basel-III Guidelines, the Minimum Capital Requirement (MCR) from January-2015 to December-2015 stood 10.00% of Risk weighted asset (RWA), but January-2016 the MCR is 10.625% of RWA and at 2019 it will be 12.50% of RWA (gradually increased by 0.625% per year).

The Tier-1 Capital of SBL stood at Tk. 1104.34 crore which is increased by Tk. 118.36 crore from previous year. Besides Tier-II, another part of the Capital Structure stood at Tk. 320.21 crore at the end of 2015 which includes General Provision on unclassified loans & advances & off balance sheet exposure and subordinated bond. Total Capital increased by Tk. 323.24 crore during the year 2015.





Capital Adequacy Ratio is measured by the total Capital to the Risk weighted asset. Capital to Risk Weighted Asset Ratio (CRAR) stood at 12.41% for solo basis & 12.18% for consolidated basis at the end of 2015, where CRAR requirement is 10% for 2015.





### Disclosures on Risk Based Capital (Basel-III) as on 31.12.2015

	(a) Scope of Application
Qualitative Disclosure	(a) The Revised Risk Based Capital Adequacy (RBCA) framework which is called Basel-III guideline issued by Bangladesh Bank in December-2014 duly applies to Standard Bank Limited.
	(b) Standard Bank Limited prepared its RBCA report on 'Solo Basis' as well as 'Consolidated Basis' where four (04) subsidiaries belongs to Standard Bank Ltd.
	(c) No incidence occurred which may cause for imposing any regulatory restriction or impediment for transferring fund with in the Standard Bank group.
Quantitative Disclosure	(d) No Capital deficiency in solo or consolidated assessment.

### (b) Capital Structure

Qualitative Disclosure

- (a) The regulatory capital of bank has been classified into two tiers which is consisted of sum of the following categories:
  - 1) Tier 1 Capital (going-concern capital)
    - a) Common Equity Tier 1
    - b) Additional Tier 1
  - 2) Tier 2 Capital (gone-concern capital)
    - a) Common Equity Tier 1 Capital
      - Common Equity Tier 1 (CET1) capital consist of sum of the following items:
      - 1) Paid up capital
      - 2) Non-repayable share premium account
      - 3) Statutory reserve
      - 4) General reserve
      - 5) Retained earnings
      - 6) Dividend equalization reserve
      - 7) Minority interest in subsidiaries
      - 8) Others

Less: Regulatory adjustments applicable on CET1 capital:

- 1) Shortfall in provisions against NPLs and Investments
- 2) Goodwill and all other Intangible Assets
- 3) Deferred tax assets (DTA)
- 4) Defined benefit pension fund assets
- 5) Gain on sale related to securitization transactions
- 6) Investment in own CET-1 instruments/shares
- Reciprocal crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities
- 8) Any investment exceeding the approved limit under section 26 ka(1) of Bank company Act-1991 (50% of investment)
- 9) Investment in Subsidiaries which are not consolidated (50% of investment)
- 10) Other if any
- b) Additional Tier 1 Capital (AT-1)

Additional Tier 1 (AT1) capital consist of the following items:

- 1) Non-cumulative irredeemable preference shares
- 2) Instruments issued by the banks that meet the qualifying criteria for AT1 as specified in the guideline.
- 3) Minority Interest i.e. AT1 issued by consolidated subsidiaries to third parties (for consolidated reporting only)
- 4) Others



### (b) Capital Structure

Less: Regulatory adjustments applicable on AT1 Capital:

- 1) Investment in own AT-1 instruments/shares
- 2) Reciprocal crossholdings in the AT-1 Capital of Banking, Financial and Insurance Entities
- 3) Other if any
- 2) Tier 2 Capital (T-2)

Tier 2 capital, also called 'gone-concern capital', represents other elements which fall short of some of the characteristics of the core capital but contribute to the overall strength of a bank. Tier 2 capital consist of the following items:

- 1) General Provisions (Eligible for inclusion in Tier 2 will be limited to a maximum 1.25 percentage points of credit risk-weighted assets calculated under the standardize approach)
- 2) All other preference shares
- 3) Subordinated debt / Instruments issued by the banks that meet the qualifying criteria for Tier 2 capital as specified in the guideline.
- 4) Minority Interest i.e. Tier-2 issued by consolidated subsidiaries to third parties as specified in the guideline.
- Revaluation Reserves as on 31 December, 2014 ( 50% of Fixed Assets and Securities and 10% of Equities)
- 6) Others

Less: Regulatory adjustments applicable on Tier-2 capital:

- 1) Revaluation Reserves for Fixed Assets, Securities and Equity Securities (follow phase-in deductions as per Basel-III).
- 2) Investment in own T-2 instruments/shares
- 3) Reciprocal crossholdings in the T-2 Capital of Banking, Financial and Insurance Entities.
- Any investment exceeding the approved limit under section 26 ka(1) of Bank company Act-1991 (50% of investment).
- 5) Investment in Subsidiaries which are not consolidated (50% of investment)
- 6) Others if any

The calculation of Common Equity Tier-1 , Additional Tier-1, Tier-1 and Tier-2 capital shall be subject to the following conditions:

- 1) Common Equity Tier 1 of at least 4.5% of the total RWA.
- 2) Tier-1 capital will be at least 6.0% of the total RWA.
- 3) Minimum CRAR of 10% of the total RWA.
- 4) Additional Tier 1 capital can be admitted maximum up to 1.5% of the total RWA or 33.33% of CET1, whichever is higher.
- 5) Tier-2 capital can be admitted maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is higher.
- 6) In addition to minimum CRAR, Capital Conservation Buffer (CCB) of 2.5% of the total RWA is being introduced which will be maintained in the form of CET1.

Quantitative Disclosure

The quantitative disclosure of Capital Structure are as follows:



	b. Tier 1 Capital (going-concern capital)		
	Common Equity Tier 1 Capital (CET1)	SOLO	CONSOLIDATED
1.1	Fully Paid-up Capital	6.55.74	655.74
1.2	Non-repayable Share premium account	0.00	0.00
1.3	Statutory Reserve	375.34	375.34
1.4	General Reserve	0.00	0.00
1.5 1.6	Retained Earnings Dividend Equalization Reserve	101.06 0.00	114.63 0.00
1.7	Minority interest in Subsidiaries	0.00	0.00
1.9	Other if any (if any item approved by BB)	0.00	0.00
1.10	Sub-Total: (1.1 to 1.9)	1132.15	1145.73
	Less: Regulatory adjustments applicable on CET1		
1.11	Shortfall in provisions required against Non Performing Loans (NPLs)	21.85	21.85
1.12	Shortfall in provisions required against investment in shares	0.00	0.00
1.13	Remaining deficit on account of revaluation of investment in securities after netting off from any other surplus on the		
	securities	0.00	0.00
1.14	Goodwill and all other intangible assets	0.00	0.00
1.15	Deferred tax assets (DTA)	0.00	0.00
1.16	Defined benefit pension fund assets	0.00	0.00
1.17	Gain on sale related to securitization transactions	0.00	0.00
1.18 1.19	Investment in own CET-1 instruments/shares Reciprocal crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities	0.00 2.40	0.00 2.40
1.19	Any investment exceeding the approved limit under section 26 ka(1) of Bank company Act-1991 (50% of investment)	17.13	17.13
1.21	Investment in Subsidiaries which are not consolidated (50% of investment)	0.00	0.00
1.22	Other if any	0.00	0.00
1.23	Sub-Total (1.11 to 1.22)	41.39	41.39
1.24	Total Common Equity Tier-1 ( 1.10 -1.23) Additional Tier 1 Capital	1090.76	1104.34
2.1	Non-cumulative irredeemable preference shares	0.00	0.00
2.2	Instruments issued by the bank that meets the qualifying criteria for AT1	0.00	0.00
2.3	Minority Interest i.e. AT1 issued by consolidated subsidiaries to third parties (for consolidated reporting only)	0.00	0.00
2.4	Others	0.00	0.00
2.5	Sub-Total (2.1 to 2.4)	0.00	0.00
	Less: Regulatory adjustments applicable on AT1 Capital		
2.5	Investment in own AT-1 instruments/shares	0.00	0.00
2.6	Reciprocal crossholdings in the AT-1 Capital of Banking, Financial and Insurance Entities	0.00	0.00
2.7	Other if any	0.00	0.00
2.8	Sub-Total (2.5 to 2.7)	0.00	0.00
2.9 2.10	Total Additional Tier 1 Capital ( 2.5 – 2.8)	0.00 1090.76	0.00 1104.34
2.10	Total Eligible Tier-1 Capital (1.24 + 2.9)	1090.76	1104.34



	c. Tier 2 Capital (gone-concern capital)		
		SOLO	CONSOLIDATED
3.1	General Provisions ( Eligible for inclusion in Tier 2 will be limited to a maximum 1.25 percentage points of credit		
	risk-weighted assets calculated under the standardize approach)	119.16	119.16
3.2	All other preference shares	0.00	0.00
3.3	Subordinated debt / Instruments issued by the banks that meet the qualifying criteria for Tier 2 capital as specified in		200.00
	the guideline.	200.00	0.01
3.4	Minority Interest i.e. Tier-2 issued by consolidated subsidiaries to third parties as specified in the guideline.	0.00	
3.5	Revaluation Reserves as on 31 December, 2014 ( 50% of Fixed Assets and Securities and 10% of Equities)	1.31	1.31
3.6	Other if any (if any item approved by BB)	0.00	0.00
3.7	Sub-Total (3.1 to 3.6)	320.47	320.48
3.8	Less: Regulatory adjustments applicable on Tier-2 capital		
3.9	Revaluation Reserves for Fixed Assets, Securities and Equity Securities (follow phase-in deductions as per Basel-III).	0.26	0.26
3.10	Investment in own T-2 instruments/shares	0.00	0.00
3.11	Reciprocal crossholdings in the T-2 Capital of Banking, Financial and Insurance Entities.	0.00	0.00
3.12	Any investment exceeding the approved limit under section 26 ka(1) of Bank company Act-1991 (50% of investment).	0.00	0.00
3.13	Investment in Subsidiaries which are not consolidated (50% of investment)	0.00	0.00
3.14	Other if any	0.00	0.00
3.15	Sub-Total (3.8 to 3.14)	0.26	0.26
3.16	Total Eligible Tier-2 Capital (3.7 – 3.15)	320.21	320.22
	Total Eligible Capital (Tier-1+Tier-2)(2.10+3.16)	1410.97	1424.56

### (c) Capital Adequacy

Qualitative Disclosure

(a) Adequate capital means enough capital to compensate with Bank's risks profile. For assessing overall risk profile and a strategy for maintaining adequate capital, Bank has followed an Internal Capital Adequacy Assessment Process (ICAAP) which is issued by Bangladesh Bank for calculating adequate capital under Supervisory Review Process (SRP) of Basel-III.

Bank has been strengthened its risk management process and internal control system in assessing and planning of economic capital against all risks.

The strategic planning process critically analysis of bank's current and future capital requirements. The strategic plan includes the bank's capital needs, anticipated capital expenditures, desirable capital level, and external capital sources.

Solo

**Consolidated** 

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Ulia	ntitat	iva l	Diccl	osure

(b) Capital Requirement for Credit Risk 1081.37		1081.37	1077.05
(c)	Capital Requirement for Market Risk	7.45	38.20
(d)	(d) Capital Requirement for Operational Risk 47.76		54.12
(e)	Total Capital, CET-1 Capital, Total Tier-1 Capital and Tier-2 Capital  For the consolidated group:  Total CRAR  CET-1 Capital Ratio  Total Tier-1 Capital Ratio  Total Tier-2 Capital Ratio  Total CRAR  CET-1 Capital Ratio  Total CRAR  Total CRAR  Total CRAR  Total Tier-1 Capital Ratio  Total Tier-1 Capital Ratio  Total Tier-1 Capital Ratio	al Ratio:	12.18% 9.44% 9.44% 2.74% 12.41% 9.60% 9.60% 2.82%

(f) Capital conservation Buffer------ Not applicable for 2015

(g) Available Capital under Pillar-2 requirement------ Not calculated yet



### (d) Credit Risk

**Oualitative Disclosure** 

» Definition of past due and impaired (for accounting purposes):

A customer will be considered to be past due once a repayment becomes overdue.

**Past due and impaired:** In instances in which a customer is past due and for whom the furnished collateral is insufficient to cover the outstanding amount will be considered to be both past due and impaired. Accordingly, impairment will be raised in line with the impairment policy for the relevant accounts.

**Past due but not impaired:** In instances in which a customer is past due, but the customer's facilities are fully collateralized, no impairment will be raised and the customer will be considered past due, but not impaired.

A Continuous loan, Demand loan or a Term Loan which will remain overdue for a period of 02 (two) months or more, will be put into the "Special Mention Account (SMA)". This will help banks to look at accounts with potential problems in a focused manner and it will capture early warning signals for accounts showing first sign of weakness. Loans in the "Special Mention Account (SMA)" will have to be reported to the Credit Information Bureau (CIB) of Bangladesh Bank.

Any continuous loan will be classified as:

- i. 'Sub-standard' if it is past due/overdue for 03 (three) months or beyond but less than 06 (six) months.
- ii. 'Doubtful' if it is past due/overdue for 06 (six) months or beyond but less than 09 (nine) months
- **iii.** 'Bad/Loss' if it is past due/overdue for 09 (nine) months or beyond.

Any Demand Loan will be classified as:

- i. 'Sub-standard' if it remains past due/overdue for 03 (three) months or beyond but not over 06 (six) months from the date of expiry or claim by the bank or from the date of creation of forced loan.
- ii. 'Doubtful' if it remains past due/overdue for 06 (six) months or beyond but not over 09 (nine) months from the date of expiry or claim by the bank or from the date of creation of forced loan.
- **iii. 'Bad/Loss'** if it remains past due/overdue for 09 (nine) months or beyond from the date of expiry or claim by the bank or from the date of creation of forced loan.

In case of any installment(s) or part of installment(s) of a Fixed Term Loan amounting upto Tk. 10.00 Lacs is not repaid within the due date, the amount of unpaid installment(s) will be termed as 'past due or overdue installment'. In case of such types of Fixed Term Loans:

- i. 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 loan will be classified as **"Sub-standard"**.
- ii. 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 loan will be classified as **"Doubtful"**.
- iii. If the amount of past due installment is equal to or more than the amount of installment(s) due within 12 (twelve) months, the entire loan will be classified as **''Bad/Loss''**.

In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the due date, the amount of unpaid installment(s) will be termed as 'past due or overdue installment'.

In case of Fixed Term Loans: -

- i. 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 loan will be classified as **"Sub-standard"**.
- ii. 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 loan will be classified as **"Doubtful"**.
- iii. 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 loan will be classified as **''Bad/Loss''**.

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

### » Description of approaches followed for specific and general allowances and statistical methods

As per relevant Bangladesh bank guidelines, 1% to 5% provision is maintained against good/ standard loans, 5% provision is maintained against SMA loans, 20% provision is maintained against sub - standard loans, 50% provision is maintained against doubtful loans and 100% provision is maintained against bad / loss loans after



### (d) Credit Risk

deducting value of eligible security, if any, as per Bangladesh Bank guidelines. All interest is suspended /discontinued if the loan is identified as SMA or classified as sub-standard, doubtful or bad /loss.

### » Discussion of the Bank's credit risk management policy

The Board approves the credit policy keeping in view relevant Bangladesh Bank guidelines to ensure best practice in credit risk management and maintain quality of assets, Authorities are properly delegated ensuring check and balance in credit operation at every stage i,e screening, assessing risk, identification, management and mitigation of credit risk as well as monitoring, supervision and recovery of loans with provision for early monitoring, supervision and recovery of loans with provision for early warning system. The credit risk management division is independently operated for dedicated credit risk management, separate credit administration division for ensuring perfection of security coverage and credit monitoring and recovery division for monitoring and recovery of irregular loans.

Besides, Internal control & compliance division independently assess quality of loans and compliance status of loans at least once in a year. Adequate provision is maintained against classified loans as per Bangladesh Bank guidelines. Status of loan portfolios is being regularly reported to the Board /Executive Committee.

Quantitative Disclosure	(b) Total gross credit risk exposures broken down by major types of credit exposure:	Total Tk. in Crore
	SOD/Quard against TDR	1754.82
	Term Loans (General including Bai-Muajjal)	2566.24
	Cash Credit/Murabaha	1299.14
	House Building Loans	197.79
	Staff Loans	39.72
	Transport Loans	74.18
	LTR	836.12
	PAD	141.12
	Packing Credit (PC)	22.22
	Demand Loan	340.96
	Lease Finance/Izara	95.41
	Syndicate/Club Finance	294.3
	Visa Credit Card	17.78
	SME/SE	788.66
	CCS/Hire Purchase	25.69
	Bills purchased & discounted (Local & Foreign)	151.55
	Total	9084.42

### (c) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure:

Urban:	
Dhaka Region	5828.49
Chittagong Region	2115.62
Sylhet Region	40.57
Rajshahi Region	150.33
Khulna Region	368.01
Rangpur Region	152.59
Barisal Region	35.14
Total	8690.77
Rural:	
Dhaka Region	257.54
Chittagong Region	61.03
Sylhet Region	15.59
Rajshahi Region	18.34
Rangpur Region	21.1
Barisal Region	0
Khulna Region	20.02
Outside Bangladesh	0



	(d) Credit Risk	
	Total Grand Total (urban+rural)	393.64 9084.42
(d)	Industry or counterparty types distribution of exposures broken down credit exposure:	vn by major types of
	Commercial Lending 314.51	269.77
	Export financing House Building loan	197.79
	Consumers credit scheme	22.64
	Small & Medium Enterprise	788.66
	Special program loan	14.14
	Others	2535.17
	Total	4142.68
	Industrial loans:	
	Agricultural Industries	287.96
	Textile Industries	1829.05
	Food & A <b>ll</b> ied Industries	108.85
	Pharmaceuticals Industries	22.79
	Leather , Chemical & Cosmetics etc	34.21
	Cement & Ceramic Industries	225.49
	Service Industries	1162.44
	Transport & Communication Industries	421.16
	Other Industries	764.54
	Total	4856.48
	credit exposure including bill purchased & discounted: Payable On demand Up to one month Over one month but not more than three months Over three months but less than one year Over one year but less than five years Above five years	1465.37 1514.79 3005.04 2323.02 776.2
(f)	By major industry or counterparty type :	
	Amount of impaired loans and if available, past due loans, provided separately	222 55
	Corporate	333.55
	SME Consumer Financing	41.28 0.03
	Others	0.03
	Specific and general provisions; and	247.63
	Charges for specific allowances and charge-offs during the period	247.05
(a)	Grass Non nevforming Assets (NDAs)	274.96
(g)	Gross Non performing Assets (NPAs) Non performing Assets (NPAs) to Outstanding Loans & advances	<b>374.86</b> 4.13%
	Movement of Non Performing Assets ( NPAs)	
	Opening balance	339.2
	Additions	295.26
	Reductions	259.6
	Closing balance	374.86
	Movement of specific provisions for NPAs	
	Opening balance	155.06
	Provisions made during the period	45.09
	Write-off	42.5
	Write-off Write-back of excess provisions Closing balance	42.5 - <b>157.66</b>



	(e) Equities: Disclosures for Banking Book Positions
Qualitative Disclosure	(a) The general qualitative disclosure requirement with respect to the equity risk, including:
	The Bank does not hold any value which is describes as "Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons" in RBCA Guidelines of Bangladesh bank.
	Therefore the Bank does not needed to narrate any "Discussion of important policies covering the valuation and accounting of equity holding 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".
	Apart from above, the Bank has being calculated <b>value at cost</b> method for Quoted shares & Unquoted shares.
Quantitative Disclosure	(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.  Tk. Crore Quoted shares  11.34 Unquoted shares  331.33
	(c) The cumulative realized gain (losses) arising from sales and liquidations in the reporting period. Realized gain (losses) from equity investments
	(d) Total unrealized gains ( losses) — 0.00 Total latent revaluation gains (losses) - 1.64 Any amounts of the above included in Tier 2 Capital 0.00

(e) There are no 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.



### (f) Interest Rate Risk in the Banking Book (IRRBB)

Qualitative Disclosure

(a) The Banking Book consists of assets and liabilities contracted basically on account of relationship or for steady income and statutory obligations and are generally held till maturity/payment by counter party.

The earnings or changes in the economic value are the main focus in banking book.

Interest rate risk is the risk that a bank will experience deterioration in its financial position as interest rates move over time.

Interest rate risk in the banking book arises from a bank's core banking activities.

Interest rate risk is the exposure of a bank's financial condition to adverse movements in interest rates. Changes in interest rates affect a bank's earnings by changing its net interest income and the level of other interest sensitive income and operating expenses.

Quantitative Disclosure	(b) Interest Rate Risk -Increase in Interest Rate: Magnitutude of Shock	Minor 1.00%	Moderate 2.00%	Major 3.00%
	Net Interest Income impact			
	<12 Months	-18.17	-36.34	-54.51
	Capital after shock	1392.80	12.25	1374.63
	CRAR after shock (%)	12.09	1356.46	11.93
	Change in CAR after shock (%)	-0.16	-0.32	-0.48
	Re-pricing Impact			
	Change in the value of the bond portfolio	-71.38	-142.76	-214.14
	Capital after shock	1321.42	1231.87	1142.32
	CRAR after shock (%)	10.84	1142.32	10.05
	Change in CAR after shock (%)	-0.63	-1.26	-1.88
	Overall change in CAR (NII & re-pricing impact, %)	-0.79	-1.58	-2.36

### (g) Market Risk

Qualitative Disclosure

### (a) Views of BOD on trading/investment activities:

Market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates, forex rates, and equity and commodity prices.

The important aspect of the Market Risk includes liquidity management, interest rate risk management and the pricing of assets and liabilities. There are three types of Market Risk such as Interest Rate Risk, Foreign Exchange Risk & Equity Price Risk.

The Board will have to approve all policies related to market risk, sets limits and reviews compliance on a regular basis.

### Method used to measure Market Risk:

In Standardized Approach, the capital requirement for various market risks (interest rate risk, equity price risk, commodity price risk, and foreign exchange risk) is determined separately.

### **Market Risk Management System:**

The Treasury Division manage market risk covering Liquidity, interest rate and foreign exchange risk with oversight from Assets 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.

### 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 forex position. The limits are monitored and enforced on a regular basis to protect against market risk. The exchange rate committee of the Bank meets on a daily basis to review the prevailing market condition, exchange rate, forex position and transactions to mitigate foreign exchange risks.

Quantitative Disclosure	(b) The capital requirement for:	Solo	Consolidated
	Interest rate risk	2.76	2.76
	Equity position risk	2.27	33.02
	Foreign exchange risk	2.42	2.4
	Commodity risk		



### (h) Operational Risk

Qualitative Disclosure

(a) Views of BOD on system to reduce Operational Risk:

Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. Operational risk exists in all products and business activities.

In addressing Operational Risk, Bank has been strengthened its Internal Control System, and ensure sound Corporate Governance in all sphere of Management and Operation level as well.

The Bank should maintain a robust CBS (Core Banking Software) and enriches its IT infrastructure in terms of demand of time. Besides, in order to capacity building of its Human Resources Bank may be taken a number of steps like training, workshop etc.

### Performance gap of executives and staffs:

SBL has a policy to provide competitive package and best working environment to attract and retain the most talented people available in the industry. SBL's strong brand image plays an important role in employee motivation. As a result there is no significant performance gap.

### **Potential external events:**

No potential external events are expected to expose the Bank to significant operational risk.

### Policies and Processes for mitigating operational risk:

To mitigate operational risk, Bank use basic indicator approach to calculate capital charge against operational risk. The policy for operational risks including internal control & compliance risk is approved by Board taking into account relevant guidelines of Bangladesh Bank. The Bank developed a Risk Management Division and supervisory review Committee for review and managing operation risk as well as evaluating of the adequacy of the capital. For mitigating operational risk Internal Control and compliance division undertakes periodical and special audit of the branches and departments at the Head Office for review of the operation and compliance of statutory requirements.

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

The Bank followed Basic Indicator Approach (BIA) for measuring capital charges for operational risk. Under the Basic Indicator Approach (BIA), the capital charge for operational risk is a fixed percentage (denoted by alpha) of average positive annual gross income of the Bank over the past three years.

Quantitative Disclosure

(b) The Capital Requirement for Operational Risk (Solo)
The Capital Requirement for Operational Risk (Consolidated)

47.76

54.12



### i) Liquidity Risk

Qualitative Disclosure

### ) Views of BOD on system to reduce liquidity risk

The board of directors is ultimately responsible for the liquidity risk assumed by the bank and the manner in which this risk is managed and therefore should establish the bank's liquidity risk tolerance. The tolerance, which should define the level of liquidity risk that the bank is willing to assume, should be appropriate for the business strategy of the bank and its role in the financial system and should reflect the bank's financial condition and funding capacity.

The prerequisites of an effective liquidity risk management include an informed board, capable management, staff having relevant expertise and efficient systems and procedures. It is primarily the duty of board of directors to understand the liquidity risk profile of the bank and the tools used to manage liquidity risk. The board has to ensure that the bank has necessary liquidity risk management framework and bank is capable of confronting uneven liquidity scenarios.

### Generally speaking the board of a bank is responsible:

- a) To position bank's strategic direction and tolerance level for liquidity risk.
- b) To appoint senior managers who have ability to manage liquidity risk and delegate them the required authority to accomplish the job.
- c) To continuously monitors the bank's performance and overall liquidity risk profile.
- d) To ensure that liquidity risk is identified, measured, monitored, and controlled.

Senior management is responsible for the implementation of sound policies and procedures keeping in view the strategic direction and risk appetite specified by board. To effectively oversee the daily and long-term management of liquidity risk senior managers should:

- a) Develop and implement procedures and practices that translate the board's goals, objectives, and risk tolerances into operating standards that are well understood by bank personnel and consistent with the board's intent
- b) Adhere to the lines of authority and responsibility that the board has established for managing liquidity risk.
- c) Oversee the implementation and maintenance of management information and other systems that identify, measure, monitor, and control the bank's liquidity risk.
- d) Establish effective internal controls over the liquidity risk management process.

### Method used to measure Liquidity risk

### 1) Contractual maturity mismatch:

The contractual maturity mismatch profile identifies the gaps between the contractual inflows and outflows of liquidity for defined time bands. These maturity gaps indicate how much liquidity a bank would potentially need to raise in each of these time bands if all outflows occurred at the earliest possible date. This metric provides insight into the extent to which the bank relies on maturity transformation under its current contracts.

### 2) Concentration of funding:

This metric is meant to identify those sources of wholesale funding that are of such significance that withdrawal of this funding could trigger liquidity problems. The metric thus encourages the diversification of funding sources recommended in the Committee's Sound Principles.

### 3) Available unencumbered assets:

These metrics provide supervisors with data on the quantity and key characteristics, including currency denomination and location, of banks' available unencumbered assets. These assets have the potential to be used as collateral to raise additional HQLA or secured funding in secondary markets or are eligible at central banks and as such may potentially be additional sources of liquidity for the bank.

### 4) LCR by significant currency:

While the LCR is required to be met in one single currency, in order to better capture potential currency mismatches, banks and supervisors should also monitor the LCR in significant currencies. This will allow the bank and the supervisor to track potential currency mismatch issues that could arise.

### 5) Market-related monitoring tools:

High frequency market data with little or no time lag can be used as early warning indicators in monitoring



### i) Liquidity Risk

potential liquidity difficulties at banks.

### Liquidity risk management system

The liquidity risk strategy defined by board should enunciate specific policies on particular aspects of liquidity risk management, such as:

- a. Composition of Assets and Liabilities
- b. Diversification and Stability of Liabilities.
- c. Access to Inter-bank Market

The liquidity strategy must be documented in a liquidity policy, and communicated throughout the bank. The responsibility for managing the overall liquidity of the bank should be delegated to a specific, identified group within the bank. This might be in the form of an Asset Liability Committee (ALCO) comprised of senior management, the treasury function or the risk management department. However, usually the liquidity risk management is performed by an ALCO. Ideally, the ALCO should comprise of senior management from each key area of the institution that assumes and/or manages liquidity risk.

An effective liquidity risk management include systems to identify, measure, monitor and control its liquidity exposures. Management should be able to accurately identify and quantify the primary sources of a bank's liquidity risk in a timely manner. To properly identify the sources, management should understand both existing as well as future risk that the institution can be exposed to. Management should always be alert for new sources of liquidity risk at both the transaction and portfolio levels. 4.5.2 Key elements of an effective risk management process include an efficient MIS, systems to measure, monitor and control existing as well as future liquidity risks and reporting them to senior management.

### Policies and processes for mitigating liquidity risk

An effective measurement and monitoring system is essential for adequate management of liquidity risk. Discussed below are some (but not all) commonly used liquidity measurement and monitoring techniques that may be adopted by the banks. Contingency Funding Plans 4.7.2 In order to develop a comprehensive liquidity risk management framework, institutions should have way out plans for stress scenarios. Such a plan commonly known as Contingency Funding Plan (CFP) is a set of policies and procedures that serves as a blue print for a bank to meet its funding needs in a timely manner and at a reasonable cost. A CFP is a projection of future cash flows and funding sources of a bank under market scenarios including aggressive asset growth or rapid liability erosion. To be effective it is important that a CFP should represent management's best estimate of balance sheet changes that may result from a liquidity or credit event. A CFP can provide a useful framework for managing liquidity risk both short term and in the long term. Further it helps ensure that a financial institution can prudently and efficiently manage routine and extraordinary fluctuations in liquidity.

### **Use of CFP for Routine Liquidity Management**

- a) A reasonable amount of liquid assets are maintained.
- b) Measurement and projection of funding requirements during various scenarios.
- c) Management of access to funding sources.

### **Use of CFP for Emergency and Distress Environments**

Not necessarily a liquidity crisis shows up gradually. In case of a sudden liquidity stress it is important for a bank to seem organized, candid, and efficient to meet its obligations to the stakeholders. Since such a situation requires a spontaneous action, banks that already have plans to deal with such situation could address the liquidity problem more efficiently and effectively. A CFP can help ensure that bank management and key staffs are ready to respond to such situations.

### Scope of CFP

To begin, the CFP should anticipate all of the bank's funding and liquidity needs by:

- a) Analyzing and making quantitative projections of all significant on- and off-balance-sheet funds flows and their related effects.
- b) Matching potential cash flow sources and uses of funds.
- c) Establishing indicators that alert management to a predetermined level of potential risks.



i) Liquidity Risk				
Quantitative Disclosure	<ul> <li>b) Liquidity coverage ratio</li> <li>Net stable Funding Ratio (NSFR)</li> <li>Stock of High quality liquid assets</li> <li>Total net cash outflows over the next 30 calendar days</li> <li>Available amount of stable funding</li> <li>Required amount of stable funding</li> </ul>	127.16% 102.97% 2359.06 1855.19 1051.02 1020.75		

### j) Leverage Ratio:

### Qualitative Disclosure

### a) Views of BOD on system to reduce excessive leverage

In order to avoid building-up excessive on- and off-balance sheet leverage in the banking system, a simple, transparent, non-risk based leverage ratio has been introduced. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements. The leverage ratio is intended to achieve the following objectives:

- a) constrain the build-up of leverage in the banking sector which can damage the broader financial system and the economy; and
- b) reinforce the risk based requirements with an easy to understand and a non-risk based measure.

### Policies and processes for managing excessive on and off balance sheet leverage

Introducing the leverage ratio as an additional prudential tool has several potential benefits. The financial crisis has illustrated the disruptive effects of procyclicality (amplification of the effects of the business cycle) and of the risk that can build up when financial firms acting in an individually prudent manner collectively creates systemic problems. There is now broad consensus that micro-prudential regulation needs to be complemented by macro-prudential regulation that smooths the effects of the credit cycle. This has led to proposals for countercyclical capital requirements and loan loss provisions that would be higher in good times and lower in bad times.

### Approach for calculating exposure

The leverage ratio should be calculated by dividing an institution's capital measure by the total exposure (expressed as a percentage). The ratio should be calculated as the simple arithmetic mean of the monthly leverage ratios over a quarter. For the numerator of the ratio (capital measure), the Tier 1 capital should be considered. The denominator (exposure measure) should be the sum of the exposure values of all assets and off-balance sheet items not deducted from the calculation of Tier 1 capital.

### Leverage Ratio =Tier 1 Capital (after related deductions)/ Total Exposure (after related deductions)

A minimum Tier 1 leverage ratio of 3% is being prescribed both at solo and consolidated level.

The banks is maintaining leverage ratio on quarterly basis. The calculation at the end of each calendar quarter is submitted to BB showing the average of the month end leverage ratios based on the following definition of capital and total exposure.

Quantitative Disclosure		Solo	Consolidated
	Leverage ratio	7.35%	7.40%
	On balance sheet exposure	12962.87	13079.32
	Off balance sheet exposure	1912.53	1892.03
	Total exposure	14834.01	14927.96



#### k) Remuneration

The following are the main disclosure on remuneration that bank includes in their pillar-3 documents. Bank is strongly encouraged not only to disclose the required information, but to articulate as far as possible how these factors complement and support their overall risk management framework.

This requested quantitative disclosures detailed below should only cover senior management and other material takers and be broken down between these two categories.

Qualitative Disclosure

(a) Information relating to the bodies that oversee remuneration

The Management of Standard Bank Limited for Remuneration program holds the responsibilities for overseeing the framing, reviewing and implementing of overall compensation structure and related polices over remuneration package issues payable to all or specialized employees and the Directors/MD/any other appointed/engaged person(s)/Material Risk Takers of the Bank.

They also oversee performance oriented incentives, perquisites, other financial options etc. to attract, motivate and retain employees and review compensation packages/pay structure in comparison to that of other Banks to enjoy competitive advantages in this industry.

In addition, the Management of SBL also carries out the following roles and responsibilities:

- Review of the Compensation Policy annually or as demanded by market.
- Exercise such other powers and play the roles delegated to it by the Board
- Till present, the Bank has not yet engaged any External Consultants for conducting such exercise since these have been done by the Bank's Management.
- (b) Information relating to the remuneration of the processes

All applicable substantive pay and other allowances including perquisites to the employees including all subordinates, officers and executives up to the rank of SEVP are designed well accord with the prevailing competitive remuneration structure in the industry.

The package structure of all executives above the rank of SEVP i.e. DMD, AMD & MD, the individual remuneration is fixed and approved by the Board of Directors. All the Pay Structure and perquisites payable to the employees get approved by the Board of Directors of the Bank. In order to format and design the remuneration package, the Management and the Board take into the following consideration:

- 1. Minimum Qualification level set during the recruitment
- 2. level of Experience
- 3. Level of Risk involved
- 4. Complexities of the job
- 5. degree of creativity or productivity expected in the job
- 6. Business developing excellence and expertise
- 7. Leadership capability
- 8. Corporate exposure

However the remuneration structure/package for the Managing Director (MD) of the Bank is subject to approval of Bangladesh Bank.



#### k) Remuneration

(c) Description of the ways in which current and future risks are taken into account in the remuneration processes The Management has always been in practice of reviewing remuneration/compensation package/structure of the prime employees in top positions who are associated with high degree of risk factors, current and future position.

The Board of Directors oversees and governs effective framing and implementation of the remuneration policy. Human Resource Management under the guidance of MD administers the compensation and Benefit structure in line with the best suited practices and statutory requirements as applicable.

 (d) Description of the ways in which the banks seeks to link performances during a performance measurement period with levels of remuneration On the way to link performances during a performance measurement period with levels of remuneration management takes the feedback or appraisal from head of branch (in case of branch officials) or concerned Head of Division (for Head Office) in the form of Annual Performance Appraisal (APA), previously known as Annual Confidential Report (ACR).

Although all employees receive the festival bonuses irrespective of performance, yearly incentive is determined and awarded on basis of the Annual Performance Appraisal (APA). In case of hiring exceptionally deserving candidate bank offers enhanced package program with seniority in rank.

(e) Description of the ways in which the banks seeks to adjust remuneration to take account of longer-term performance The Bank follows various schemes in regards to deferred and vested variable remuneration as follows:

- PF (Vesting or entitlement to employer's contribution happens on completion of 03 (three) years of regular service and the Bank contributes equal amount of contribution as contributed by the employee) @ 10% of substantive pay.
- Gratuity as vesting or entitlement to employer's contribution is provided on completion of 05 (five) years of regular service in the Bank) @ one substantive pay for each completed year of service
- Death cum Survival Superannuation Fund (provides superannuation and other benefits to the employees of the Bank on their death, disability, retirement/or being incapacitated at any time or for any other cause that may be deemed fit as per Board's approved policy.
- Furniture & Fixture (the executives of the Bank are entitled to a rank-wise specific amount to meet the cost of furnishing or decoration of residence with furniture and fixture. The amount is amortized in 05 years of continuous service of the respective employee.
- Staff House Building Loan (a permanent employee in the rank of Senior Executive Officer or above, after completion of 5 (five) years of service, can avail of a House Building Loan at Bank Rate as per policy and approval from the appropriate Authority).



#### k) Remuneration

(f) Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these forms Variable pay refers to the compensation as fixed by the Board on recommendation of the Management, which is based on the performance appraisal of an employee in that role, that is, how well they accomplish their goals. It may be paid as:

- Performance Linked Incentives to those employees who are eligible for incentives.
- Ex-gratia for other employees who are not eligible for
- Performance linked Incentives.
- Different awards based on extra-ordinary performance & achievement.
- Employee/Manager of the Month/Quarter award
- Reimbursement/award for brilliant academic/professional achievement.
- Leave Fare Compensation (LFC)

Quantitative Disclosure

(g) Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member (h) Number of employees having received a variable remuneration award during the financial year

Number of employees having received a variable remuneration award during the financial year:1604

Number and total amount of guaranteed bonuses award during the financial year: 02, BDT 8.54 crore

Number and amount of sign-on awards made during the year: 00

(i) Total amount of outstanding deferred remuneration, split into cash, shares, and share-linked instruments and other forms Total amount of outstanding deferred remuneration, split into cash, shares, and share-linked instruments and other forms: 36.27 crore (gratuity)

Total amount of deferred remuneration paid out in the financial year: 5.43 crore (PF, gratuity,WF)

(j) Breakdown of amount of remuneration awards for the financial year to show:

Breakdown of amount of remuneration awards for the financial year to show:

-fixed remuneration: 131.69 crore variable remuneration: BDT 25.00 crore -deferred remuneration: 38.97 crore and non-deferred remuneration: 123.15 crore

-different forms used (cash, shares and share-linked instruments, other forms): BDT 25.00 crore (Incentives)

(k) Quantitative information about employees' exposure to implicit (e.g. fluctuation in the value of shares or performance units) and explicit adjustments (eg claw back or similar reversals or downward revaluations of awards)of deferred remuneration and retained remuneration: Quantitative information about employees' exposure to implicit (e.g. fluctuation in the value of shares or performance units) and explicit adjustments (eg claw back or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:

Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments: Nil Total amount of reductions during the financial year due to ex post explicit adjustments: Nil

Total amount of reductions during the financial year due to ex post Implicit adjustments: Nil





In compliance with Bangladesh Bank's BRPD Circular No. 11 dated 27 October 2013 and Bangladesh Securities and Exchange Commission (BSEC) Notification on Corporate Governance dated 07 August 2012, the Audit Committee (AC) of the Board of Directors of Standard Bank Limited (SBL) was formed by the Board to provide independent oversight of the company's financial reporting, non-financial corporate disclosures, internal control systems and compliance to governing rules and laws etc.

Following are the major objectives of the AC:

- To review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct, compliance status of inspection report from Bangladesh Bank.
- To assist the Board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plans set by the Board for effective functioning of the bank.

The Audit Committee was reconstituted by the Board in the 214th meeting held on 04.10.2013 consisting of four (04) members. Further the Board in its 232nd meeting held on 26.01.2015 approved exclusion of Mr. Ashok Kumar Saha & inclusion of Mr. Kamal Mostafa Chowdhury and Mr. Najmul huq Choudhury as member in existing Audit Committee. Thus the Member of Audit Committee stands as follows:

SL No	Name	Status with the Bank	Status with the Committee	Educational Qualification	Meeting/ Attendance
01	Mr. S. S. Nizamuddin Ahmed	Independent Director	Chairman	M.Com	7/7
02	Mr. Kamal Mostafa Chowdhury	Director	Member	В. А.	7/6
03	Mr. Md. Zahedul Hoque	Director	Member	MBA	7/7
04	ICB, representated by its MD Mr. Iftikhar-uz-Zaman*	Director	Member	B.A. (Hon's), M.A.	7/7
05	Mr. Najmul Huq Chaudhury	Independent Director	Member	M.Com	7/6
06	Mr. Md. Ali Reza	Acting Company Secretary	Member Secretary	MBA, FCMA	7/7

<sup>\*</sup> Mr. Md. Fayekuzzaman, the immediate past Managing Director of ICB attended at seven (07) numbers of Audit Committee Meeting held in the year 2015



#### MEETINGS OF THE AUDIT COMMITTEE

Bangladesh Bank suggested banks to hold at least 4 meetings in a year. The Audit Committee of SBL held 07 (Seven) meetings in the year 2015 and had detailed discussions and review session with the Head of Internal Control & Compliance, External Auditors etc., regarding their findings, observations and remedial suggestions on issues of bank affairs that need improvement. The AC instructed management to follow those remedial suggestions and ensure monitoring accordingly and effectively. Meeting dates are as follows:

SL No.	Meetings	Date of Meeting
01	63rd Audit Committee Meeting	26 January 2015
02	64th Audit Committee Meeting	01 Apri <b>l</b> , 2015
03	65th Audit Committee Meeting	19 Apri <b>l</b> , 2015
04	66th Audit Committee Meeting	13 May, 2015
05	67th Audit Committee Meeting	28 July, 2015
06	68th Audit Committee Meeting	08 September, 2015
07	69th Audit Committee Meeting	21 October, 2015

#### MAJOR AREAS FOCUSED BY AUDIT COMMITTEE IN 2015

The major issues, amongst others, were reviewed and discussed by the Audit Committee of the Bank during the year 2015 are mentioned below:

- Bangladesh Bank comprehensive inspection report & external audit report of the Bank and the recommendation made there under.
- The compliance status of the audit objections and the recommendations made by the Bangladesh Bank inspectors, External auditors and the Internal Auditors of the bank in their respective reports.
- Actions and corrective measures taken by the Management in regard to deficiencies in Bangladesh Bank inspection report, internal audit report and the Internal Control and Compliance Division (ICCD) report and by other regulatory authorities report of the Bank.
- Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk along with compliance thereof.
- The review of status of recovery of classified loans and providing with the necessary guidelines, advices and recommendations to the management to reduce the Non-performing Loans (NPLs).
- Audit and Inspection reports of the branches, divisions and departments of the Head Office prepared by the Internal Control and Compliance Division (ICCD) of the Bank.
- Review and approve 'Annual Audit Plan 2016' and 'Risk Based Audit Plan 2016' of bank's audit and inspection divisions of Head office.
- Review of serious irregularities in the audit report of the branches prepared by Internal Control & Compliance Division (ICCD) for the year 2014 & 2015.
- Review of the audit ratings of all branches and departments for the year 2014.

- Review of Bangladesh Bank, DOS Circular Letter No. 17 dated 7
   November 2012 regarding Report of Self-Assessment of Anti-Fraud Internal Controls on Quarterly basis through specific format to be signed by the MD & CEO of the Bank and countersigned by the Chairman of the Audit Committee.
- Review of the process of strengthening Internal Control Systems and Procedures of the Bank.
- Review of the annual financial statements of the bank for the year ended 31 December 2014 as certified by the external auditors, Shafiq Basak & Co, Chartered Accountants, before submission to the Board of directors for approval.
- Review of Bangladesh Bank's BRPD Circular No. 4 dated 23 February 2015 on the Rules and Regulations in making transactions with people related with Board and Management of the Bank.
- Review of Corporate Governance Compliance Report of SBL for the year ended 31 December 2014 as submitted by Ahmad & Akhtar, Chartered Accountants.
- Review of the Management Report on the Bank for the year ended 31
  December 2014 as submitted by the External Auditors and subsequent
  compliance by the management thereof.
- Review of the First Quarter (Q1), half-yearly, Third Quarter (Q3) & Annual Financial Statements (Un-Audited) for the year 2015 before submission to the Board of directors for approval in compliance with the BSEC's Corporate Governance Guidelines 2012.
- Review of the Bangladesh Bank Comprehensive Inspection Report on SBL Head Office as on 31 December 2014 and subsequent compliance by the management there of.
- Review of AML rating of all Branches for the year 2015.
- Review of compliance and related risk level of Branches, various Departments and Subsidiaries.
- Review of Annual Report on the Financial Health of the Bank, 2014.

The committee in the meetings has taken particular notes of lapses detected by the Internal Audit Team in their audit report and the actions taken by the management towards correction, helped improving the recovery of classified loans and initiating measures for lowering the quantum of NPLs. The committee advised and recommended to the management and the board for instituting adequate recovery mechanisms, close and effective monitoring, constituting a robust credit administration and, carefully reviewed the internal control system and procedures specially focusing on IT operation to secure the Bank from foreseeable shocks. The process of continuous monitoring was established for avoidance of errors and omissions and, repetition of lapses as are detected by the internal and external auditors.



#### The Audit Committee is satisfied that:

- The rules and regulations of the Bangladesh Bank and all other regulatory authorities and Bank's own policy guidelines approved by the Board of Directors are duly complied with.
- Internal control and security measures have been undertaken by the Bank towards facilitating Information Technology (IT) based banking including generation of proper Management Information System (MIS).
- The system of internal control and the business processes have been strengthened including development of human resources towards creation of a compliance culture in the Bank.
- The efforts have been made to keep assets of the Bank safe along with liabilities and commitments are made transparent.
- The Financial Statements of the Bank have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Bank's guideline which contained full disclosure.

The Minutes of the Audit Committee meetings containing various advices, suggestions and recommendations to the Management and for perusal, consideration and approval of the Board of directors placed subsequently in the meetings of the Board of directors for ratification and approval on regular basis.

On behalf of the Audit Committee,

S. S. Nizamuddin Ahmed

Chairman of the Audit Committee of the Board



# MANAGING DIRECTOR & CEO AND CHIEF FINANCIAL OFFICER'S **STATEMENT OF RESPONSIBILITIES**

The Board of Directors is appointed to act for and on the financial statements of the Standard Bank Limited drawn up as at 31 December 2015. These statements prepared under the historical cost convention and in accordance with the First Schedule (Sec-38) of the Bank Companies Act, 1991, BRPD Circular # 14 dated 25 June 2003, other Bangladesh Bank Circulars, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh, Companies Act, 1994, The Securities and Exchange Rules 1987, Dhaka & Chittagong Stock Exchanges' listing regulations and other laws and rules applicable in Bangladesh. The Accounting Policies used in the preparation of the financial statements are appropriate and are consistently applied by the Bank (material departures, if any, have been disclosed and explained in the notes to the financial statements). There are no departures from the prescribed Accounting Standards in their adoption. Comparative information has been reclassified wherever necessary to comply with the current presentation. The significant accounting policies and estimates that involve a high degree of judgment and complexity were discussed with our external auditors and the audit committee. The Board of Directors and the Management of the bank accept responsibility for the integrity and objectivity of these financial statements. The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The most significant areas where estimates and judgments have been made are on provision for loans and advances. Actual results

may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the bank were consistently followed. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls and accounting. The financial statements of the bank were audited by M/S Shafig Bashak &Co, Chartered Accountants, and their report is given on the Annual Report. The Audit Committee of the bank meets periodically with the internal audit team to review their audit plans, assess the manner in which these auditors are performing their responsibilities and to discuss their reports on internal controls and financial reporting issues. To ensure complete independence, the external auditors and the internal auditors have full and free access to the members of the Audit Committee to discuss any matter of substance. In above consequence, We have reviewed the financial statements of the bank for the year ended 2015 and to the best of our knowledge and belief that 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. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; 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.

Md. Ali Reza Chief Financial Officer

Md. Nazmus Salehin Managing Director & CEO



## BB GUIDELINES FOR CORPORATE GOVERNANCE: OUR COMPLIANCE STATUS

In Standard Bank Ltd. Corporate Governance means increasing stakeholders value by being efficient and professional to the organization, transparent and accountable to the shareholders and responsible to the society and the environment. 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 SBL's compliance thereto are presented below:

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

SI. 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 so far.
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 b. Declaration of nominated person c. Declaration for confidentiality by the nominated person d. In case of independent director, the approval letter from BSEC e. CIB report of the nominated person f. Updated list of Directors	Complied Complied Complied Complied Complied Complied
12	Vacancy of office of a Director	
(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



SI. 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 SBL
(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 and regulations 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 and 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 SBL
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	Responsibilities of the Board of Directors (BoD)	
4.1	Responsibilities and Authorities of the BoD:	
(a)	Work planning and strategic management  (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.	Complied
	(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
(b)	Loan and Risk Management:  (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	Complied



SI. No.	Particulars	Compliance Status
	executives as much as possible. No director, however, shall interfere, directly or indirectly, into the process of loan approval.	
	(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.	Complied
(c)	Internal Control Management:  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.	Complied
(d)	Human Resources (HR) Management and Development:  (i) Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules shall be framed and approved by the 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.	Complied. SBL BoD approves HR policy from time to time which guides all actions or decisions related to HR of SBL.
	(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.	Complied
	(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.	Complied
(e)	Financial Management:  (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.	Complied
	(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.	Complied.
	(iii) The BoD will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to BB guidelines.	Complied
(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)	Other responsibilities of the BoD: In accordance to BB Guidelines issued from time to time.	Complied.The BoD will do so as and when required by BB.



SI. No.	Particulars	Compliance Status
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 SBL holds one Board Meetings in a month.
4.3	Responsibilities of the Chairman of the BoD:	
(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 policy making or executive authority, he/she shall not participate in or interfere into the administrative or operational and routine affairs of the bank.	Complied
(b)	The Chairman may conduct on-site inspection of any bank branch or financing activities under the purview of the oversight responsibilities of the 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.	Complied
	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.	
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.	Complied
	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	



I. No.	Particulars	Compliance Status
	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.	
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.	Intimation of the Circular to the Board and related persons by CEO: The CEO will inform about this Circular to the directors and other related persons.	Complied
	2. Appointment and responsibilities of Chief Executive Officer (CEO)	
А	Rules and regulations for appointment of the CEO	
1	Moral Integrity: In case of appointment to the post of CEO, satisfaction in respect of the concerned person should be ensured to the effects that:	Complied
	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.	
2	Experience and Suitability:	Complied
	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.	
3	<b>Transparency and financial integrity:</b> Before making appointment as a CEO, satisfaction should be ensured to the effects that:	Complied
	a. The concerned person was not involved in any illegal activity while performing duties in his own or banking profession.	
	b. He has not deferred payment to creditors or has not compromised with his creditors to be relieved from debts or he is not a loan defaulter.	
	c. He is not a tax defaulter.	
	d. He has never been adjudicated a bankrupt by the Court.	
4	Age Limit: No person crossing the age of 65 years shall hold the post of CEO of a bank.	Complied



SI. No.	Particulars	Compliance Status
5 	<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.	Complied .
6	<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:	Complied
	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.	
	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.	
	c. Without improving the bank's major financial indicator like- CAMELS, annual salary increment will not be payable.	
	d. Terms of salary-allowances and other facilities as specified in the terms and conditions of appointment cannot be changed during the tenure. In case of renewal, proposal may be made for re-fixation of the salary considering the work performance of the current CEO.	
	e. The CEO so appointed shall not get any other direct or indirect facilities (e.g., dividend, commission, club expense, etc.) other than the salary-allowances and other facilities as enumerated in clause (b) above.	
	f. The bank shall not pay any income tax for the CEO, i.e., the CEO so appointed shall have to pay it.	
7	<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.	Complied
8	<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.	Complied
9	<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.	Complied
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
В	<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:	
	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



SI. No.	Particulars	Compliance Status
	b. The CEO shall ensure compliance of the Bank Company Act 1991 and other relevant laws and regulations in discharging of routine functions of the bank.	Complied
	c. The CEO shall include clearly any violation from Bank Company Act 1991 and/or other relevant laws and regulations in the "Memo" presented to the meeting of the 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	
А	Rules and regulations for appointment of an Advisor	No such advisor in SBL
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:	N/A
	a. Experience in Banking or Administration for at least 15 (fifteen) years or have a long experience in social activities.	
	b. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person.	
	c. Satisfaction should be ensured that the concerned person was not dismissed from his service when he was Chairman/ Director/ Executive of any company.	
	d. The person who is working in any bank or financial institution or who has business interest in that bank will not be eligible for appointment to the post of Advisor.	
	e. Satisfaction should be ensured that the concerned person is not a loan defaulter or tax defaulter and has never been adjudicated a bankrupt by the Court.	
2	<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 résumé 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	N/A



Particulars	Compliance Status
inconsistent with the terms of reference of the advisor will not be considered as acceptable to BB.	
<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
<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
Rules and regulations for appointment of a Consultant	
<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
<b>Responsibilities of a Consultant:</b> The responsibilities or term 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
<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 résumé, terms of reference and details of remuneration to BB immediately.	Complied
<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
<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
<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.	No such case
	inconsistent with the terms of reference of the advisor will not be considered as acceptable to BB.  Tenure of Advisor: The tenure of the Advisor shall be maximum 01(one) year, which is renewable. An evaluation report (by the Chairman that is approved by the BoD) of previous tenure should be submitted to BB along with the re-appointment proposal.  Appointment of Ex-executive: 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.  Rules and regulations for appointment of a Consultant  Terms of Reference of Consultant: Consultant can be appointed for specialized tasks like tax, law and legal procedures, engineering and technical works, information technology, etc. Consultants' appointment should be avoided as much as possible for those works that could be done by regular employees of the bank.  Responsibilities of a Consultant: The responsibilities or term 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.  Appointment of a Consultant: A Consultant can be appointed with the approval of the BoD. After such appointment the bank shall send the 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.  Remuneration/honorarium of a Consultant: The Consultant's remuneration should be in the f



Status of compliance with the conditions imposed by the Bangladesh Securities and Excahnge Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969):

Condition No.	Title			Remarks (If any)
IVU.		Complied	Not complied	
1.0	Board of Directors:			
1.1	The members of the Board should not be less than 5 (five) and more than 20(Twenty)	$\sqrt{}$		
1.2 (i)	Independent Director : at least 1/5 th of total No. of Directors	$\checkmark$	Comp <b>l</b> ied as per Bank 1991 (Amendmen	
1.2 (ii) a)	Independent Director holds less than one percent (1%) shares of the total paid-up shares of the Bank	√		
1.2 (ii) b)	Independent Directors is not connected with the company's any sponsor or director or shareholder who hold one percent (1%) or more.	$\checkmark$		
1.2 (ii) c)	Independent Director does not have any other relationship with the Bank or its subsidiary companies	$\checkmark$		
1.2 (ii) d)	Independent Director is not a member, director or officer of any stock exchange	$\checkmark$		
1.2 (ii) e)	Independent Director is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	$\checkmark$		
1.2 (ii) f)	Independent Director is not a partner or an executive or was not a partner or an executive during the preceding 3 years of any statutory audit firm	$\sqrt{}$		
1.2 (ii) g)	Independent Director is not Independent Director in more than 3 listed companies	$\sqrt{}$		
1.2 (ii) h)	Independent Director has not been 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)	$\sqrt{}$		
1.2 (ii) i)	Independent Director has not been convicted for a criminal offence involving moral turpitude	√		
1.2 (iii)	Independent Director is nominated by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	√		



	Title		Compliance Status (Put √ in the appropriate column)	
INU.		Complied	Not complied	(If any)
1.2 (iv)	Post of independent director(s) can not remain vacant for more than 90 (ninety) days	√		
1.2 (v)	The Board lays down a code of conduct of all Board members and annual compliance of the code to be recorded	√		
1.2 (vi)	Tenure of office of Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only	$\checkmark$		
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business	$\checkmark$		
1.3 (ii)	The person should be a Business Leader/Corporate Leader/Bureaucrat/ University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences	√		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission	N/A		
1.4	Chairman shall be elected from among the directors and respective roles and responsibilities of Chairman and CEO shall clearly be defined by Board of Directors	$\sqrt{}$		
1.5	Director's report to shareholders:	$\checkmark$		
1.5 (i)	Industry outlook and possible future developments in the industry	$\checkmark$		
1.5 (ii)	Segment-wise or product-wise performance	$\checkmark$		
1.5 (iii)	Risks and concerns			
1.5 (iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	<b>√</b>		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	$\sqrt{}$		



No.		Complied		
1.5 (vi)			Not complied	(If any)
	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report	V		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	N/A		
1.5 (viii)	Explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	V		
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on Annual Report	N/A		
1.5 (x)	Remuneration to directors including independent directors	$\sqrt{}$		
1.5 (xi)	Fairly present financial statement, state of affairs, the result of operations, cash flows and changes in equity	$\checkmark$		
1.5 (xii)	Proper books of account 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	<b>√</b>		
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 issuer company's ability to continue as a going concern. If the company is not considered to be a going concern, the fact along with reasons thereof should be disclosed	√		
1.5 (xvii)	Significant deviations in operating results from last year should be highlighted and explained.	√		



Condition No.	Title		nce Status propriate co <b>l</b> umn)	Remarks (If any)
		Complied	Not complied	
1.5 (xviii)	Summary of key operating and financial data for at least last five years	$\sqrt{}$	_	
1.5 (xix)	Declaration of dividend (cash or stock) for the year	$\checkmark$		
1.5 (xx)	Number of Board meetings held during the year and attendance by each director shall be disclosed	$\checkmark$		
1.5 (xxi)	Shareholding pattern:	$\sqrt{}$		
1.5(xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details)	$\checkmark$		
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)	$\checkmark$		
1.5 (xxi) c)	Executives	$\checkmark$		
2.0	Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS):	√		
2.1	Appointment	$\checkmark$		
2.2	Requirement to attend the Board Meetings	√		
3.0	Audit Committee	$\sqrt{}$		
3 (i)	Audit Committee is a sub-committee of the Board of Directors	$\checkmark$		
3 (ii)	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	$\sqrt{}$		
3.1 (i)	Audit Committee shall be composed of at least 3 (three) members	√		
3.1 (ii)	Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall	$\checkmark$		



Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Comp <b>l</b> ied	Not complied	(If any)
	include at least 1 (one) independent director	<b>√</b>		
3.1 (iii)	Members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	$\checkmark$		
3.1 (iv)	On the expiration of term of service of the Committee members or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee	V		
3.1 (v)	The company secretary shall act as the secretary of the Committee.	$\checkmark$		
3.1 (vi)	Quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	$\checkmark$		
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	$\checkmark$		
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	√		
3.3	Role of Audit Committee:	$\checkmark$		
3.3 (i)	Oversee the financial reporting process	$\sqrt{}$		
3.3 (ii)	Monitor choice of accounting policies and principles	$\sqrt{}$		
3.3 (iii)	Monitor Internal Control Risk management process	$\checkmark$		
3.3 (iv)	Oversee hiring and performance of external auditors	$\sqrt{}$		
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval	$\checkmark$		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	$\checkmark$		
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	√		



Condition No.	Title			Remarks
		Complied Not com	Not complied	- (If any)
	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. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus	√ √		
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors			-
3.4.1 (ii) a)	Report on conflicts of interests	-√		
3.4.1 (ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system	- /		
3.4.1 (ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations	√ √		
3.4.1 (ii) d)	"any other matter which shall be disclosed to the Board of Directors immediately"	$\sqrt{}$		
3.4.2	Reporting to the Authorities  Reporting to the Shareholders and General Investors	<b>√</b>		
4.0	External/Statutory Auditors:	√		
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	$\sqrt{}$		
4 (iv)	Broker-dealer services			
4 (v)		√		
4 (vi)	Internal audit services	$\sqrt{}$		
4 (vii)	Any other service that the Audit Committee determines	N/A		
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	V		



Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not complied	(If any)
5.0	Subsidiary Company:	√		
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	$\checkmark$		
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	$\checkmark$		
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	√		
6.0	Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO):	√		
6. (i) a)	Fianancial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
6. (i) b)	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	√		
7.0	Reporting and Compliance of Corporate Governance:	√		
7 (i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) 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	V		





#### জোহা জামান কবির রশীদ এন্ড কোং

চাটার্ড একাউন্টেন্টস

#### Zoha Zaman Kabir Rashid & Co.

Chartered Accountants

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### CERTIFICATE OF COMPLIANCE ON CORPORATE GOVERNANCE OF STANDARD BANK LIMITED

[As required under the Bangladesh Securities and Exchange Commission (BSEC)]

We have examined compliance to the Bangladesh Securities and Exchange Commission (BSEC) guidelines on Corporate Governance by Standard Bank Limited (the "Bank") for the year ended 31 December 2015. These guidelines relate to the Notification no. SEC/ CMRRCD/ 2006-158/134/Admin/44 dated 7th August 2012 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance is the responsibility of the Bank. Our assessment was limited to the procedures and implementation thereof as adopted by the Bank's Management in ensuring compliance to the conditions of Corporate Governance. This is a scrutiny and verification only and not an expression of opinion or audit of the financial statements of the Bank. In our opinion and to the best of our information and according to the explanations provided by the management to us, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines issued by Bangladesh Securities and Exchange Commission (BSEC). We also state that such compliance is neither an assurance as to the future viability of the Bank nor a certification on the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

**Dated: 05 April, 2016** 

Dhaka

Zoha Zamam Kabir Rashid & Co.

**Chartered Accountants** 





## MANAGEMENT DISCUSSION & ANALYSIS

Patrons and Well-wishers. It is a matter of great honour and privilege to present before you the Management discussion & Analysis on the different aspects and activities of Standard Bank Limited (SBL) in the year 2015.

#### **CUSTOMERS SERVICE**

Customers are our first priority who acts as ambassadors of the Bank for image buildup. The Bank has developed a conducive organizational structure and implemented Service Excellence through appropriate blending of 4 Ps namely People, Process, Premises and Professionalism with a view to ensuring excellence in customer service. The Bank envisages conducting of promotional activities and establishes brand marketing through ensuring excellent Customer Service. Our Company philosophy is customer friendly and fully responsive to customer needs and expectations. We leverage technology and expertise to provide best services and convenience to its customers. We spend money on things that matter to them and add value to the Bank in terms of image and profit. The Bank has focused on rendering dignified, prompt and personalized services to the customers. SBL believes in developing strong interpersonal relationship. As such, the Bank is morally bound to provide high quality banking services supported by the latest technology to obtain optimum return on shareholder's equity, ensuring safety of depositor's money and making all-out efforts to introduce innovative banking products to the existing and prospective customers. SBL is happy that the Bank could give enough emphasis on empowering poor families by creating income opportunity and providing financial support to make them self-reliant. The Bank considers that services to be of utmost importance to improve the fate of deserving people in our society. Now, SBL has been able to extend more comfortable services to the valued clients such as any-branch-banking, ATM services, Debit and Credit Card, SMS Banking, Internet Banking, Mobile Banking, Agent Banking, Electronic Fund Transfer, Bangladesh Automated Clearing House facilities etc. These services have surely added new dimensions and have offered new and advanced means of banking to the clients. SBL is looking forward to expand its area of operation from urban to rural by introducing new customized products and services that are tailored to different economic classes of people of the society in order to bring the un-banked people into banking channels. That is why our customer-base has been steadily expanding over the years.

#### BRANDING

To increase brand visibility by creating positive image of the bank, SBL is undoubtedly gaining momentum in its day-today activities to implement the slogan **"Setting a New Standard in Banking"** by strengthening the

Bank's financial capability to an international standard, increasing the brand image, and practicing high degree of planned corporate good governance. During the year under report, Eight (08) new branches have been opened and state-of-the-art IT services has been introduced to offer better banking services to the existing and prospective clients.

#### INFORMATION TECHNOLOGY

Technology is considered as one of the strategic pillars and key factors of the Bank towards achieving goals of the Bank. We must keep innovating to offer our customers with new and better solutions, cut costs and reinforce risk management as staying committed to the goal of delivering excellent banking services requires continuous improvements in technological platform. The Bank has put in place a state-of-the-art IT Infrastructure and is providing an array of various products and services through all its delivery channels. It is the combination of technology and banking knowledge that can redefine the competitive landscape of the banking industry. In an inherently digital industry, it is essential to embrace technology-driven innovation in order to flourish. We have invested on technological advancement to increase automation of our back-end systems to drive down transaction costs and to improve service quality and resilience. As a result, our operations cost/income ratio would decline consistently, whilst staff productivity would rise gradually in the near future. The main objective of investment in technology is to provide our customers' convenience and quick service at branch level. We have already established a network of forty nine (49) ATMs mainly at our branch locations so that customers can have access regardless of banking hours and holidays. We have already connected with National Payment Switch under Bangladesh Bank where our customers can have access to more than 7700 ATMs & more than 16,500 Merchant POS outlets all around the country.

In order to cater the need of customers, SBL Introduced technology sawy services like Branch PoS, Internet Banking, SMS Banking, **SBL EXPRESS Booth** which is incorporated with ATM & CDM Machines etc. By using secured Internet Banking service anyone can check their account balance, printed statement and transfer fund easily from anywhere around the country through using Internet. SMS Banking service provides instant notifications about all transactions as and when it happens. It helps SBL clients to keep a watch on their account with a round the clock service. Moreover, it helps know the balances and mini statements instantly



through sending Push-Pull SMS. During the year with the approval of Bangladesh Bank, SBL has introduced mobile banking as a brand name "SPOT CASH" throughout the country which is completely a new addition to its existing services. The "SPOT CASH" Mobile Account model of SBL works on the fundamental principle of giving everyone an access to a bank account and adding value to lifestyle of customers irrespective of social strata in Bangladesh. SBL already deployed eighty one (81) units of Branch PoS and will incorporate all branches of SBL by the year 2016. PoS terminals help customers carry out chequeless transactions at branch by swiping debit cards on the PoS machine. The Bank has given due emphasis on the continuous development of Information Technology (IT). In this regard, some young and experienced professionals are working to explore the ideas of the cutting-edge, new IT products and services so that our IT-based banking service can reach to the "banked and un-banked" people around the country.

#### GREEN BANKING

The Bank has specially focused on green banking to safeguard the mother planet. The concept of Green Banking has been adopted by reducing paper work to a great extent. Multifarious Green Banking activities have efficiently been done in 2015. During the year 2015, a sum total of Taka 4193 million was disbursed under ETP, Solar Plant/ Energy Renewable Plant, HKK and other Green Industry compared to Taka 49.27 million in 2014.

#### HUMAN RESOURCES DEVELOPMENT

Standard Bank always gives the highest focus on the right placement of its key resource - human resource. The bank believes in certain core values as practiced by all employees to meet the mission and the broader vision of the Bank. We strongly believe human resources are the greatest assets and recognize them as building blocks of the bank's performance. Recognizing "Service Excellence" as the major differentiator in a market of homogeneous products and services, we continued to invest in people to enhance and upgrade their skill sets through various training programs at home and abroad. To ensure long-term sustainability, Standard Bank is relentlessly pursuing its vision to transform the human resources into human capital. Diversely talented, motivated and engaged employees have always been our key assets. The Bank has been maintaining a highly favorable employer image by creating a performance-driven rewarding work culture; where employees receive plenty of opportunities to realize their diverse potentials fully as well as benefit the bank by demonstrating value creating behaviors. The Recruitment & Selection team works dedicatedly as per organization's 'best fit' philosophy to fill up the vacancies and ensure that the additional human resources are being assessed, selected and placed on time as per required competencies. The Bank has systematic recruitment policies which are reviewed and updated periodically in the light of changing economic scenario and guidelines received from Bangladesh Bank time to time. In most part of 2015, our 1604 employees worked together to make possible the technological advancement, expansion and modernization plan that were set for achievement. Our efforts are focused on the delivery of quality services in all areas of activities with the aim to add increased value to shareholders' investment and offer highest possible convenience and benefits to our customers. I am content that the sewing together of, firstly, our bank's vision and, secondly, the strategies along with the KPIs and roll

out plan of the models-occurred one after the other in a natural succession flow, giving the employees readiness to the changes. We always pay due attention to retain professional human capital by providing competitive fringe benefits and better working environment to excel further. Competent and quality workforce is a precondition for continuous growth and success of the bank. As a bank, we always focus on attracting, developing and motivating the very best individuals and encouraging our internal talents. Building a robust and productive workforce is crucial to our technology oriented work environment.

#### CAPITAL ADEQUACY

To manage the overall risk exposure of the bank, our primary focus has always been to reinforce our risk management policy with a strong internal control system. Our Capital Adequacy Ratio has remained consistently above the threshold (10% of RWA) of Minimum Capital requirement which stood at Solo-12.41 % Consolidated-12.18% as on 31 December 2015 with fresh injection of capital through issuing subordinate bond of Tk. 200 crore.

To meet up the compliance of BASEL-III deadline, Standard Bank Limited with consent of Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, have issued "STANDARD BANK COUPON BEARING NON CONVERTIBLE SUBORDINATED DEBT (BOND)" for 06(six) years where ICB Capital Management Limited act as a "Trustee" for BDT 200.00 crore to meet up the Tier II capital requirement of the Bank.

#### CORPORATE SOCIAL RESPONSIBILITY

This year Corporate Social Responsibility (CSR) activities of the Bank expenses to Taka 51.80 million under Health, Education, Disaster Management, Environment, Cultural welfare, Infrastructure improvement in remote/underprivileged areas, Income generating activities for the underprivileged population, and Others program's as against Taka 48.3 million in 2014 to reaffirm the commitments of the Bank towards society.

#### SME & AGRICULTURAL INVESTMENT

Due emphasis was given on SME and Agricultural Financing that stood at Taka 7,822 million in 2015 as compared to Taka 6,075 million in 2014 which is a tremendous growth of 28.76%.

#### **PERFORMANCE**

The country experienced slower investment demand in 2015 resulting in substantial amount of surplus liquidity in the banking industry. Despite such scenario, the year 2015 SBL maintained and achieved a stable position in all key areas of its operations overcoming manifold challenges. Out of 104 Branches, Operating Performance of 2015 of some Branches may be mentioned as under:

(i) 23 Branches achieved 100% Deposit Target, (ii) 14 Branches achieved 100% Investment Target, (iii) 8 Branches achieved 100% Foreign Exchange Business Target, and (iv) 5 Branches achieved 100% Profit Target as set out for the year 2015. 29 Branches which incurred loss during the year are expected to be brought under profit club by June 2016. Capital of the Bank stood at Tk.14,245 million compared to Tk. 11,013 million in 2014. Total



Deposit and total Asset of the Bank stood at Tk. 1,06,932 million and Tk. 1,32,370 million respectively in 2015 compared to Tk. 97,302 million and Tk. 1,19,932 million in 2014. The Bank achieved 14% growth in investment with a total investment portfolio of Tk. 91,487 million in 2015 compared to Tk. 80,449 million in 2014. Import business of the Bank stood at Tk.51,491 million in 2015 with 5% negative growth over the previous year, while Export business of the Bank stood at Tk. 38,747 million in 2015 which is declined 11% than that of previous year. Total Foreign Remittance was Tk. 9,781 million in 2015 with 71% growth over the previous year. Total Foreign Exchange business of the Bank was Tk.90,237 million in 2015 which is declined 7% than that of the previous year. The classified investment of the Bank decreased to 3.23% from 3.55% in 2015 and finally registered an operating profit of Tk. 3,275 million in the year 2015 which was declined 17% compared to Tk. 3,835 million in 2014. In the Year 2015, eight (08) new Branches were opened and SBL became the Bank comprising of 104 Branches. Total manpower of the Bank is 1604. Operating Profit Ratio of 2015 was 24% compared to 26% in 2014. In the year under review, country's money market was soft and domestic lending rates have fallen. Return on equity was 13.91% in 2015 against 12.27% in 2014. Current ratio for the year 2015 was 1.08 times which has been almost steady since long. The Bank was more levered in 2015 (Debt equity ratio 10.54 times) compared to 2014 (ratio 11.13 times). Cost of Deposit was 7.69% in 2015 compared to 8.92% in 2014. Return on Average Assets was 1.27% in 2015 against 1.06% in 2014. At the end of year 2015, EPS and PE Ratio was Taka 2.43 and 3.78 times respectively compared to Taka 1.85 and 6.86 times in

#### FINANCIAL INCLUSIONS

Financial inclusion remains a necessity for providing access to financial services to all the unbanked and under-banked people in a fair, transparent and equitable manner at an affordable cost. Financial services include, inter alia, credit delivery to micro and SME enterprises, agricultural and other rural and urban farm and non-farm productive activities. Retail and SME have been recognized by Bangladesh Bank as a major thrust of economic growth. Consequently we have deepened our stake in both the areas. We have opened 07(Seven) SME branches across the country at strategically Important locations. In agriculture and non-farm sectors we have taken new Initiatives to make lending collateral free as much as possible. This year Standard Bank has initiated 'Agent Banking' operation to provide financial service for nonbank people.

#### **OUTLOOK 2016**

From the beginning of the year 2016, due to the unrest in national politics, capital market, and above all the banking scandal, the overall economic condition of the country looks unstable. Despite such limitation, financial sectors still expect to record a steady growth. Operating profit of the 1st quarter of Standard Bank Limited is expected to keep growing. To make the year 2016 another success, SBL is ready to accept the challenges of 2016 with new visionary zeal to achieve the common objectives of the Bank and, hence, the year 2015 will definitely be a challenge for every individual of SBL. Considering the stands and commitments towards stakeholders, SBL has prepared financial budget for the year 2015, which is realistic and challenging. The Business Target for the year 2016 is featured by setting of (i) Client Deposit - Tk. 1,27,290 million (ii) Investment - Taka 23,338 million (iii) Foreign Exchange Business - Taka 1,12,649 million & (iv) Operating Profit - Taka 4,500 million. To achieve success in the year, SBL has

undertaken the following short-term strategies side by side the mid-term and long-term strategies:

- To open new Branches in important urban/rural areas of Bangladesh.
- To increase ATM facilities
- To strengthen the automation procedures of the Bank
- To increase number of AD Branches
- To enhance the CSR activities in line with the Bank's CSR policy
- To undertake special recovery drive.
- To conduct special program me's for business.
- To present innovative and new deposit and investment products to the customers.
- To explore the business opportunities in SME investments
- To take strong initiative for launching 'Agent Banking' operation to provide financial service for nonbank people.
- BaseI-III compliance with raising and managing capital adequacy from 10% to 12.50%.

Some factors may cause the actual results to differ and some may significantly cause to deviate from the outlook 2015. Some of the factors that may affect the business environment are given below:

- Changes in government policy issues
- Changes in the general economic condition resulting from natural calamities and political disturbances.
- Rise in international prices of essentials which may result to volatility in Foreign Exchange Market.
- Compliance issues raised by the international forums which are likely to affect the export growth.
- International embargo/unrest may affect remittances and trade.
- Increase in corporate tax rate.
- Volatility in interest rate
- Increase in CRR and SLR of the banks.
- Directives to reduce the lending rates to finance essential items.
- Increase in provisioning requirement may reduce the ROA and ROE.
- Reducing the margin ratio for investment accounts.
- Volatility in capital market arising from speculations
- Withdrawal of incentive given to some thrust sectors which may make the projects slowly moving.

Nevertheless, the successes of Standard Bank Ltd. (SBL) in 2015 clearly affirm that this bank is ready to accept challenges of the future. We hope, SBL's momentum of growth of business and profitability will be maintained definitely in 2016 and the years to come. We will always be responsive to the needs of our communities and ultimately our customers. To show our commitment to all our stakeholders and increase their trust in Standard Bank Ltd., we have embraced a business principle called Creating Shared Value (CSV), which is for us to be successful in the long term. We have to create value not only for our shareholders but also for people in the communities where we do business. We look forward to a brighter and rewarding two thousand sixteen.

May the Almighty ALLAH bestow His choicest blessings on all of us.

Md. Nazmus Salehin Managing Director & CEO



#### SUSTAINABILITY WE MEAN:

Sustainability could be defined as an ability or capacity of something to be maintained or to sustain itself. It's about taking what we need to live now, without jeopardizing the potential for people in the future to meet their needs. If an activity is said to be sustainable, it should be able to continue forever.

Standard Bank is firmly committed to being good corporate citizen and to help clients and other key stakeholders to achieve sustainable success. Bank's central sustainability theme revolves around generation next and beyond, reflects the essence of its ambition. Standard Bank is here for the long term and takes into account the legitimate interest of its stakeholders — not only for today's world, but for future generations too.

To comply with the UN Sustainable Development Goals Standard Bank will stimulate action over the next years in areas of people, planet, prosperity, peace and partnership.

#### The 5P'S OF SUSTAINABLE DEVELOPMENT



Source: UN Sustainable Development Goals (SDGS), 2015





**People:** Standard Bank is expecting to alleviate poverty and hunger, in all forms and dimensions and to ensure that all human beings can fulfill their potential in dignity and equality and in a healthy environment.

**Planet:** We also try to protect the planet from degradation including through sustainable consumption and production, sustainably managing its natural resources and taking urgent action on climate change so that it can support the needs of the present and future generation.

**Prosperity:** Standard Bank determined to ensure that all human being can enjoy prosperous and fulfilling lives and that economic, social and technological progress occurs in harmony with nature.

**Peace:** We want to foster peaceful, just and inclusive societies which are free from fear and violence. There can be no sustainable development without peace and no peace without sustainable development.

**Partnership:** We would like to mobilize the means required to implement the sustainable development agenda through a revitalized global partnership for sustainable development, based on a spirit of strengthened global solidarity focused in particular on the needs of the poorest and most vulnerable and with the participation of all countries, all stakeholders and all people.

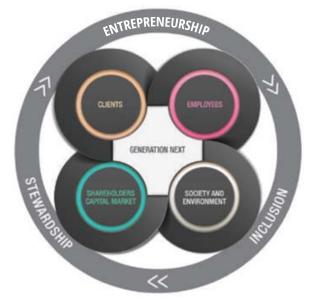
We are rebuilding a stronger and safer Standard Bank. The work we are doing on sustainability is an integral part of this, contributing to the long term performance of the Bank and the return to ongoing profitability, steering the Bank towards its corporate targets with a direction of growth that meets expectations of shareholders, customers, employees, investors, international financial institutions, regulators, business partners, above all the community we operate in. Our stakeholder engagement approach allows us to understand the issues that matter most to those who have an interest in our business. Treating customers fairly, being good employer, keeping customers' money and data safe. In addition, managing our wider ethical, social and environmental impacts remain among the key concerns of our stakeholders.

#### **OUR APPROACH**

Standard Bank is firmly committed to being good corporate citizen and to help clients and other key stakeholders to achieve sustainable success. Bank's central sustainability theme revolves around generation next and beyond, reflects the essence of its ambition. Standard Bank is here for the long term and takes into account the legitimate interest of its stakeholders – not only for today's world, but for future generations too.

Three key elements shape this theme:

 Entrepreneurship: A sustainable business model is based on the pursuit of a socially responsible and environmentally friendly market opportunities and supporting clients in becoming more sustainable themselves.



 Stewardship: Taking responsibility for clients, suppliers, employees and reducing the environmental impact



Inclusion: Standard Bank encourages community involvement
throughout its 16 years of operation; Standard Bank has pledged its
commitment to build long-term sustainability through business
transparency, eco-friendly innovations, and community development
for a better quality of life and sustainable well-being for the next
generation. We believe that responsible banking addressing social,
environmental and financial conditions are key to long term success
and beneficial for immediate community that includes our clients,
employees and place where we operate.

#### FAIR BANKING

We are working to provide a simple, accessible and innovative service for our customers in response to their requirements. Banking is central to the daily lives of almost everyone, and it's important that we understand their needs. We have taken steps to proactively identify people who may get into financial difficulty so we can work with customers to improve their situation. We have reviewed our rates structure (both corporate and retail) as we aim to place customers at the heart of our business decision.

#### Standing by the Enterprise

Giving support to the enterprise in the economies in which we operate is a cornerstone of our customer offering. The health of Standard Bank is directly influenced by the health and success of the business it supports. Whether it's continuing to serve our existing clients in the best way possible or working to give start ups the help they need to become successful-we are here to support the growth of viable businesses. We provide advice and guidance to businesses through our Branch Managers. We know it is a difficult time for some organizations and that's why we created specialist team to provide that support.

#### **Employee Engagement**

Being good employer is fundamental to our success as a business our employees are a diverse and talented group which we support and encourage through internal networks and training. We highly value our employees and seek to support them through this process with a range of tools and services to help them find other roles, either inside or outside the Bank. We also offer emotional and practical challenges that they may experience.

#### **Safety and Security**

Managing safety and security of our employees and customers is one of our fundamental responsibilities. We have adopted continuous vigilance approach to keep up with challenging and changeable environment that we operate in, and continually review and innovate the way we face. Every year we invest a reasonable sum in ensuring stringent branch security measures.

#### Citizenship and Environmental Sustainability

As a large organization we have a responsibility to manage our internal and external impacts. A core part of this is the way we govern our environmental, social and ethical risks, not only within our own operations, but also in relation to companies we lend to. We are going to implement sector policies which clearly define our lending criteria in certain sensitive industries. 2016 will also see the launch of revised and more stretching targets to reduce our environmental footprint across our travel and energy waste, water and paper use. These targets will drive forward the management of our own footprint, and allow our Stakeholders to track our progress.

#### Financial Inclusion

Multitudes of people across the country still remain unbanked or have limited access to banking services. We remain committed to agricultural and rural credit (micro finance) as a means of increasing financial inclusion in the country. Our approach is to support this sector by providing a range of financial services as well as bringing this vast population through our own branch network and Microfinance Institution (MFIs). Small and Medium Enterprises play crucial role in generating jobs and economic growth in Bangladesh. In 2015, we continued to demonstrate our support for SMEs, increasing our lending to the sector by more than 29.82 percent to BDT 7886.60 million and enriching our SME products and services.

#### TACKLING FINANCIAL CRIME

To guard against the risk of financial crime within our business, we focus in training our employees, strengthening our screening system and ensuring that our policies and procedures are effective and up to date. We devote our efforts to minimize the damaging effects of financial crimes on our business, our customers, and community. We focus on the following key areas:

- •Compliance with all applicable laws, regulations, and sanctions
- Actions to prevent money laundering and terrorism financing
- · Prevention of fraud

Employee awareness about fraud trends and combating technique is the key to successful financial crime prevention. During 2015, a total of 212 officers completed anti-money laundering training to reinforce our capacity to protect money laundering activities. We have prioritised fraud prevention in coming years; having established a cell namely 'Central Customer Service and Complaint Management Cell' hence planned to launch comprehensive fraud prevention strategy and training for our employees. Suspicious Transaction Reporting (STR) and KYC procedure are the tools that Bank is presently executing to prevent financial crimes and money laundering. Our core fraud combating units are security, compliance and internal audit, IT security, human resource, and risk management unit. These units are working together to strengthen fraud prevention management system in the bank.

#### PROMOTING SUSTAINABLE FINANCE

Our main impact on people and the environment stem from the business activities we finance. Our approach is to manage the environment, social and governance risks that come with our financing decisions, working with our client to encourage compliance with international standards. In 2015, Standard Bank financed BDT 4062 million under ETP and BDT. 44.83 Million for Solar Energy (House System). We have planned to sign participation agreement with Bangladesh Bank for using Asian Development Bank (ADB) fund to finance cleaner brick kiln technology. In addition to social and environmental policies outlined above, Standard Bank makes every effort to ensure that its own operations and activities are minimal in their environmental impact. Board of Directors of the bank also approved Green Banking Policy for overall governance of green banking initiatives. In line with the said policy, Standard Bank and its subsidiary will comply with all laws and regulations related to environmental protection, green banking and other regulatory requirements.



# CORPORATE SOCIAL RESPONSIBILITY



practices. Enhancing CSR as a means for poverty reduction and sustainable development in a developing country like ours with modest resources requires joint initiatives by all stakeholder groups involved. Only through co-operation of stakeholders at all levels CSR can have a beneficial social and developmental impact. Moreover, multi-stakeholder initiatives are an appropriate tool for experience-sharing and the development of best practices for creating a link between corporate insight and the government agenda. CSR plays a role in building customer loyalty based on distinctive ethical values. It creates new business opportunities, builds synergies and creates partnerships with stakeholders including the community at large.



#### CSR IN SBL

In line with the conformity SBL focused on CSR by involving in different nation building activities apart from usual banking operation. Since its inception in 3rd June 1999, SBL was more active for the noble cause of humanity. Since inception Standard Bank Limited has been involved with philanthropic activities to help disadvantaged people/community of the country. As per instruction of Bangladesh Bank, Standard Bank Limited has enthused itself into a broad range of direct and indirect CSR engagements including advancement of education for the poor and underprivileged community, preventive and curative health support for the underprivileged population segment, humanitarian relief and disaster response; widening of greening initiatives arresting environmental degradation, and so forth.

Direct and indirect budgetary CSR commitments of SBL have increased several-fold since 2008 complying with Bangladesh Bank circulars. Substantial and further increasing levels of financial involvements in CSR engagements have understandably raised concerns about ensuring allocation of the budgetary resources on an arm's length basis, free of insider interests connected to members of the boards and senior managements, as also about proper end use monitoring. These indicative guidelines are intended to cover only the CSR support initiatives in the communities outside the bank; not those to do with upgrading of working conditions, health and safety measures, gender fairness etc. for own employees that are covered by relevant labor laws and regulations.

#### STANDARD BANK FOUNDATION

The endowment of Standard Bank Foundation, which was founded in 2010, has grown to a significant size since its inception. The funding policy has focused on some major areas: education and research, healthcare, art and culture and social projects. The Bank made provision for Standard Bank Foundation at remarkable percentage on pretax profit in every year. In 2015, SBL has made a provision for Taka 20 Million for SB Foundation.

Standard Bank wants to eliminate the impropriety in the society, to create fellow feeling among the citizens of the country, motivate people to do good works and conserve nature. Thus Education, Health care, Creation of social awareness, Rehabilitation of destitute, standing beside the victim caused by Natural Disaster, Preserve the Art and Culture of the society, and address human sufferings arising out of different causes are some of the important areas where Standard Bank has been carrying out its social and philanthropic responsibilities. During the year 2015 BDT 51.80 million was contributed for social and philanthropic causes under CSR activities of the Bank in the form of Direct Social Intervention in Social Projects and Community Development Project out of its budget BDT. 80.00 Million. Area of our corporate philanthropy & social obligation is not limited at all. Since our take-off in 1999, we have been taking part in diversified social activities. The sector wise report is narrated hereunder:

Summary of actual CSR contribution during the year 2015 is here under:

in million BDT

SI No.	Sectors/Initiatives	2	2015
	( Social project + Community Investment)	Budget Actual	Actual
1	Education	24.00	5.80
2	Health	16.00	3.80
3	Disaster Management	20.00	32.50
4	Environment	1.50	1.50
5	Cultural Welfare	7.50	5.10
6	Infrastructure improvement in remote/underprivileged areas	0.00	0.10
7	Income generating activities for the underprivileged population	0.00	0.00
8	Others	11.00	3.00
	Total	80.00	51.80

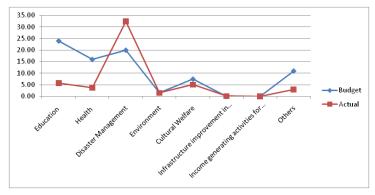


Table: 1.1 shows CSR allocation in 2015 against its budget in Million BDT



# OUR CONTRIBUTION TO DIFFERENT Lion Monow established for the school. To order to provide to spread our locality. At provide to spread our locality. At provide to spread our locality. At provide to provide to

Lion Monowara Islam Girls' High School has been established for one decade and playing an important rol to spread out education specially for women in the locality. At present there are 250 girls student studying in the school. The school has no computer at present. In order to provide education, SBL donated two computers for the students to enhance practical knowledge.

**EDUCATION** 

**HEALTH** 

**DISASTER MANAGEMENT** 

**ENVIRONMENT** 

**ART & CULTURAL WELFARE** 

INFRASTRUCTURE IMPROVEMENT IN REMOTE/UNDERPRIVILEGED AREAS

**OTHERS (HUMANITY)** 

#### **EDUCATION**

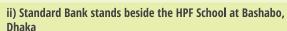
Education and job focused vocational training being crucial in widening advancement opportunities for the underprivileged population segments, Standard Bank keeps around thirty percent of total CSR expenditure fixed for Education Sector as per CSR Guidelines issued by Bangladesh Bank a) for scholarships/stipends for students from low income family in reputed academic and vocational training institutions, and (b) for support towards upgrading of facilities in academic and vocational training institutions substantially engaged with students and trainees from the underprivileged rural and urban population segments.

Our goal is to give children and Juvenile from underprivileged families the opportunity to successfully complete high school or vocational training through targeted programs. At the same time, we would like to help them build their own social networks. Our commitment to education helps the poor and meritorious student to discover their own potential in the area of academic development. Recognizing 'education' as a focus area of the bank's CSR activities, the Bank has donated BDT 4.33 Million in the form of Scholarship to the poor and talented student during the year 2015. The Bank has expensed BDT 5.82 Million for Education Sector during the year 2015 in direct social intervention and supplementing initiatives to the community.



#### i) Scholarship to the poor and meritorious students

The bank acknowledged poor & meritorious students who passed PSC, JSC and SSC examination in 2014 and presently pursuing studies at different institutions. Like last year SB Foundation Scholarship was distributed the students who fall under eligibility and selection criteria affixed by the BOD earlier. In 2015 the Bank provided scholarship of BDT. 4.33 Million to 1231 poor and meritorious students all over Bangladesh under the category of PSC, JSC & SSC. Out of the students 744 students were female and 487 were male. For the female students, bank provided scholarship of BDT. 2.48 Million and for male BDT. 1.85 Million.



Help the People Foundation (HPF), a voluntary & social service organization, came into operation in 2011 approved by Ministry of Social Welfare Affairs of Government of the People's Republic of Bangladesh. They have established HPF School in 2015 for providing modern and quality education to underprivileged children in the community of Bashabo, Dhaka. At present there are 105 students studying in the school. HPF School provides modern and quality education in combination of Bangla and English by computer in every classroom and also provides free educational materials i.e. book, writing book, pen. Besides it provides nutritious food, hygienic products, medical check-up and necessary medicines to children. The Bank has donated BDT.0.5 Million for the smooth operation of HPF School to spread out education among the disadvantaged children.

#### iii) Standard Bank donates computer to Dhokrakol Secondary School, Khoksha Kushtia and Lion Monowara Islam Girls' High School, Jhenidah

Dhokrakol Secondary School was established in 1965 at Ambaria Union Parishad under Khoksa Upazilla in the district of Kushtia. It is one of the most reputed schools in the district. At present there are 825 students in this school. The school has been securing first position in JSC and SSC examination for the last five years in the district. Being considerate about that the Information and communication technology has been mandatory for the student from class six and it is necessary to know the subject and its uses practically by the students in the class, the Bank has donated two desk top computers for the students of this school in 2015.

#### iv) Standard Bank donates to construct new premise of Mazid Jarina Foundation School at Narakalikata, Naria, Shariatpur

Being observed that there is no higher secondary school within 3/4 kilometer of Narakalikata, Naria under the district of Sariatpur the bank feel interested to donate for construction of Mazid Jarina Foundation School where the operation of a higher secondary school under Mazid Jarina Foundation was started earlier. There are 744 students studying in the school. The Bank donated BDT. 0.7 Million in 2015 for the construction of premises of the School. A remarkable contribution to the education sector is made by this donation to spread out education among the underprivileged students in the said locality.









## HIGHLIGHTS OF 2015

Our aim is to create sustainable impact on the communities with our social initiatives

23

Poor patients got financial assistance for their better treatment

8000

People get drinking water, temporary shelters, sanitation and protection from disease out breaks in Nepal's earth quake

100

Leprosy patient got new clothes to observe Eid-Ul-Fitr

1231

Underprivileged Students realize their dreams

1075

Student got practical computer knowledge in their school

#### Uncounted

Patient got curative health care treatment in Khulna Shishu Hospital

25

Poor got financial assistance in other category

40500

Cold-hit people receive

3

Deceased Army family got financial support killed in BDR mutiny

#### Uncounted

Poor farmers got natural cold storage facility to protect their crops

1605

Employees run for humanity



#### HEALTH

Preventive and curative healthcare support assistance for underprivileged population segments comes next in priority; Standard Bank prefers to expense around twenty percent of total CSR expenditure allocation in this area. Support assistances in this area include direct grants towards costs of curative treatment of individual patience, towards costs of running hospitals and diagnostic centers engaged substantially in treatment of patients from underprivileged population segments, and towards costs of preventive public health and hygiene initiatives like provision of safe drinking water, hygienic toilet facilities for poor households and for floating population in urban areas, and so forth. During the year 2015 the Bank expensed BDT. 3.75 Million under Health Sector in curative treatment of individual patience and procurement of any medical equipment/materials to Hospital.



#### i) Bank donated a 500mA Digital Radiography X-Ray System to Khulna Shishu Hospital, Khulna

Khulna Shishu Hospital, a private hospital, has been established in 1980 with the arrangement of 250 beds for providing preventive and curative health care support to the community of the Southeast part of Bangladesh including the underprivileged community. The diagnosis of the disease was not properly executed because of unavailability of digital X-Ray system in the hospital. Considering the fact, the Bank donated a 500mA Digital Radiography X-Ray System to Khulna Shishu Hospital for curative health care support to the underprivileged community.



#### DISASTER MANAGEMENT

Disasters can strike anywhere. No country, rich or poor, is immune from risks of accidents and disasters causing deaths and injuries, destruction and damage to properties and assets; disrupting economic activities and livelihoods of individuals and households. Standard Bank came forward with prompt, generous fund



support for the rescue and relief efforts, by way of donations to the apex Prime Minister's Relief Fund to be with the poor and destitute to strive with the natural calamity like recent flood and cold stricken area. These and other such contributions would presumably be used up entirely in extending emergency assistance for the affected families with little left for capacity building of the emergency services. During the year 2015 the Bank donated BDT. 32.55 Million under Disaster Management.

#### i) Bank extended its hands of cooperation internationally for the marooned people caused by the devastating earth quake in Nepal:

As we know that, on April 25, 2015 the most powerful earthquake strike Nepal and caused devastating death of more than 8000 peoples. Hundreds of thousand

people were made homeless with entire village flattened across many districts of the country. All of the country's old buildings were destroyed. To overcome the natural calamity international aid has been demanded since 1.7 million children had been driven out into the open and were desperate need of drinking water, temporary shelters, sanitation and protection from disease out breaks.

Considering the fact, the Bank donated BDT. 3.63 Million as donation for humanitarian services to the earthquake victims of Nepal for purchasing 5000 blanket and foods for the children.







# iii) Donation for purchasing blanket for distributing among cold stricken people all over Bangladesh:

In the freezing January night of North Bengal, when the entire city dons their sweaters, monkey-caps and mufflers with a hot cup of tea, there are few under-privileged who cannot afford even a blanket and die — without a roof or cloth on their bare bodies — to add one more to the count of deaths in Panchagar, Thakurgaon, Lalmonirhat of Bangladesh due to cold wave every year. As of winter exists many such under-privileged succumbed to the dance of death this season.

Is there are ray of hope for the rest? Yes, there is.

As a part of Corporate Social Responsibility (CSR) and considering the humanitarian aspect, each year the Standard Bank has been distributing blankets among the destitute of cold stricken people in Bangladesh. Taking the list of bitterly cold stricken area as forecasted by Bangladesh Meteorological Department, Standard Bank distributed 40500 Blanket costing for BDT. 14.95 Million among the stricken people all over Bangladesh through its branch network. Since the inception, making sure that the help reaches only to the ones who are actually in need has been the key objective of the drive.





# **ENVIRONMENT**

At present Green Finance for Sustainable Development is a quite pressing issue in the context of looming global climate change threats. Environmental sustainability and climate change resilience are the key element of Bangladesh's inclusive socioeconomic development strategy Bangladesh Bank's resolute thrusts towards instilling corporate governance and internal controls culture are firmly grounded on transparency and accountability; towards ingraining inclusive and environmentally sustainable financing ethos in the financial sector. Corporate Social Responsibility (CSR) initiatives of our Bank are also guided by Bangladesh Bank.

Bangladesh is based on Agricultural Economy. Different steps have been taken to upgrade agriculture and the farmers by the Government and Non-government organization to be self depended in food. As a result there is a bumper production of crops for years long. But due to insufficient cold storage the farmers have to incur huge loss since the crops becomes

বাংলাদেশ ব্যাংকের উদ্যোগে

এ সামান্তিক দামক্ষতার আওতার

এনিসিমি ব্যাংক দিমিটেড ও স্টান্ডার্ড রাগ্রে দিমিটেডর অর্থায়নে নির্মিতব্য

প্রাকৃতিক হিমাপারের ভিত্তিপ্রতার স্থাপন অনুষ্ঠান

প্রথম অতিথ

ড. নিম্মানি দিলে জাল্লান জাল্লান

ব্যাহ্র প্রথম বিশ্বি

এইনা

ব্যাহ্র প্রথম বিশ্বি

SBL financed to establish a natural cold storage in Pirgonj, Rangpur under CSR fund. Honorable Speaker of the Parliament Dr. Shirin Sharmin Chaudhury was present as the Chief Guest at the foundation stone laying ceremony.

Among others Mr Mamun- Ur- Rashid, AMD of SBL was present on the occasion.

rotten. The Governor of Bangladesh Bank believes that it will work well if the problem can be solved by addressing natural cold storage in the locality.

Considering the aspects Standard Bank Limited contributed BDT. 1.5 Million to establish natural cold storage in Fatepur, Pirgonj, Rangpur to facilitate preservation of perishable crops (Such as potato, tomato, onion, garlic, mango, Zinger etc) to save the cost of marginal farmers in the locality.

# ART & CULTURAL WELFARE

Standard Bank boasts beautiful and unique arts and culture, reflecting the fact to be treated as most important. Arts and culture are not only a reflection of civilization, they also provide a spiritual base, encouraging people to share their love and care for one another. All of this contributes to a peaceful society which is a foundation for the development of the nation in all its aspects. Arts and culture are becoming more important in this era of globalization as they reflect unique characteristics which give the people pride in their image in the outside world. Standard Bank has continued to support and promote Bangladeshi arts and culture. During the year 2015 the Bank contributes BDT. 4.5 Million to Football Federation to make the play popular to the people.

# INFRASTRUCTURE IMPROVEMENT IN REMOTE/UNDERPRIVILEGED AREAS

Tackling the inefficiency and financial burden imposed by under-performing infrastructure is an important issue for developing and transitional countries. A lack of adequate infrastructure is an impediment to the development of the wider economy. Considering this purview the Bank donated some amount for constructions of Beradanga Sotapir Jadurhat Central Mosque, Tarapur Jamia Mosque, Gosaidangi Central Jamia Mosque and so forth under CSR activities in 2015.

# WE SERVE THE HUMANITY



Hope is a sine qua non in human life but all hopes cannot be materialized. One dream falls apart while the other rises. Life goes though a topsy-turvy. Amid such a notion, respect, love and responsibility emerges to support the human values. That's why men/women come forward for the wellbeing of the society and country as well. Standard Bank has taken a move on the theme to promote moral values and patriotism. The Bank has donated 1.10 Million to Freedom fighter Biddut Chowdhury Foundation for purchasing new clothes and food item for distribution among the destitute leprosy patients for observing Eid-Ul-Fitr-2015.





wastage, lack of green buildings etc. Therefore, to adopt green banking, bank should adopt technology, process, and products which result in substantial reduction of their carbon footprint as well as develop sustainable business.

# GREEN VISION OF THE CENTRAL BANK

Recent development in green banking initiatives conveys much significance. Bangladesh Bank has so far identified 51 green products under BB refinance scheme where 23 are green energy. Central Bank has a clear vision on promoting green banking and safeguarding the environment from unusual weather pattern, rising greenhouse gases and declining air quality. A fund of BDT 200 crore has been put in place to refinance lending from renewable energy generation as well as effluent treatment plants and energy efficient kilns for manufacturing bricks. A revolving refinancing fund is also in place in the areas of solar irrigation pumps, solar home systems, biogas plants, effluent treatment plants, brick kiln and solar photo voltaic module assembling plants.

# GREEN BANKING AS A SAFEGUARD AGAINST RISK

Green banking is potential to shield against certain risks. Green banking can act as a tool to mitigate some forms of credit risk, legal risk, reputational risk, security risk etc.

# STANDARD BANK ON THE ROAD TO GREEN BANKING

Apprehended the importance of green banking and policy guidelines from the Central Bank, Standard Bank Limited has already formulated its Green Banking Policy and getting approval from Board of Directors of the Bank. Standard Bank has established as separate unit of Green Banking developed innovative green banking financial products which can directly or

indirectly contribute to the reduction of carbon emissions at the same time Management were setting budget of Tk BDT.1030.00 Million as at 2015 for financing under Green Finance. SBL lending 7.00 nos of project having ETP amount of TK.BDT.4062.00 million, among the 2232 individual under privilege rural customer out of electrification SBL installed 2232 nos. Solar Panel for house hold use amount of TK.BDT 44.83 million and Financed in Green Brick Field project Hybrid Hoffman Kiln amount of TK. BDT 86.30 million. The bank is ready to finance green projects such as Solar Home System, Solar Micro/Mini Grid, Solar Irrigation Pump System, Solar Photovoltaic Assembly Plant, Bio-Gas Plant, ETP, WEP, PET Bottle Recycle Plant, Hybrid Hoffman Kiln (HHK), Zigzag or equivalent Technology in Brick Field etc.

# GREEN FINANCE BY SBL

During 2015, the Bank financed in 07 projects having ETP and disbursed BDT.4062 Million, 2232 projects of solar panel installation in house hold level where disbursed BDT.44.83 Million and 01 project Environment friendly Brick Field like Hybrid Hoffman Kiln disbursed BDT.86.30 Million. We encouraged paperless banking by expanding online banking, mobile banking and internet banking, use of e-mail and introduction of IP message system. Added deposit alert to mobile banking solution (MBS). Besides, the bank's official participated into training courses on the topics of green banking and impact on environment conducted by Bangladesh Bank.

# FINANCIAL INCLUSION PROGRAM OF 10TK ACCOUNT HOLDER BY SBL

Financial inclusion program of 10 taka account holder on small/marginal /landless farmer, poor income generating people also affected by natural disaster & marginal /small business. Standard Bank Limited under this program from SBL own capacity finance number of individual 207 whereas total Tk. BDT 8.84 million & through MFIs 140 nos. individual finance total Tk.BDT 5.0 million.



Honorable Governor of Bangladesh Bank Dr Atiur Rahman is handing over present to an NGO partner during Banking Fair 2015 held at Bangla Academy.



# GREEN BANKING REPORT 2015

In Million BDT

Λ.	Introducing Green Finance	То	tal	Remarks
A.	introducing dreen rinance	No. of Projects	Amount	Kelliaiks
1	Effluent Treatment Plant (Project Finance Having ETP)*	7	4062	
2	Bio-gas Plant	nil	nil	
3	Solar Panel/Renewal Energy Plant	2232	44.83	Disbursement on
4	Hybrid Hoffman Kiln (Brick Filed)	01		31.12.2015
5	Green Finance at reduced rate of interest	0	86.30	
	Total		0	
B.	Online Banking			
1	No. of ATMs (own ATM & CDM)		51	
_2	Shared ATMs(NPSB Network) All ov	ver Bangladesh (48 Banks connect	ed with NPSB)	
3	No. of Branches with online coverage		104	
_4	No. of total accounts transaction through ADC Channel		843148	
_5	No. of accounts facilitated with internet banking		4598	
6	No. of accounts facilitated with SMS Banking		4568	
7	No. of accounts facilitated with Mobile		1021	
C.	Awareness Building			
1	Training Programmes on Green Banking (In-house)		02	
2	Participants in the Training		55	
D.	Disclosure			
	Website	Uploaded on the website on the	onset of 2015	
	Annual Report	Green Banking Foc Annual Repo	us provided in rt 2014 & 2015	
	Preparation of Green Banking & Sustainability Report			Sustainability report is being prepared and presented in Annual Report
E.	Sector Specific Environment Policy			
	Formulation of Sector Specific Environment Policy (Under phase	2)		Management is considering for Sector Specific Environment Policy
F.	Green Strategic Planning			
1	Formulation of Green Strategic Planning		Yes	
2	Formulation of Bank's Specific Environment Risk Management F	Plan & Guideline	Yes	



# IN-HOUSE GREEN BANKING AWARENESS PROGRAMME

In light of Green Banking Policy of Standard Bank Limited, a general instruction has been issued on the followings green activities/practices as part of in-house environment management and to promote Green Banking within the bank:

## **Electricity Consumption:**

- Ensure economic use of electricity
- Use energy saving lights in bank premises
- Shutdown the computer properly and switch off the computer monitor before leaving office each day
- Ensure that light, fans, air conditioner have been switched off before leaving office each day and
- Use energy efficient electronic equipments

## **Fuel Consumption:**

- Ensure economic use of fuel
- Buy energy efficient cars to reduce gas and petroleum consumption

## **Paper Consumption:**

- Where possible use online communication (e-mail, IP message etc.) instead of printed communication
- Think twice before taking a print
- Take print on the both side of paper to save paper consumption
- Use scrap paper for taking draft print and as note pads

# **Water Consumption:**

- Do not misuse drinking water
- Ensure economic use of water in all other cases
- Avoid use of disposable cups/glasses to become more eco-friendly

# TOWARDS A SAFE & ECO FRIENDLY HABITAT

# **Green Mortgages:**

Standard Bank Ltd. has planned to offer special discount to the borrowers who provide mortgage of land and buildings which are greener. This initiative will induce use of more energy-efficient materials and building plans. Standard Bank will not allow the land as mortgage that is prone to environmental impacts by virtue of its geographical location and polluted by the operation business activities. As mortgaged, preference will be given to the buildings which are designed and constructed with energy efficient items such as solar panels and improved insulation.

Carbon Footprint Reduction: Standard Bank has taken following measures to reduce the carbon footprint:

- a) Paperless banking
- b) Energy consciousness
- c) Establishment of green building for its own use etc.

### **Environmental Risk Rating:**

Environmental Risk Rating of projects is being carried out to assess its impact on environment at large. Standard Bank Limited incorporated Environment Risk Rating (EnvRR) in core Banking Policy Last year in 2015 SBL assess total number of project 196 nos. under EnvRR guideline of which 180 project rating as Low category, 18 project rated as Moderate category & 0 nos. is High category. Rated project finance Tk.17966.94 million.



# SME BANKING

# strategic

SMEs are hailed as the engine of growth and are often referred to as the backbone of the economy. Contribution of SMEs toward economic growth, employment creation, poverty alleviation, social cohesion, local and regional development are widely discussed and there is a wide consensus on this opinion among many economists and entrepreneurs development researchers. SMEs stipulate private ownership and entrepreneurial skills and can adopt quickly to changing market situation, generate employment, help diversity economic activities and make significant contribution to exports and trade. Bangladesh government has already identified it as a thrust sector and Bangladesh Bank, in line with the stance has given top priority for financing this sector. As per guideline of Bangladesh Bank, Standard Bank Ltd has taken active role to increase SME financing out of its total loan portfolio. Considering the importance of SMEs in the economy of our country, Standard Bank Limited has formed a separate SME Division for maintaining full scale operation of SME financing activities.





To build SME portfolio as the right tool for financial inclusion, sustainability, diversification and earning potentials of the Bank.

## 2015 Priorities 2015 Performance

- Enhance and accelerate lending portfolio
- Restructure SME portfolio and credit operations focusing on manufacturing sector.
- Focus on Woman Entrepreneur Finance and cluster finance
- Expand share of refinance from local and foreign funds
- Improve asset quality
- Step up campaign for awareness and marketing
- Build awareness for SME customers through training & workshop
- Develop new products for both asset and liability customers

- Threshold of SME finance enhanced up to BDT 718.10 million from 4227 million and reached to BDT. 4945.10 million in 2015
- Established dedicated Women Entrepreneur Desk in Head Office
- SME Lending Portfolio went up by 16.99%
- Total Outstanding BDT 7876 million
- Total SME Customers increased by 75%
- No. of Customers 2045
- WE Lending Portfolio went up by 40.93%
- Total Outstanding BDT 20.95 million
- Refinance obtained from Bangladesh Bank BDT 48 million
- Asset Quality (NPL) improved to 3.20% from 3.57 % in 2014

### **Objectives 2015**

- Enhance finance to various strategic segments towards obtaining more refinance from BB, IICA and ADB
- Develop new products for Women Entrepreneurs as well as SME enterprises
- Restructure SME into 4 key segments i.e. SME(Medium), SME(Small), SME(Micro) & SME (Cottage)
- Pursue target for ME, SE, WE and cluster finance with geographical concentration
- Arrange meeting, seminar, training for SME customers on regional basis across Dhaka, Chittagong, Khulna, Sylhet and North Bengal
- Introduce three-tier monitoring system to ensure growth of the SME sector in the economy
- Design a Business Plan to promote overall SME business
- SME Loan target for 2016: BDT 8250 million

# **FOCUS SECTOR**

Light engineering, handicraft, flower, fish processing, handloom, rice-mill, jamdani, Rajshahi silk, khadi, bio-gas and composite fertilizer etc.

Sector	Activity Type	Manpower		Asset excluding land & building
	Manufacturing	100 - 250	10 to 30 crore	
Medium	Service	50 - 100	1 to 15 crore	
	Trade	11 - 50	1 to 15 crore	
	Manufacturing	25 - 99	50 lac to 10 crore	
Small	Service	10 - 49	5 lac to 1 crore	
	Trade	6 - 10	5 lac to 1 crore	
	Manufacturing	10 - 24	5 lac to 50 lac	
Micro	Service	< 10	< 5 lac	
	Trade	< 5	< 5 <b>l</b> ac	
Cottage		< 10	< 5 <b>l</b> ac	Mainly family members

Source: Bangladesh Bank SMESPD Circular No. 01, dated 19 June 2011



# PRESENT CONTEXT

SME business was badly hit during last year's political turmoil. Paralyzed transportation system and disrupted supply chain could hardly help SME growth potentials observed in the last few years. Small businesses were fighting for survival in dearth of capital and reserve fund. As a result, failure in timely repayment of SME loans became a challenge to financing banks. In the backdrop, BRPD circular dated December 18, 2013, the Central Bank relaxed loan rescheduling policy for the SME for the next six months to facilitate financing for the small and medium businesses, affected by the political unrest. The regulation had a healing impact on SME portfolio and it is expected that the shining growth of SME will go on in 2015 with the sign of improvement in the political fronts. With an optimistic approach, in 2016, the central bank has set the small and medium enterprise credit disbursement target at BDT 1135.03 billion (BDT 1,13,503 Crore) marking nearly 9.56 per cent growth over the preceding year. The loans will be disbursed across more than 60 SME sectors existing in the country. With all SMEs under a new umbrella- a lot to be achieved.

# **OUR APPROACH**

Standard Bank has formally stepped into financing SMEs in the country since its inception. At present, the Bank is catering SME banking services through its 104 regular Branches including 7 SME & Agri Branches. The Bank focuses on diversification, differentiation, and segmentation in SME business. To this effect, manufacturing and service sectors as well as women entrepreneurs are given considerable focus. The Bank, in principle and as per guidance of the Board, has advised all small Branches to focus singly or preferably on SME business with a view to serving the underserved segment of the enterprises. The Bank targets manufacturing and service sector with more concentration on area based cluster industries. Bank's exposure to SME business is well diversified among the entrepreneurs in varied sectors such as grocery shop, light engineering, handi crafts, cottage, power loom, agro-processing industries, poultry,

dairy, boutiques and embroidery and so on.

The Bank helps create database of SME clients, carry out survey and other necessary actions by providing relevant information to Bangladesh Bank, SME Foundation, BIBM and other institutions. The Bank was visible in almost all SME programmes such as SME Fair, Workshop, Seminar, Symposium, Focus Group Discussion (FGD) organized by Bangladesh Bank, SEDF, IFC and many other national and international agencies to disseminate expertise, knowledge and information. SME Monitoring Unit has been equipped to oversee SME loan target, supervise delinquent SME accounts and enforce remedial effects as and when necessary and to maintain liaison with branches and SME clients. Area wise focal persons are working to meet SME related queries, share information and register complaints from SME clients.

# OPERATING HIGHLIGHTS

SBL recognizes that SMEs as a core part of financial integration is key to achieving sustainable growth of a financial institution. Considering the prospects and growing opportunities of SME Finance, Standard Bank made a strategic shift in SME portfolio. The threshold (loan limit) for SME finance has been enhanced to 3632.80 Million under trading. Under the new arrangements along with our continued support for promotion of SME business, Bank's total SME loan portfolio has increased by 29.64% to BDT 7875.70 million. The change also contributed to Bank's profitability that resulted from the reduction in provision requirement for the Bank.

# FINANCIAL HIGHLIGHTS

SBL's current SME portfolio stands at BDT 7875.70 million as on December 31, 2015. Bank's disbursement to SME sector during 2015 aggregated to BDT 4945.10 million against the budgetary target of BDT. 7,500.00 million.



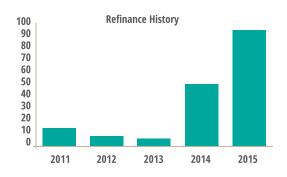
Mr Kazi Akrum Uddin Ahmed, Chairman and Mr Md. Nazmus Salehin, Managing Director of SBL are seen in the Stall at Banking Fair Bangladesh 2015.



# REFINANCE HISTORY (5 YEARS RECEIPT OF FUND)

In Million BDT.

2011	2012	2013	2014	2015
13.8	7.15	6.10	48.10	91.10



# **SME PRODUCT**

- 1. Manufacturing wooden & steel furniture
- 2. Poultry Business
- 3. Nursery Business
- 4. Manufacturing plastic products, Food/Restaurant
- 5. Manufacturing spare parts of Car/auto rickshaw
- 6. Diagnostic Center, Clinic, Pharmacy
- 7. Herbal treatment & beauty parlour
- 8. Recreation park, tourist spot & resort
- 9. Wholesale & retail shop
- 10. Grocery shop
- 11. Department store
- 12. Weaving, handloom & embroidery
- 13. Varieties handicrafts & potteries
- 14. Hardware & software servicing
- 15. Bakery/Hotel/Fastfood/Restaurant
- 16. Light engineering viz Radio, TV, Refrigerator, Computer, Mobile set servicing
- 17. Rice mill & light engineering workshop
- 18. Fish feed, poultry feed
- 19. Readymade Garments, hosiery & fabrics
- 20. Mushroom production & marketing
- 21. Electronics & electrical goods

# **KEY ATTRIBUTES**

- a) Available at all SBL Branches and SME Service Centers
- b) Easy terms and conditions
- c) Rate of interest only at 10.00% under Women Entrepreneur Refinance Scheme (BB)
- d) Quick approval process
- e) Unsecured facility for a certain limit

# **OPERATING HIGHLIGHTS**

Till date, the Bank has disbursed considerable amount of Ioan to 90 Women Entrepreneurs under Women Entrepreneur Refinance Scheme by Bangladesh Bank. Disbursement in WE Finance is around BDT 106.60 million. Total disbursement to WE reached BDT 106.60 million in 2015 against BDT 79.75 million in 2014. Products and services offered by Women Entrepreneurs included Boutiques, Readymade garments, Crockery Items, Embroidery and Designing, Fisheries, Agro Products, Personal Care, Training Centre and so forth.

# **NEW PRODUCTS UNDERWAY:**

- 1. SBL Babosha Shachal
- 2. SBL Babosha Unnayan
- 3. SBL Babosha Shomriddhi
- 4. SBL Karma Uddog
- 5. SBL Nari Anuprerona

# SME DEVELOPMENT PLANNING 2016

The Bank has decided to invest funds on cluster basis along with an area approach method, as per Bangladesh Bank initiatives. To the tune of BB mechanism, we are planning to introduce 3-TIER new monitoring system using mobile phone to ensure proper utilization of SME loans across the country to review SME Credit Programmes regularly. We will remain careful to follow relaxation on loan rescheduling policy for the SMEs properly. At the same time, strong monitoring on SME loans will continue so that the betterment in asset quality is not hurt by further downgrading of assets.



Mr Mamun-Ur-Rashid, Additional Managing Director & Chief Risk Officer is seen among others in SBL Stall in SME Financing Fair 2015.



# AGRICULTURE/ RURAL CREDIT

The overall economic development of our country depends on Agricultural growth. With a view to augmenting agricultural output, creating employment opportunities and generating income of the rural people, Standard Bank Limited intensified its efforts to extend credit facilities to all sections of rural population under various rural credit schemes, programmes NGO linkage financing and projects pertaining to agricultural and off farming activities. At present the Bank is disbursing agri Loan to the farmers directly through all its branches with simple terms and conditions. The persons interested in

agricultural work, including men and women, landless/marginal farmers and sharecroppers are eligible for receiving agri loan from the Bank. The agri credit sectors of the Banks are crops, irrigation, equipment, agricultural machineries, livestock, fisheries (including shrimp) and poverty alleviation etc.



SBL has strengthened disbursement of credit in Agricultural Sector through formation of a separate credit Division. SBL Agriculture/Rural Credit Division was established in 2010 as per guidelines set forth by BB Agriculture and Rural Credit Policy, during the fiscal year 2014-2015, SBL pursued a disbursement target for BDT 1400 million under agriculture and made a total disbursement of BDT 2118 million and achieved 156.29% against the target. In the fiscal year 2013-2014 for achieving disbursement target of Agri/Rural Credit Bangladesh Bank Governor appreciated by awarding a certificate.



# STRATEGIC FOCUS

- 1. In the process of formulating agriculture financing policy by Bangladesh Bank, the Bank always shared its views and opinions in the Focus Group Discussion. Our feedback on crop seed regarding inclusion in the agricultural/ rural credit has been duly recognized and inserted in the agriculture financing policy promulgated by Bangladesh Bank.
- 2. The Bank has taken steps to expedite and enhance direct financing to agriculture sector through focused rural branches rather than utilizing the MFIs/NGOs.

# Agricultural and Special Credit Performance:

In Million

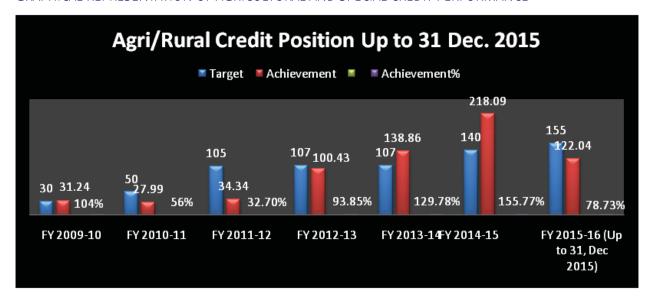
Fiscal Year	Target	Performance
2009-2010	300	312
2010-2011	500	279
2011-2012	1050	343
2012-2013	1070	1100
2013-2014	1070	1388
2014-2015	1400	2118
2015-2016	1550	1220



Z.H. Agro Park at Dhanukkhola, Sadar Kotwali, Comilla a fishery project under agricultural finance of Standard Bank Limited



# GRAPHICAL REPRESENTATION OF AGRICULTURAL AND SPECIAL CREDIT PERFORMANCE



# AGRICULTURAL FINANCE 2015

Agri/Rural Credit Loan at Mirzapur, Tangail finance through Bangladesh Association for Social Advancement (BASA) a reputed NGO of Bangladesh, MFI Linkage Loan under Agriculture by Standard Bank Limited.

### **MFI** Linkage

For a broad-base agricultural advancement, new partnership has been built in between the Government and banks, Non-bank Financial Institutions and NGOs. As a result, ago-based micro finance is getting momentum. Owing to banks' limited outreach in extending finance to marginal producers in the hinterland, NGO Linkage wholesale credit has been thrashed out as a unique solution. SBL looks forward to optimizing this opportunity and has inked a number of deals under NGO linkage wholesale credit programme. Our partners under this mission are Padakhep Manobik Unnayan Kendra, United Development Initiatives for Programmed Actions (UDDIPON), BURO (Basic Unit for Resources & Opportunities) Bangladesh, Rural Reconstruction Foundation(RRF), Resource Development Foundation(RDF), Manabik Shahajya Sanghstha (MSS), Voluntary Organization for Social Development (VOSD), Environment Council Bangladesh (EC Bangladesh) etc.



# AGRI/RURAL CREDIT DISBURSEMENT TARGET FOR FY 2015- 2016

This year, in compliance with Bangladesh Bank circular, we have taken up an ambitious disbursement target for BDT 1,550 million in agriculture which is 11% higher than the preceding Fiscal year. The target, though hard to achieve is not out of our reach if we remain committed to the goal. The Bank will continue to meet the terms of Bangladesh Bank Agricultural/ Rural Credit Policy. Hopefully, SBL is on course to achieve the annual target of BDT 1,550 million in Agri Finance having disbursed BDT. 1220 million till December 31, 2015 through own Branches & MFIs /NGOs.



Agri/Rural Credit Loan at Mirzapur, Tangail finance through Bangladesh Association for Social Advancement (BASA) a reputed NGO of Bangladesh, MFI Linkage Loan under Agriculture by Standard Bank Limited.



# CREDIT RATING REPORT



Standard Bank Limited has been rated by Credit Rating Agency of Bangladesh (CRAB) on the basis of Audited Financial Statements as on 31 December, 2014. The summary of the rating is presented below:

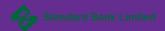
CRAB has rated Standard Bank Limited as "AA3" (Pronounced as Double A Three) rating in the long term and "ST-2" rating in the short term which is stable as before. Commercial Banks rated AA3 in the long term belong to have very strong capacity to meet their financial commitments. They differ from the highest rated commercial banks only to a small degree. AA3 is judged to be of very high quality and is subject to very low credit risk.

Commercial banks rated in the short term ST-2 category are considered to have the strong capacity for timely repayment of obligations. Banks rated in this category are characterized with commendable position in terms of liquidity, internal fund generation and access to alternative sources of funds is outstanding.

Outlook : Stable

Date of Rating : 25 June 2015

Date of Validity : 30 June 2016



# All ROUND VIEW



Standard Bank Limited arranged a "Meet the Press" on its 16th founding anniversary at Pan Pacific Sonargaon, Dhaka. Honorable Chairman of the Board of Directors of the Bank and immediate past President of FBCCI Mr Kazi Akram Uddin Ahmed formally inaugurated "Spot Cash", a mobile financial service and relaunch of new website of the Bank at the ceremony.



Reward handing over ceremony of SBL Credit Card highest user





MOU signing ceremony with Nokkhottrobari Resort



Standard Bank Limited Financed Pran-RFL Group as well as it finances many other projects.



**Standard Bank Limited Financed Hosaf Group** 



Standard Bank Limited Financed Multi Paper - a concern of Bashundhara Group



Standard Bank Limited Financed Meghna Solar as per its commitment to Green Banking.



Standard Bank Limited financed Sinha Group in its Garment Industry.





Standard Bank Limited purchased 19.15 katha land at Gulsan Avenue, Gulsan-1, Dhaka at a cost of BDT 209.34 Crore from Apex Hotels Limited for its Corporate Head Office.



Signing Ceremony of Trust Deed Agreement between Standard Bank Ltd. and ICB Capital Management Ltd. for 'Standard Bank Coupon Bearing Non Convertible Subordinated Debt (Bond) for BDT. 200.00 croce under Tier-II Capital.'











# AUDITORS' REPORT TO THE SHAREHOLDERS OF STANDARD BANK LTD.

We have audited the accompanying consolidated financial statements of Standard Bank Ltd. (SBL) and its subsidiaries (together referred to as the "Group") as well as the separate financial statements of Standard Bank Ltd. (the "Bank") which comprise the consolidated and separate Balance Sheets as at 31 December 2015, consolidated and separate profit and loss accounts, statements of changes in equity and 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

Management is responsible for the preparation and fair presentation of these 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 (BFRS) as explained in Note 2 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 Companies Act, 1991(as amended in the year 2013) and the local central bank (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 the 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 our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and the 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 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, but not for the purpose of expressing an opinion on the effectiveness of the entities' 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 consolidated financial statements of the Group and the 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 are prepared and maintained according to the Bangladesh Accounting Standard (BAS) and reported in accordance with the Bangladesh Financial Reporting Standard (BFRS) as explained in note-2 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 2015, and of its consolidated and separate financial performance and cash flows for the year then ended and comply with the Companies Act 1994 and Banking Companies Act 1991 (as amended in the year 2013).



# **Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Companies Act 1991(as amended in the year 2013) and the rules and regulations issued by Bangladesh Bank, we also report that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- to the extent noted during the course of our audit work performed on the basis stated under the Auditors' Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate 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:
  - a) internal audit, internal control and risk management procedure practicable for the respective job of the Group and the Bank as disclosed in Note 2 to the financial statements appeared to be materially adequate;
  - b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities;
- iii. financial statements of subsidiaries of the Bank have been audited by us as well as other auditors and have been properly reflected in the consolidated financial statements;
- iv. in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- 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 together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- vi. the expenditures incurred were for the purpose of the Bank's business;
- vii. 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 related guidance issued by Bangladesh Bank;
- viii. adequate provisions have been made for advances and other assets which are in our opinion, doubtful of recovery and as per tripartite meeting held on March 16, 2016 & letter issued by Bangladesh Bank vide letter no DBI-1/111/2016-533 dated March 22, 2016;
- the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- the information and explanations required by us have been received and found satisfactory;
- we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 3,885 person hours during the audit; and
- xii. Capital Adequacy Ratio (CAR) as required by the Bangladesh Bank has been maintained adequately during the year.

Dhaka, 29th March, 2016

Chartered Accountant



# Standard Bank Limited Consolidated Balance Sheet

As at 31 December 2015

		Amoun	t in Taka
Particulars	Notes	31.12.2015	31.12.2014
PROPERTY & ASSETS			
CASH	3(a)	7,212,468,361	7,351,235,072
Cash in Hand (including foreign currencies)		830,241,390	873,442,651
Balance with Bangladesh Bank & its agent Bank (including Foreign Currencies)		6,382,226,971	6,477,792,421
currences)		0,302,220,371	0,477,732,421
BALANCE BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS	4(a)	2,278,351,500	2,048,996,062
In Bangladesh	-(/	1,912,602,964	1,278,152,804
Outside Bangladesh MONEY AT CALL AND ON SHORT NOTICE	5	365,748,536	770,843,258
INVESTMENTS	о 6(a)	1,070,000,000 19,108,633,357	250,000,000 19,853,928,290
Government	u(a)	14,541,005,217	17,098,391,239
Others		4,567,628,140	2,755,537,051
LOANS AND ADVANCES / INVESTMENTS	7(a)	91,486,624,607	80,448,578,152
Loans, Cash Credits, Over Draft etc./ Investments		89,971,058,258	79,567,476,576
Bills Purchased and Discounted	0(=)	1,515,566,349	881,101,576
FIXED ASSETS INCLUDING PREMISES, FURNITURE & FIXTURES OTHER ASSETS	8(a) 9(a)	3,472,858,709	3,430,599,462
	9(a)	7,740,821,177	6,548,351,793
NON-BANKING ASSETS TOTAL ASSETS		132,369,757,712	119,931,688,830
		132,303,737,712	119,951,000,050
LIABILITIES & CAPITAL			
<b>LIABILITIES</b> Borrowings from other banks, financial Institutions and agents	10	1,115,837,033	3,360,336,329
DEPOSITS AND OTHER ACCOUNTS	11(a)	106,931,731,986	97,302,338,337
Current / Al-Wadeeah Deposits & Other Deposits	i i(a)	13,304,170,190	10,831,206,847
Bills Payable		1,244,563,604	1,155,231,376
Savings Bank / Mudaraba Savings Deposits Short Term Deposits / Mudaraba Short Term Deposits		6,084,761,875 3,109,669,981	4,805,271,546 3,042,423,837
Fixed Deposits / Mudaraba Term Deposits		74,648,028,186	69,264,360,063
Deposits Under Schemes / Mudaraba Deposit Schemes		8,540,538,150	8,203,844,668
OTHER LIABILITES	12(a)	12,848,545,189	9,382,959,675
TOTAL LIABILITIES		120,896,114,208	110,045,634,341
CAPITAL / SHAREHOLDERS' EQUITY	13	6,557,407,850	5,702,093,780
Paid-up Capital Statutory Reserve	14(a)	3,753,432,724	3,279,884,057
General Reserve	15	-	-
Revaluation Reserve on Investment Surplus in Profit and Loss Account/ Retained earnings	15.1(a) 16(a)	16,389,640 1,146,277,109	26,265,418 877,682,612
TOTAL SHAREHOLDERS' EQUITY	• •	11,473,507,323	9,885,925,867
Minority Interest	16.1(b)	136,181	128,622
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		132,369,757,712	119,931,688,830
Not Accet Value (NAV) nov chare		47.50	45.00
Net Asset Value (NAV) per share		17.50	15.08



# Standard Bank Limited Consolidated Balance Sheet

As at 31 December 2015

Double of laws	Notes	Amount	in Taka
Particulars	Notes	31.12.2015	31.12.2014
OFF-BALANCE SHEET ITEMS			
CONTINGENT LIABILITIES  Acceptances and Endorsements Letters of Guarantee Irrevocable Letters of Credit Bills for Collection Other Contingent Liabilities	17(a)	11,643,865,982 6,585,987,015 8,481,854,996 2,484,387,483	11,132,749,119 5,098,407,622 9,084,859,153 1,935,239,058
TOTAL:		29,196,095,476	27,251,254,953
OTHER COMMITMENTS:			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
TOTAL OFF - BALANCE SHEET ITEMS		29,196,095,476	27,251,254,953

These financial statements should be read in conjunction with annexed notes

**Managing Director** 

Director

Directo

Chairman

See annexed auditors' report to the Shareholders of the date.

SHAFIQ BASAK & CO.

Chartered Accountants



# Standard Bank Limited Consolidated Profit and Loss Account

for the year ended 31 December 2015

5 1		Amount i	n Taka
Particulars Particulars	Notes	31.12.2015	31.12.2014
Interest Income / Profit on Investment Interest / Profit paid on Deposits & Borrowings etc. <b>Net Interest / Profit on Investments</b>	18.3(a) 19(a)	10,583,263,033 7,793,234,400 <b>2,790,028,633</b>	11,721,357,587 8,562,869,907 <b>3,158,487,680</b>
Investment Income Commission, Exchange Earnings & Brokerage Other Operating Income	20(a) 21(a) 22(a)	1,891,335,401 897,172,709 278,585,874	1,807,896,485 946,720,669 245,559,686
TOTAL OPERATING INCOME ( A )		3,067,093,984 <b>5,857,122,617</b>	3,000,176,840 <b>6,158,664,521</b>
Salary & Allowances Rent, Taxes, Insurance, Electricity etc. Legal Expenses Postage, Stamp, Telecommunication etc. Stationery, Printing, Advertisement etc. Managing Director's salary & fees Directors' Fee & Other benefits Audit Fees Charges on loan losses Depreciation and Repair of Bank's Assets Other Expenses TOTAL OPERATING EXPENSES ( B ) Profit / (Loss ) Before Provision ( C ) = ( A - B ) Provision for Loans/ investments Specific Provision General Provision Frovision for Off-Balance Sheet items Provision for diminution in value of investments Provision for impairment of client margin loan Other Provision	23(a) 24(a) 25(a) 26(a) 27(a) 28 29(a) 30(a) 31 32(a) 33(a)	1,621,231,229 390,011,274 6,750,411 28,481,130 52,569,132 8,420,000 7,029,954 581,375 40,199,748 154,467,602 272,494,888 2,582,236,742 3,274,885,874 450,946,471 32,018,645 19,448,405 71,258,892 50,936,292 21,174,274	1,492,105,546 319,436,303 6,730,304 27,332,934 48,802,802 8,220,000 8,534,887 985,129 37,867,455 155,365,364 217,877,882 2,323,258,605 3,835,405,916  1,461,319,695 119,813,868 7,259,403 24,938,722 82,857,467 16,844,329
Total Provision ( D )		645,782,979	1,713,033,484
Total Profit / (Loss) before Taxes (E)=( C - D ) Provision for Taxation Current Tax Deferred Tax	35(a)	<b>2,629,102,896</b> 1,032,677,660 1,026,191,222 6,486,438	<b>2,122,372,432</b> 908,977,192 901,309,185 7,668,007
Net Profit / (Loss) after Taxation: Retained earnings brought forward from previous year Net Profit available for distribution Appropriations:	16.1(a)	<b>1,596,425,236</b> 23,400,541 <b>1,619,825,777</b>	<b>1,213,395,240</b> 32,626,704 <b>1,246,021,944</b>
Statutory Reserve Proposed Bonus Shares	14(a)	473,548,668	368,339,332
Retained Earnings carried forward		1,146,277,109	877,682,612
Consolidatd Earning per Share (EPS):	36(a)	2.43	1.85
Bank Earning per Share (EPS):		2.17	1.55

These financial statements should be read in conjunction with annexed notes

**Managing Director** 

Director

Director

Chairman

See annexed auditors' report to the Shareholders of the date.



# Standard Bank Limited Consolidated Cash Flow Statement

for the year ended 31 December 2015

B # 1		Amount	in Taka
Particulars	Notes	31.12.2015	31.12.2014
A) CASH FLOWS FROM OPERATING ACTIVITIES Interest receipts in Cash Interest payments in Cash Dividend receipts Fee and commission receipts in Cash Recoveries on loans previously written off Cash Payments to employees Cash Payments to suppliers Income taxes paid Receipts from other operating activities Payments for other operating activities Cash generated from operating activities before changes in operating assets and liabilities Increase / (Decrease) in operating assets and liabilities	37 (a) 38 (a)	11,953,141,651 (7,534,137,868) 58,791,592 592,233,594 2,846,000 (1,629,651,229) (52,569,132) (987,460,884) 641,891,410 (859,816,633) <b>2,185,268,499</b>	13,505,792,365 (7,641,805,087) 54,613,767 568,085,249 2,531,000 (1,500,325,546) (48,802,802) (1,503,417,995) 249,412,251 (634,199,089) <b>3,051,884,112</b>
Statutory deposits Purchase of trading securities Loans and advances to other banks Loans and advances to customers Other assets Deposits from other banks Deposits from customers Other liabilities account of customers Trading liabilities Other liabilities	39(a) 40(a)	(1,812,091,089) (11,466,134,390) (211,729,760) 1,400,000,000 7,970,297,117 (2,244,499,296) 824,584,192	(16,647,895) - (7,784,417,420) 159,373,997 3,130,000,000 5,268,354,898 - (597,494,053) 285,323,417
Net cash flows from operating activities (A) B) CASH FLOWS FROM INVESTING ACTIVITIES Proceeds from sale of non-trading securities Payments for Purchase of securities Purchase of property, plant & equipment Sale of property, plant & equipment Purchase / sale of subsidiary Net cash flow from investing activities (B) C) CASH FLOWS FROM FINANCING ACTIVITIES Received from issue of loan capital and debt security Receipts from issue of ordinary shares Dividends paid Net cash flow from financing activities (C)		(5,539,573,225) (3,354,304,726) - (158,863,539) 983,600 - (157,879,939) 2,000,000,000	444,492,943 3,496,377,055 - (2,872,756,189) 1,138,711 - (2,871,617,478) - (570,209,378) (570,209,378)
D) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) E) EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS F) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR G) CASH AND CASH EQUIVALENTS AT END OF THE QUARTER (D+E+F)		(1,512,184,666) 304,939,116 26,292,680,988 25,085,435,438	54,550,199 375,125,768 26,292,680,988 26,722,356,955
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER Cash in hand (including foreign currencies) Balance with Bangladesh Bank and its agent bank(s)( including foreign currencies) Balance with other Banks and financial institutions Money at Call and Short Notice Govt. Security/Reverse repo (Less:Revaluation Reserve on Investment) Prize Bonds		830,241,390 6,382,226,971 2,278,351,500 1,070,000,000 14,522,754,577 1,861,000 <b>25,085,435,438</b>	873,442,651 6,477,792,421 2,048,996,062 250,000,000 17,069,551,121 2,574,700 <b>26,722,356,955</b>
Net Operating Cash Flows (NOCF) per Share		(5.12)	5.33
These financial statements should be read in conjunction with annexed notes  Wanaging Director  Director	Di	rector	Chairman

See annexed auditors' report to the Shareholders of the date.

SHAFIQ BASAK & CO. Chartered Accountants



# Consolidated Statement of Changes in Shareholder's Equity For the Year Ended 31 December 2015 **Standard Bank Limited**

Particulars	Paid-up Capital	Statutory Reserve	Minority Interest	Revaluation gain/ loss on investments	Profit & Loss surplus A/c	Total
	BDT	BDT	BDT	BDT	BDT	BDT
Balance as on 1-1-2015	5,702,093,780	3,279,884,057	128,622	26,265,418	877,682,612	9,886,054,489
Changes in accounting policy	,		1	1	ı	,
Restated Balance	5,702,093,780	3,279,884,057	128,622	26,265,418	877,682,612	9,886,054,489
Surplus/Deficit on revaluation of properties	•	ı	į	ı	1	•
Adjustment of last year revaluation gain on investments				(26,265,418)	1	(26,265,418)
Surplus/Deficit on revaluation of investment	1	1	ı	16,389,640	•	16,389,640
Currency translation difference	•	ı	ı	1	1,039,557	1,039,557
Net gains and losses not recongnised in the income statement	•	i	•	į	•	
Addition during the period	1	1	,	ı	1	1
Adjustment of last year	ı	ı	ı	ı	1	1
Net profit for the period	ı	ı	•	ı	1,596,425,236	1,596,425,236
Dividends (Cash /Bonus shares)	855,314,070	ı	•	ı	(855,314,070)	ı
Minority Interest	1	ı	7,558	ı	(7,558)	ı
Issue of Right Shares	ı	ı	•	ı	ı	ı
Appropriation made during the year	1	473,548,668	•	ı	(473,548,668)	1
Balance as on 31.12.2015	6,557,407,850	3,753,432,724	136,181	16,389,640	1,146,277,109	11,473,643,504
Balance as on 31.12.2014	5,702,093,780	3,279,884,057	128,622	26,265,418	877,682,612	9,886,054,489
						-

Dated, Dhaka March 29 2016

See annexed auditors' report to the Shareholders of the date.

SHAFIQ BASAK & CO. Chartered Accountants



# Standard Bank Limited Balance Sheet

As at 31 December 2015

Davidaniana	Notes	Amount	in Taka
Particulars Particulars	Notes	31.12.2015	31.12.2014
PROPERTY & ASSETS			
CASH Cash in Hand (including foreign surrongies)	3	7,196,644,159	7,321,861,829
Cash in Hand (including foreign currencies) Balance with Bangladesh Bank & its agent Bank (including Foreign Currencies)		814,417,188 6,382,226,971	844,069,408 6,477,792,421
BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS		1 000 502 044	4 446 260 442
In Bangladesh	4	<b>1,900,582,811</b> 1,612,111,555	<b>1,416,360,142</b> 705,610,614
Outside Bangladesh		288,471,256	710,749,528
MONEY AT CALL AND ON SHORT NOTICE	5	1,070,000,000	250,000,000
INVESTMENTS	6	19,586,334,740	20,643,404,088
Government		14,541,005,217	17,098,391,239
Others		5,045,329,523	3,545,012,849
LOANS AND ADVANCES / INVESTMENTS	7	90,844,221,432	80,008,844,181
Loans, Cash Credits, Over Draft etc./ Investments		89,328,655,083	79,127,742,605
Bills Purchased and Discounted		1,515,566,349	881,101,576
FIXED ASSETS INCLUDING PREMISES, FURNITURE & FIXTURES	8	3,444,023,570	3,398,153,980
OTHER ASSETS NON-BANKING ASSETS	9	7,163,467,419	6,013,563,898
TOTAL ASSETS		131,205,274,132	119,052,188,117
LIABILITIES & CAPITAL			
LIABILITIES			
Borrowings from other banks, financial Institutions and agents	10	1,115,837,033	3,360,336,329
DEPOSITS AND OTHER ACCOUNTS	11	106,904,584,346	97,270,604,752
Current / Al-Wadeeah Deposits & Other Deposits Bills Payable		13,277,022,550 1,244,563,604	10,799,473,262 1,155,231,376
Savings Bank / Mudaraba Savings Deposits		6,084,761,875	4,805,271,546
Short Term Deposits / Mudaraba Short Term Deposits		3,109,669,981	3,042,423,837
Fixed Deposits / Mudaraba Term Deposits		74,648,028,186	69,264,360,063
Deposits Under Schemes / Mudaraba Deposit Schemes	42	8,540,538,150	8,203,844,668
OTHER LIABILITES TOTAL LIABILITIES	12	11,847,003,793 119,867,425,172	8,693,525,896 <b>109,324,466,977</b>
CAPITAL / SHAREHOLDERS' EQUITY		119,007,423,172	105,524,400,577
Paid-up Capital	13	6,557,407,850	5,702,093,780
Statutory Reserve	14	3,753,432,724	3,279,884,057
General Reserve	15 15 1	16 200 640	76 765 410
Revaluation Reserve on Investment Surplus in Profit and Loss Account/ Retained earnings	15.1 16	16,389,640 1,010,618,745	26,265,418 719,477,885
TOTAL SHAREHOLDERS' EQUITY		11,337,848,959	9,727,721,140
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		131,205,274,132	119,052,188,117
Net Asset Value (NAV) per share		17.29	14.83



# Standard Bank Limited Balance Sheet

As at 31 December 2015

Pauticulaus	Notes	Amount	in Taka
Particulars Particulars	Notes	31.12.2015	31.12.2014
OFF-BALANCE SHEET ITEMS			
CONTINGENT LIABILITIES			
Acceptances and Endorsements	17.1	11,643,865,982	11,132,749,119
Letters of Guarantee	17.2	6,585,987,015	5,098,407,622
Irrevocable Letters of Credit	17.3	8,481,854,996	9,084,859,153
Bills for Collection	17.4	2,484,387,483	1,935,239,058
Other Contingent Liabilities	17.5	_	_
TOTAL:		29,196,095,476	27,251,254,953
OTHER COMMITMENTS:			
Documentary credits and short term trade-related transactions		_	_
Forward assets purchased and forward deposits placed		_	_
Undrawn note issuance and revolving underwriting facilities			_
Undrawn formal standby facilities, credit lines and other commitments			
ondrawn formal standay facilities, credit files and other commitments		_	_
TOTAL OFF - BALANCE SHEET ITEMS		29,196,095,476	27,251,254,953

These financial statements should be read in conjunction with annexed notes

**Managing Director** 

Director

Director

Chairman

See annexed auditors' report to the Shareholders of the date.

SHAFIQ BASAK & CO.

**Chartered Accountants** 



# **Standard Bank Limited Profit and Loss Account**

for the year ended 31 December 2015

Doub!!	Neter	Amount i	n Taka
Particulars	Notes	31.12.2015	31.12.2014
nterest Income / Profit on Investment	18	10,424,600,767	11,587,690,80
Interest / Profit paid on Deposits & Borrowings etc.	19	7,792,692,733	8,562,869,90
Net Interest / Net Profit on Investments		2,631,908,034	3,024,820,89
nvestment Income	20	1,697,768,550	1,573,374,12
Commission, Exchange Earnings & Brokerage	21	725,011,887	804,872,40
Other Operating Income	22	274,705,930	241,763,78
		2,697,486,367	2,620,010,30
TOTAL OPERATING INCOME ( A )		5,329,394,401	5,644,831,20
alary & Allowances	23	1,563,656,328	1,440,663,50
Rent, Taxes, Insurance, Electricity etc.	24	360,476,918	290,455,15
egal Expenses	25	3,320,768	5,302,00
Postage, Stamp, Telecommunication etc.	26	26,405,225	24,483,85
Stationery, Printing, Advertisement etc.	27	48,290,725	46,053,60
Managing Director's salary & fees	28	8,420,000	8,220,00
Directors' Fee & Other benefits	29	5,874,500	7,551,68
Audit Fees	30	503,750	480,20
Charges on loan losses Depreciation and Repair of Bank's Assets	31 32	40,199,748 147,374,400	37,867,45 147,101,23
Depreciation and Repair of Bank's Assets Other Expenses	33	233,540,907	147,101,23 189,718,55
FOTAL OPERATING EXPENSES ( B )	33	2,438,063,268	2,197,897,25
Profit / (Loss ) Before Provision ( C ) = ( A - B )		2,891,331,133	3,446,933,95
Provision for Loans / Investments	34	2,031,031,133	3,110,333,33
Specific Provision		450,946,471	1,461,319,69
General Provision		32,018,645	119,813,86
Provision for Off-Balance Sheet items		19,448,405	7,259,40
Provision for diminution in value of investments		-	
Other Provision		21,174,274	16,844,32
Total Provision ( D )		523,587,795	1,605,237,29
otal Profit / (Loss) before Taxes (E)=( C - D )		2,367,743,338	1,841,696,65
Provision for Taxation	35	946,729,991	825,352,26
Eurrent Tax		940,243,553	817,684,25
Deferred Tax		6,486,438	7,668,00
Net Profit / (Loss) after Taxation :		1,421,013,347	1,016,344,39
Retained earnings brought forward	16.1	63,154,065	71,472,82
Net Profit available for distribution		1,484,167,412	1,087,817,21
Appropriations :			
Statutory Reserve		473,548,668	368,339,33
Proposed Bonus Shares		-	
Retained Earnings carried forward		1,010,618,744	719,477,88
Earning Per Share (EPS):	36	2.17	1.5
hese financial statements should be read in conjunction with annexed notes			-

Adu A

Managing Director

**Fousif** Director Director

Amhah Chairman

See annexed auditors' report to the Shareholders of the date.

SHAFIQ BASAK & CO. Chartered Accountants



# Standard Bank Limited Cash Flow Statement

for the year ended 31 December 2015

		Amount	in Taka
Particulars	Notes	31.12.2015	31.12.2014
A) CASH FLOWS FROM OPERATING ACTIVITIES Interest receipts in Cash Interest payments in Cash Dividend receipts Fee and commission receipts in Cash Recoveries on loans previously written off Cash Payments to employees Cash Payments to suppliers Income taxes paid Receipts from other operating activities Payments for other operating activities Cash generated from operating activities before changes in operating assets and liabilities Increase / (Decrease) in operating assets and liabilities	37 (a) 38 (a)	11,600,912,534 (7,533,596,201) 58,791,592 420,072,772 2,846,000 (1,572,076,328) (48,290,725) (903,384,251) 638,011,466 (822,285,222) <b>1,841,001,635</b>	13,137,603,224 (7,641,805,087) 54,613,767 426,236,981 2,531,000 (1,448,883,508) (46,053,604) (1,416,225,068) 245,616,347 (596,915,594) <b>2,716,718,457</b>
Statutory deposits Purchase of trading securities Loans and advances to other banks Loans and advances to customers Other assets Deposits from other banks Deposits from customers Other liabilities account of customers Other liabilities Other liabilities	39(a) 40(a)	(1,500,316,674) (10,835,377,251) (250,289,949) 1,400,000,000 7,974,883,062 (2,244,499,296) 99,034,057	(263,660,138) (7,464,239,944) 246,500,705 3,130,000,000 5,413,985,185 (597,494,053) 252,585,909
Net cash flows from operating activities (A)  B) CASH FLOWS FROM INVESTING ACTIVITIES  Proceeds from sale of non-trading securities Payments for Purchase of securities Purchase of property, plant & equipment Sale of property, plant & equipment Purchase / sale of subsidiary Net cash flow from investing activities (B)  C) CASH FLOWS FROM FINANCING ACTIVITIES Received from issue of loan capital and debt security Received for redemption of loan capital and debt security Receipts from issue of ordinary shares Dividends paid Net cash flow from financing activities (C)	.5(4)	(5,356,566,050) (3,515,564,415) - (158,863,545) 983,600 - (157,879,945) 2,000,000,000	717,677,664 3,434,396,121  - (2,872,756,191) 1,138,711 - (2,871,617,480)  - (570,209,378) (570,209,378)
D) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) E) EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS F) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR G) CASH AND CASH EQUIVALENTS AT END OF THE YEAR (D+E+F)		(1,673,444,360) 304,939,116 26,060,347,792 24,691,842,547	(7,430,737) 375,125,768 25,692,652,761 26,060,347,792
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER Cash in hand (including foreign currencies) Balance with Bangladesh Bank and its agent bank(s)( including foreign currencies) Balance with other Banks and financial institutions Note-4 Money at Call and Short Notice Govt. Security/Reverse repo (Less:Revaluation Reserve on Investment) Prize Bonds		814,417,188 6,382,226,971 1,900,582,811 1,070,000,000 14,522,754,577 1,861,000 24,691,842,547	844,069,408 6,477,792,421 1,416,360,142 250,000,000 17,069,551,121 2,574,700 <b>26,060,347,792</b>
Net Operating Cash Flows (NOCF) per Share		(5.36)	5.24
These financial statements-should be read in conjunction with annexed notes  Managing Director  Director	PZN	irector	Chairman

See annexed auditors' report to the Shareholders of the date.

SHAFIQ BASAK & CO. Chartered Accountants



# Standard Bank Limited Statement of Changes in Shareholder's Equity For the Year Ended 31 December 2015

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Revaluation gain/ loss on investments	Profit & Loss surplus A/c	Total
	BDT	BDT	BDT	BDT	BDT	BDT
Balance as on 1-1-2015	5,702,093,780	3,279,884,057	1	26,265,418	719,477,885	9,727,721,140
Changes in accounting policy	1	'	1	ı	ı	1
Restated Balance	5,702,093,780 3,279,884,057	3,279,884,057		26,265,418	719,477,885	719,477,885 9,727,721,140
Surplus/Deficit on revaluation of properties	ı	ı	1	1	1	
Adjustment of last year revaluation gain on investments			1	(26,265,418)		(26,265,418)
Surplus/Deficit on revaluation of investment	ı	ı	ı	16,389,640	ı	16,389,640
Currency translation difference	ı	ı	1	1	1	ı
Net gains and losses not recongnised in the income statement	ınt		ı			
	1	1	1	ı	ı	l
Adjustment of last year	ı	ı		1		ı
Net profit for the period	ı	•		I	1,421,013,347	1,421,013,347
Dividends from SBL Capital Management Ltd					134,995,050	134,995,050
Dividends from SBL Securities Ltd					63,995,200	63,995,200
Dividends (Cash /Bonus shares)	855,314,070			ı	(855,314,070)	ı
Issue of Right Shares	ı	ı		ı	1	ı
Appropriation made during the year	ı	473,548,668		ı	(473,548,668)	ı
Balance as on 31.12.2015	6,557,407,850 3,753,432,724	3,753,432,724	•	16,389,640	1,010,618,745 11,337,848,959	11,337,848,959
Balance as on 31.12.2014	5,702,093,780	3,279,884,057		26,265,418	719,477,885	9,727,721,140

teusus Director

S. Director

Chairman

See annexed auditors' report to the Shareholders of the date.

SHAFIQ BASAK & CO. Chartered Accountants



# Standard Bank Limited Liquidity Statement (Assets And Liability Maturity Analysis)

For the Year Ended 31 December 2015

Particulars	Up to 01 Month	01-03 Months	03-12 Months	01-05 Years	More than 05 years	Total
	BDT	BDT	BDT	BDT	BDT	BDT
Assets:						
Cash in hand	814,417,188	1	ı	ļ	1	814,417,188
Balance with Bangladesh Bank	32,228,000	1	1	Ţ	6,349,998,971	6,382,226,971
Balance with other banks and financial institutions	1,526,882,811	100,000,000	273,700,000	1	1	1,900,582,811
Money at call & on short notice	1,070,000,000	1	1	Ţ	1	1,070,000,000
Investment	1,749,843,333	1	120,817,008	5,782,786,156	11,932,888,243	19,586,334,740
Loans and Advances	14,653,666,211	15,147,933,932	30,050,441,525	23,230,159,248	7,762,020,516	90,844,221,432
Fixed assets including premises, furniture and fixtures	1	1	1	ļ	3,444,023,570	3,444,023,570
Other assets	64,939,996	1,379,046,310	1,609,824,284	4,109,656,829	ı	7,163,467,419
Non-banking assets	1	1	'   	'	·	'
Total Assets	19,911,977,539	16,626,980,243	32,054,782,817	33,122,602,232	29,488,931,301	131,205,274,132
<u>Liabilities:</u>						
Borrowing from Bangladesh Bank, Other banks, financial institutions and agents	1,001,865,233	1	1	113,971,800	•	1,115,837,033
Deposits	17,372,327,363	14,958,808,430	29,100,478,405	25,735,227,771	19,737,742,378	106,904,584,346
Other Accounts	ı	1	1	1	1	1
Provision and other liabilities	896,410,550	15,600,401	378,234,079	3,183,491,401	7,373,267,361	11,847,003,792
Total Liabilities	19,270,603,146	14,974,408,831	29,478,712,484	29,032,690,971	27,111,009,739	119,867,425,171
Net Liquidity Gap	641,374,393	1,652,571,411	2,576,070,333	4,089,911,261	2,377,921,561	11,337,848,960
	-					

These financial statements should be read in conjunction with annexed notes

Managing Director

Dated, Dhaka March 29 2016

See annexed auditors' report to the Shareholders of the date.

SHAFIQ BASAK & CO. Chartered Accountants



# Standard Bank Limited Notes to the Financial Statements For the year ended 31 December 2015

## **LEGAL STATUS AND NATURE OF THE COMPANY**

Standard Bank Limited was incorporated in Bangladesh as a Public Limited Company with limited liability under the Companies Act, 1994 on 11th May, 1999 and commenced commercial operation on 3rd June, 1999. The Bank went for the public issue of shares in 2003 and its shares are listed with Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd. Now it has 104 Branches all over Bangladesh.

The commercial banking activities of the Bank encompass a wide range of services including accepting deposits, making loans, discounting bills, conducting money transfer and foreign exchange transactions and performing other related services such as safe keeping, collection, issuing guarantee, acceptance and letter of credit.

## a) Conventional Banking:

The principal activities of the bank are to provide all kinds of commercial banking services to its customers through its branches & SME branches.

## b) Islamic Banking:

The Bank operates Islamic banking in two branches designated for this purpose in complying with the rules of islamic shariah. A separate balance sheet, income statement are presented as recommended by the Central Shariah Board for Islamic Banking in Bangladesh.

## c) Off-Shore Banking Unit (OBU):

The Bank obtained Off-shore Banking Unit Permission vide Letter No. BRPD (P-3)744(110)/2010-839 dated March 11, 2010 and commenced operation on March 23, 2015. The Off-shore Banking Unit is governed under the rules and guidelines of Bangladesh Bank. The principal activities of the Unit are to provide all kinds of commercial banking services to its customers in foreign currencies approved by the Bangladesh Bank.

## d) Mobile Financial Services 'Spot Cash':

With the view to bring the unbanked people to the banking facilities SBL started Mobile Banking Services under the title of 'Spot Cash' in 2014. The bank obtained the license from Bangladesh Bank for mobile banking business vide letter no. PSD/37(Q)/2013-1035 dated 3rd September, 2013.

# 1.1 Subsidiary Companies

# 1.1(a) SBL Capital Management Ltd (SCML):

The Bank obtained permission to embark upon Merchant banking from the Bangladesh Securities and Exchange Commission(BSEC) vide its certificate no. SEC/Reg/MB/SUB/13/2010/529 dated January 05 ,2011 Under the Securities and Exchange Commission Act,1993. The main objectives of the Company are to carry out the business of full fledged merchant banking activities like issue management, portfolio management, underwriting, corporate advisory services etc.

## 1.1(b) Standard Excannge Company (UK) Limited:

Bangladesh Bank vide their letter No.BRPD(M) 204/15/2009-18 Dated 15th February 2009 has accorded approval to the bank for opening a fully owned subsidiary company in the name and style of Standard Exchange Company (UK) Limited. The company was incorporated 19th March, 2009 under the Companies Act 2006 of UK with the registration number 06851946 as private company limited by shares. The registered office is located at 101 whitechapel Road, London. The main activities of the exchange house are to carry on the remittance business and to undertake and participate in transactions, activities and operation commonly carried on or undertaken by remittance and exchange houses.

# 1.1(c) Standard Co (USA) Inc.DBA: Standard Express:

Bangladesh Bank vide their letter No. BRPD(M) 204/15/2009-116 Dated 27th October ,2009 has accorded approval to the bank for opening a fully owned subsidiary company in the name and style of Standard Co (USA) Inc.DBA: Standard Express, in short we presented "Standard Express (USA) Ltd". The company was incorporated on 1st February, 2010 with the registration number 27-2118554 as private company limited by shares. The registered office is located at 37-22 73rd street #2B Jackson heights, New York. The main activities of the exchange house are to carry on the remittance business and to undertake and participate in transactions, activities and operation commonly carried on or undertaken by remittance and exchange houses.



## 1.1(d) Standard Bank Securities Limited

Standard Bank Securities Limited was incorporated on November 22,2012 as a public limited company under the Companies Act ,1994 vide certificate of incorporation no. C-105725/12. Standard Bank Securities Limited become member of Dhaka Stock Exchange Limited for brokerage transaction. Standard Bank Securities Limited commenced its operation from 21 June, 2013. The main objectives of the company is to carry on the business of stock broker /stock dealer and other related business in connection with the dealing of listed securities. Other obectives of the company are to buy, sell, hold or otherwise acquire or invest the capital of the company in shares, stocks and fixed income securities etc.

## 2. SIGNIFICANT ACCOUNTING POLICIES

# 2.1 Statement of compliance

The financial statements of the Bank are prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs) and the requirements of the Banking Companies Act, 1991 (amendment upto 2013), the rules and regulations issued by Bangladesh Bank, the Companies Act, 1994. In case any requirement of the Banking Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of BFRSs, the requirements of the Banking Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of BFRSs are as follows:

# i) Basis of Preparation for Financial Statements

**BFRSs:** As per BAS 1 Financial Statements shall comprise statement of financial position, comprehensive income statement, changes in equity, cash flows statement, adequate notes comprising summary of accounting policies and other explanatory information. As per para 60 of BAS 1, the entity shall also present current and non-current assets and current and non-current liabilities as separate classifications in its statement of financial position.

**Bangladesh Bank:** The presentation of the financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flows statement, changes in equity, liquidity statement) and certain disclosures therein are guided by the "First Schedule" (section 38) of the Bank Companies Act, 1991 (amendment upto 2013) and BRPD Circular no. 14 dated 25 June, 2003 and subsequent guidelines of BB. In the prescribed format there is no option to present assets and liabilities under current and non-current classifications.

**Bank's Metholodogy:** The Financial statements of the Bank are made upto 31 st December 2015 and are prepared under the historical cost convention and in accordance with the "First Schedule (Sec-38) of the Bank Companies Act, 1991, BRPD Circular # 14 dated 25 June 2003, other Bangladesh Bank Circulars, International Accounting Standards and International Financial Reporting Standards adopted by the Institute of Chartered Accountants of Bangladesh, Companies Act, 1994, the Securities and Exchange Rules 1987, Dhaka & Chittagong Stock Exchange Listing Regulations and other laws and rules applicable in Bangladesh. In case of the requirement of Bangladesh Bank differs with those of BAS/BFRS, the requirement of Bangladesh Bank have been applied".

## ii) Investments 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.

## iii) 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 amortised cost method and interest income is recognised through the profit and loss account.

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



#### iv) Provision on Loans and Advances/Investments

**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 dated 23 September 2012, BRPD Circular no. 19 dated 27 December, 2012 and BRPD Circular no. 16 dated 18 November 2014, a general provision @ 0.25% to 5% under different categories of unclassified loans (Standard/SMA loans) should be maintained regardless of objective evidence of impairment. And specific provision for sub-tandard/doubtful/bad-loss loans should be made at 20%, 50% and 100% respectively on loans net off eligible securities (if any). Also, a general provision @ 1% should be provided for certain off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

#### v) Recognition of interest in suspense

**BFRS:** 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 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 loan is classified (other than bad loss), interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

## vi) 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.

## vii) 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.

#### viii) 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.

## ix) Repo transactions

**BFRS:** When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a collateralized borrowing and the underlying asset continues to be recognized in the financial statements. This transaction will be treated as borrowing and the difference between selling price and repurchase price will be treated as interest expense.

**Bangladesh Bank:** As per BB circulars/guidelines, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a normal sale transaction and the financial assets should be derocognized in the sellers book and recognized in the buyer's book.



#### x) Cash and cash equivalent

**BFRS:** Cash and cash equivalent items should be reported as cash item as per BAS 7.

**Bangladesh Bank:** Some cash and cash equivalent items such as 'money at call and 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 face of the balance sheet, and treasury bills, prize bonds are shown in investments.

## xi) Non-banking asset

**BFRS:** No indication of Non-banking asset is found in any BFRS.

**Bangladesh Bank:** As per BRPD 14, there must exist a face item named Non-banking asset.

#### xii) 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 combination of direct and indirect methods.

**Bank's Metholodogy:** Cash Flow Statement is prepared in accordance with BAS-7 "Cash Flow Statement" under direct method as recommended in BRPD circular no. 14 dated 25 June ,2003 issued by Bangladesh Bank.

#### xiii) 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.

#### xiv) 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.

#### **Bank's Metholodogy:**

Off-Balance Sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank's guidelines. BRPD circular No.14 dated 23 September, 2012 requires a general provision for Off Balance Sheet exposures to be calculated @ 1% which has been followed by the bank properly on the following Off Balance Sheet Items:

- a. Acceptance and endorsements
- b. Irrevocable letter of credit
- c. Letter of guarantee

#### xv) 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.

#### xvi) 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 can not be netted off against loans and advances.

**Bank's Metholodogy:** Loans and advances have been shown at gross amounts at 31 December 2015.



## xvii) Disclosure of appropriation of profit

**BFRS:** There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

**Bangladesh Bank:** As per BRPD 14, dated 25 June 2003, an appropriation of profit should be disclosed on the face of Profit & Loss Account.

#### 2.2 Basis of Consolidation:

The consolidated financial statements include the financial statements of Standard Bank Limited, Islamic Banking Window, and its subsidiaries SBL Capital Management Ltd, Standard Bank Securities Ltd, Standard Exchange Company (UK) Ltd and Standard Co (USA) Inc.DBA: Standard Express made up to the end of the financial year. A Banking software system "Stelar" consolidated all transactions of branches as well as head office and produces consolidated Balance Sheet and Profit & Loss Account. These consolidated records are maintained at the Head office of the Bank based on which these financial statements have been prepared.

The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standard 27: consolidated and separate financial statements. The consolidated financial statements have been prepared to a common reporting period ending in 31 December ,2015.

#### **Subsidiaries:**

Subsidiaries are that enterprise which are 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 from the date that control commences until the date that control ceases. The financial satements of subsidiary are included in the consolidated financial statements from the date that control effectively commences until the date that the control effectively ceases. Subsidiary Companies are consolidated using the cost method of accounting.

#### **Transactions eliminated on Consolidation:**

All intra-Company balances & transactions, and any unrealised income & expenses (Except for foreign currency translation gain/losses) arising from intra-company transactions are eliminated in preparing consolidated financial statement. Unrealised losses are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment. The investments in shares of subsidiaries held by the bank in the seperate Financial Statements are eliminated against the corresponding shares capital of subsidiaries in the consolidated financial statemnts.

#### 2.3 Statement of Cash flows

Statement of cash flows is prepared by using the 'Direct Method' in accordance with BAS 7 "Statement of Cash Flows" and under the guidance of Bangladesh Bank BRPD Circular No. 14 dated 25.06.2003 & BRPD Circular No. 15 dated 09.11.2009 whereby gross cash receipts and gross cash payments on Operating Activities, Investing Activities and Financing Activities have been recognized. Cash and Cash Equivalents comprise short term, highly liquid investments that are readily convertible and are subject to an insignificant risk to changes in value.

## 2.4 Reporting Period

These financial statements cover one calender year from January 01 to December 31, 2015.

#### 2.5 Statement of Changes in Equity

Statement of changes in Equity has been prepared in accordance with BAS 1 "Presentation of Financial Statements" and under the guidance of Bangladesh Bank BRPD Circular No. 14 dated 25.06.2003 & BRPD Circular No. 15 dated 09.11.2009

## 2.6 Statement of Liquidity

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

- a. Balance with other banks and financial institutions ,money at call etc are on the basis of their maturity term.
- b. Investments are on the basis of their residual maturity.
- c. Loans and advances are on the basis of their repayment/maturity schedule.
- d. Fixed assets are on the basis of their useful lives.
- e. Other assets are on the basis of their realization /amortization.
- f. Borrowing from other banks, financial institutions and agents as per their maturity /repayment terms.
- g. Deposits and others accounts are on the basis of their maturity term and behavioral past trend.
- h. Others loan term liabilities are on the basis of their maturity term .
- i. Provisions and other liabilities are on the basis of their settlement.



## 2.7 Significant Judgement and Estimates

The preparation of Financial Statements in conformity with Accounting Standards and Statutory requirement which requires the use of critical accounting estimates. It also requires management to exercise its judgment in the process of applying accounting policies. The areas involving a higher degree of judgment or complexity or major areas where assumptions and estimates are significant to the Financial Statements are described in the following:

- 1. Income Taxes
- 2. Deferred Taxation
- 3. Depreciation
- 4. Provisions for investment & other Assets

#### 2.8 Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfication of liabilities in the normal course of business. The accompanying financial statements do not include any adjustments should the Bank be unable to continue as a going concern.

#### 2.9 FOREIGN CURRENCY TRANSACTION

- a) Foreign Currencies Transaction
- i) Transaction in foreign currencies are converted into taka at the foreign exchange rates ruling on the transaction date.
- ii) Monetary assets and liabilities in foreign currency are expressed in taka terms at the rates of exchange ruling on the balance sheet date.
- iii) Forward foreign exchange contracts and foreign bills purchased are valued at forward rates applicable to their respective maturities.

#### b) Commitments

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities/commitments for letter of credit and letter of guarantee denominated in foreign currencies are expressed in taka terms at the rates of exchange ruling on the balance sheet date.

#### c) Translation gains and losses

The resulting exchange transaction gains and losses are included in the profit and loss account, except those arising on the translation of net investment in foreign branches, subsidiaries and associates.

#### 2.10 Loans write-off

Loans are normally written off, when there is no realistic prospect of recovery of these amounts and in accordance with BRPD Circular No.2 (13th January, 2003). A separate Credit Recovery Division (CRD) has been set up at the Banks Head Office which monitors loans written off and legal action taken through the money loan court. These write -offs do not undermine or affect the amount claimed against the borrower by the bank.

The CRD maintains a seperate ledger for all individual cases written off by each branch. The CRD follow up on the recovery efforts of these written off loans and reports to management on periodic basis. Written off loans and advances are reported to the Credit Information Bureau (CIB) of Bangladesh Bank.

## 2.11 Earning Per Share

The company calculates Earning per share (EPS) in accordance with Bangladesh Accounting Standards (BAS)-33"Earning Per Share" which has been shown on the face of profit and loss account. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

## 2.12 Retirement benefits to the employees

#### **Provident Fund**

Provident Fund benefits are given to the employees of the bank in accordance with the locally registered Provident Fund Rules. Separate Board of Trustee of the Bank operates it.

## Gratuity

The Bank operates an Employees Gratuity Fund Trust by a Board of Trustees consisting of seven memebers. All confirmed employees who have been in the service of the Bank should eligible to have the benefit under the gratuity schemes. The Gratuity trust rule got recognised from the National



Board of Revenue(NBR). The bank has started making provision against gratuity from the year 2006. Provision for the year ended 31 December 2015 for the scheme has been made and the entire amount of the gratuity fund are transferred to a savings account under the control of the Board of trustee.

#### **Welfare Fund**

Standard Bank Limited Employees' Welfare Fund is subscribed by monthly contribution of the employees. The Bank also contributes to the fund from time to time. The fund is established to cover the accidental coverage in the event of death or permanent disabilities, retirement benefit and stipend to the employees' children.

#### 2.13 SBL Foundation

The Bank, as part of corporate social resposibility, has established SBL Foundation for the benefit of the community in which it operates and as part of its said responsibility it commits itself to human development, poverty alleviation and overall national economic development. The Bank contributes to the fund from the annual profit of the bank on requirement basis. The fund is governed and administered by the Board of Trustees consisting of seven members.

## 2.14 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by group entities except otherwise instructed by the Central Bank as prime regulator. Certain comparative amounts in the financial statements have been reclassified and rearranged to conform to the current year's presentation.

## **Accounting policies of subsidiaries**

The financial statements of subsidiaries which are included in the Consolidated Financial Statements of the Group have been prepared using uniform accounting policies of the Bank (Parent) for transactions and other events in similar nature. The financial statements of subsidiaries have been prepared using the calendar year ended 31 December which is also same for the Bank. There is no significant restriction on the ability of subsidiaries to transfer funds to the parent in the form of cash dividends or to repay loans and advances.

#### A. Assets and basis of their valuation

#### i) Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand and at ATM, unrestricted balances held with Bangladesh Bank and its agent bank, balance with other banks and financial institutions, money at call and on short notice and prize bond which are not ordinarily susceptible to change in value.

## ii) Investments

All investments (other than government treasury securities) are initially recognized at cost, including acquisition charges associated with the investment. Accounting treatment of government treasury securities (categorized as HFT or/andHTM) is made following Bangladesh Bank DOS Circular no. 05 dated 26 May, 2008 and subsequent clarifications on 28 January, 2009.

#### **Held to Maturity (HTM)**

Investments which are intended to be held till maturity are classified as "Held to Maturity". These are measured at amortized cost at each year end by taking into account any discount or premium on acquisition. Premiums are amortized and discount are accredited, using the effective or historical yield method. Any increase or decrease in value of such investments is booked to equity.

#### Held for Trading (HFT)

These are investments primarily held for selling or trading. After initial recognition, investments are marked to market weekly and any decrease in the present value is recognized in the Profit and Loss Account and any increase is booked to Revaluation Reserve Account through Profit and Loss Account as per Bangladesh Bank DOS Circular no. 05 dated 28 January, 2009.

## **REPO and Reverse REPO**

Since 1 September ,2010 transactions of REPO and Reverse REPO are recorded based on DOS Circular no. 06, dated 15 July, 2010 of Bangladesh Bank. In case of REPO of both coupon and non-coupon bearing (Treasury bill) securities, the Bank adjusts the Revaluation Reserve Account for HFT securities and stops the weekly revaluation (if the revaluation date falls within the REPO period) of the same security. For interest bearing security, the Bank does not accrue interest during REPO period.



Investments – Initial recognition and subsequent measurement at a glance

Value of investments has been shown as under:

Items	Applicable Accounting Value
Government Treasury Bills and Bonds (HFT)	At present value (using marking to market concept)
Government Treasury Bills and Bonds (HTM)	At present value (using amortization concept)
Bangladesh Government Islamic Bond	At cost
Prize Bond	At cost
Shares & Debenture	At cost

#### **Investment in Subsidiaries**

Investment in subsidiaries are accounted for under the cost method of accounting in the Bank's financial statements in accordance with BAS 27 "Consolidated and Separate Financial Statements" and BFRS 3 "Business Combination". Impairment of investment in subsidiaries is made as per the provision of BAS 36 "Impairment of Assets".

## iii) Loans, advances and provisions

Loans and advances are stated at gross amount. Specific provisions were made to adjust all impaired loans and advances with their expected realizable value as per instructions contained in Bangladesh Bank BCD Circular No. 34 of 16 November ,1989, BCD Circular No.20 of 27 December 1994, BCD Circular No. 12 of 4 September 1995, BRPD Circular No. 16 of 06 December 1998, BRPD Circular No.09 of 14 May 2001, BRPD Circular No. 02 of February 2005, BRPD Circular No. 09 of 20 August 2005, BRPD Circular No.17 of 06 December, 2005 and BRPD Circular No.14 of 23 September ,2012 respectively at the following rates:

## Rate of provision:

			Consumer Financing			Loan to	All other	
Partic	ulars	Short term Agri-credit	Other than HF & LP	HF IP		SMEF	BHs /MBs/SDs	credit
	Standard	2.50%	5%	2%	2%	0.25%	2%	1%
Unclassified	SMA	0%	5%	2%	2%	0.25%	2%	1%
	SS	5%	20%	20%	20%	20%	20%	20%
Classified	DF	5%	50%	50%	50%	50%	50%	50%
	BL	100%	100%	100%	100%	100%	100%	100%

#### iv) Fixed assets and depreciation

Fixed Assets: Fixed assets are stated at cost less accumulated depreciation as per BAS 16 "Property, Plant and Equipment" and depreciation thereon charged to Operating Expenses. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably:

- a) Fixed assets are stated at cost less Accumulated Depreciation.
- b) Depreciation has been charged at the following rates on reducing balance from the date of acquisition with the exception of Motor Vehide on which straight line method is applied.



Name of the Assets	Rate of Depreciation
Building	2.50%
Furniture & Fixtures	10.00%
Office Appliances	20.00%
Vehicles	20.00%

#### v) Other assets

Other assets include investment in subsidiaries, Membership of DSE & CSE, advance for operating and capital expenditure, stocks of stationary and stamps, security deposits to government agencies etc. As per BRPD Circular No. 14 dated 25 June 2003, Income & Non-income-generating other assets item(s) have been shown separately in the relevant notes to the financial statements.

#### **B Liabilities & Provision**

i) Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents include interest bearing borrowings which are stated in the financial statements at principal amount of the outstanding balance. Interest payables on such borrowings are reported under other liabilities.

## ii) Deposits and other accounts

Deposits and other accounts include non-interest bearing current deposits redeemable at call, interest bearing short term deposits, savings deposits and fixed deposits which are initially measured at the consideration received. These items are subsequently measured and accounted for at the gross value of the outstanding balance in accordance with the contractual agreements with the counter parties.

## iii) Other liabilities

Other liabilities comprise items such as provision for loans and advances/ investments, provision for taxes, interest payable on borrowing, interest suspense and accrued expenses etc. Individual item-wise liabilities are recognized as per the guidelines of Bangladesh Bank and Bangladesh Financial Reporting Standards (BFRS).

#### iv) Dividend payments

Interim dividend is recognized when it is paid to shareholders. Final dividend is recognized when it is approved by the shareholders in AGM. The proposed dividend for the year 2015, therefore, has not been recognized as a liability in the balance sheet in accordance with BAS 10 'Events after the Reporting Period'. Dividend payable to the Bank's shareholders is recognized as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive the payment is established.

## v) Provision for loans and advances

Provision for classified loans and advances is made on the basis of quarter end review by the management and instructions contained in BRPD Circular no.14 dated 23 September 2012, BRPD Circular no.19 dated 27 December, 2012 and BRPD Circular no.16 dated 18 November ,2014. Details are stated in Note 13.

#### vi) Provision for investment in capital market

For recognition of loss suffered from investment in capital market, provision has been made on unrealized loss (gain net off) according to DOS Circular No. 04 dated 24 November ,2011 on portfolio basis.

## vii) Provision for off-balance sheet exposures

In compliance with Bangladesh Bank guidelines, contingent liabilities have been disclosed under off-balance sheet items. As per BRPD Circular no. 14 dated 23 September, 2012 and related earlier circulars, the Bank has been maintaining provision @ 1% against off-balance sheet exposures.

#### viii) Provision for other assets

Provision for other assets is made as per the guidelines mentioned in the BRPD Circular No. 14 dated 25 June, 2001 i.e. 100% provision is required on other assets which are outstanding for one year or more.



## ix) Provision for liabilities and accrued expenses

In compliance with BAS 37, provisions for other liabilities and accrued expenses are recognized in the financial statements when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

## x) Provision for Taxation

The company is a publicly traded company as per the Incme Tax Ordinance 1984. Provision for Current Income Tax has been made at the existing rate of 40% as prescribed in Finance Act 2015 of the accounting profit made by the Bank after considering some of the Taxable add backs of income and disallowances of expenditures.

## xi) Deferred Taxation

Deferred Tax arises due to temporary difference deductible or taxable for the events or transaction recognized in the income statement. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary difference. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The bank has recognized deferred tax accounting policy as per Bangladesh Accounting Standard (BAS)-12.

## xii) Contingent Liabilities

Contingent liabilities which include certain guarantees and letter of credit pledged as collateral are possible obligations that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank. Contingent liabilities are not recognized in the financial statements as per BAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. However, disclosure on contingent have been made on the face of balance sheet under 'Off-balance Sheet Items' as per guidelines of BRPD Circular No. 14 dated 25 June, 2003.

#### C. Share capital and reserves

## i) Authorized and issued capital

The authorized capital of the bank is the maximum amount of share capital that the bank is authorized by its Memorandum and Articles of Association to issue (allocate) among shareholders. Part of the authorized capital can (and frequently does) remain unissued. This number can be changed by shareholders' approval upon fulfi llment of related provisions of Companies Act, 1994. The part of the authorized capital which has been issued to shareholders is referred to as the issued share capital of the bank."

#### ii) Paid-up capital

The paid-up capital represents the amount of bank's capital that has been contributed by ordinary shareholders. The holders of ordinary shares are entitled to receive dividend as recommended by the Board and subsequently approved by the shareholders from time to time in the Annual General Meeting (AGM).

#### iii) Statutory reserve

In compliance with the provision of Section 24 of Bank Companies Act 1991, the bank transfers at least 20% of its profit before tax to "Statutory Reserve Fund" each year until the sum of statutory reserve and share premium equal to the paid up capital of the bank.

## iv) Reserve for Amortization/ revaluation of securities

When a Financial Asset categorized under HTM or HFT and subsequent value of the asset is increased as a result of amortisation of assets or mark to market revaluation, the net increased amount (for HTM increase or decrease of book value and for HFT loss to P&L but gain to revaluation reserve through P&L) is credited directly to equity under the heading of reserve for amortization/ revaluation of securities as per Bangladesh Bank DOS circular no. 06, dated 15 July, 2010.

#### D. Revenue Recognition

## i) Interest income

Interest on unclassified loans and advances is accounted for as income on accrual basis, interest on classified loans and advances is credited to interest suspense account with actual receipt of interest there from credited to income as and when received as per instruction contained in BRPD 14 dated 23 September 2012, BRPD 19 dated 27 December, 2012 and BRPD 16 dated 18 November, 2014 of Bangladesh Bank.



#### ii) Fees and commission income

Fess and commission income arises on services provided by the Bank and recognized as and when received basis. Commission charged to customers on letter of credit, letter of guarantee and acceptance are credited to income at the time of effecting the transactions except those which are received in advance.

#### iii) Interest income from investments

Interest income on investments in Government and other securities, debentures and bonds is accounted for on accrual basis.

## iv) Income from Exchange

Exchange income includes all gain and losses from foreign currency day to day transactions, conversions and revaluation of Non Monetary items.

#### v) Dividend income

Dividend income from investments is recognized at the time when it is declared, ascertained and right to receive the payment is established.

## vi) Interest paid on borrowings and deposits

Interest paid on borrowings and deposits are calculated on 360 days basis (except for some treasury instruments which are calculated on 364 days basis) in a year and recognized on accrual basis.

## vii) Management and other expenses

Expenses incurred by the Bank are recognized on actual and accrual basis.

#### viii) Taxes

The expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity.

#### a. Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date and any adjustment to the tax payable in respect of previous years. Provision for current income tax of the bank has been made on taxable income @ 40% considering major disallowances of expenses and concessional rates on certain incomes (0% on gain on trading of govt. securities, 10% on capital gain (net off loss) of shares traded in secondary market and 20% on dividend income) as per Income Tax Ordinance (ITO) ,1984. Tax provision of the Group entities has been made on taxable income of subsidiaries at different rates applicable as per the ITO ,1984 and the tax authority of the country where it is incorporated.

#### b. Deferred tax

Deferred tax is calculated on taxable/deductible temporary differences between tax base amount and carrying amount of assets and liabilities as required by Bangladesh Accounting Standard (BAS) 12 'Income Taxes' and BRPD Circular no.11 dated 12 December, 2011.

#### 2.15 Core Risk Management

The Banking Regulation & Policy Department (BRPD) of Bangladesh Bank vides BRPD circular no.17 dated October 7, 2003 and BRPD circular no.4 dated March 5, 2007 issued guidelines on managing Core Risk in Banks to ensure sustainable performance in the Banking sector. Recently Bangladesh Bank revised its core risk management guidelines on March-2016. There are six core risks which require banks to put in place an effective risk management system. Bangladesh Bank monitors the progress of implementation of these guidelines through its on-site inspection teams through routine inspection. The risk management systems in place at the Bank are discussed below.

## 2.15.1 Internal Control & Compliance Risk

Internal Control Mechanism refers to a set of tools aimed at the achievement of Organizational Overall objectives. It helps an organization to safeguard its assets, check the accuracy and reliability of data. Internal Control & Compliance (ICC) promotes operational efficiency and encourages compliance with managerial policies and procedures, laws and regulations and supervisory requirement. The ICC comprises the following three units:

- i) Internal Audit & Inspection Unit
- ii) Monitoring Unit and
- iii) Compliance Unit



An effective Internal control System can assure banks to meet the following objectives:

- 1) To establish an effective and efficient system to identify and detect errors, omission, fraud and forgeries and to take/suggest effective measures to protect repetition thereof.
- 2) To help to establish reliable, complete adequate and timeliness of financial and management information.
- 3) To ensure compliance with applicable laws and regulations.

As per the instruction of Bangladesh Bank the Bank has set Internal Control & Compliance (ICC) Division at Head Office to ensure that the internal control process are in place through establishment of Audit Committee. The Committee reviews the internal & external Audit reports without any intervention of the Bank Management and ensures that Management takes effective measures in case of any deficiencies/lapses are found in the reports of Internal Control System.

The Bank has introduced Risk Based Internal Audit (RBIA) to assess the business risk as well as the control risk associated with the branches and determine how much care, monitoring & periodicity of comprehensive internal audit would be required to reposition the branches.

Internal Control & Compliance (ICC) Division sets out a Risk Based Internal Audit Program each year. The Risk Based Internal Audit Program for the year 2015 was chalked by ICC Division which was duly approved by the Management as well as the Audit Committee of the Board of Directors. The Audit program included the timing and frequency of audit of branches. Accordingly comprehensive audit has been conducted on 96 (ninety six) branches & 10 (ten) Divisions of Head Office, Surprise Inspection has been conducted on 13 (thirteen) branches and 01 (one) Special Investigation has been conducted during the year 2015. Moreover, in 2015 we have examined Cash Incentive Payments made by the 14 (fourteen) no of AD Branches. ICT Audit has been conducted on 32 (thirty two) branches. Major irregularities or lapses of the reports were presented to the Management and the Audit Committee of the Board of Directors. As per directions/suggestions of the Board Audit Committee as well as the higher Management, corrective measures have been taken so as to stop recurrence of such lapses or irregularities in future.

Besides above, Bangladesh Bank Inspection team also conducted 47 (forty seven) different inspections in the year 2015 on various branches and Departments of Head Office. Details are as under:

Nature of Inspection	Head Office/Division	Branches
Special Inspection on Core Risk	3	0
Comprehensive	1	29
Foreign Exchange Transaction	0	8
Special Inspection	0	1
Surprise Inspection	0	5

To comply with the directives of Bangladesh Bank, ICC Division of the bank takes proper initiative to comply the observations/suggestions of Bangladesh Bank and also sent the Compliance Report on time.

The Management Committee (MANCOM) of the Bank monitors the effectiveness of Internal Control System time to time. The MANCOM provides certificate on overall adequacy and effectiveness of Internal Control System based on Bank's policy and procedure to the Board of Directors.

## 2.15.2 Foreign Exchange Risk

Foreign exchange risk is defined as the potential change in earnings due to change in market prices. The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements. Treasury Department independently conducts the transactions and the back office of treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Mark-to - Market rate as determined by Bangladesh Bank at the month-end. The Bank maintains various nostro accounts in order to conduct operations in different currencies including BDT. The senior management of the Bank set limits for handling nostro account transactions. All Nostro accounts are reconciled on a monthly basis and outstanding entry beyond 30 days is reviewed by the management for its settlement.



## 2.15.3 Asset Liability Risk

Asset Liability Management (ALM) is a key financial and risk management discipline. As one of the core risk areas identified by the Bangladesh Bank, ALM requires senior management responsibility in order to control both inherent and acquired risks in the balance sheet and in day-to-day operations

For better management of asset and liability risk, the Bank has an established Assets Liability Committee (ALCO) which meets at least once a month. The members of ALCO as at 31 December 2015 were as follows:

Mr. Md. Nazmus Salehin	Managing Director	-	Chairman
Mr. Md. Mamun-Ur-Rashid	DMD & Chief Risk Officer (CRO	-	Member
Mr. Md. Motaleb Hossain	DMD	Manager, Principal Branch	Member
Mr. Hossain Ahmad	EVP	Head of IT	Member
Mr. Haradhan Chnadra Das	EVP	Head of Credit	Member
Mr. Syed Anisur Rahman	SVP	Head of ID	Member
Mr. Md. Zahangir Alam	VP	Head of FAD	Member
Mr. Md. Ali Reza	VP	CFO & Head of RMD	Member
Mr. Md. Golam Mawla	SAVP	Head of Recovery	Member
Mr. Md. Abdul Mannan	SAVP	Head of SME	Member
Mr. Haradhan Chandra Chakraborty	SAVP	Head of Agri/Rural credit	Member
Mr. Shah Rahat Uddin Ahmed	SAVP	Head of Treasury	Member

The ALCO's primary function is to formulate policies and guidelines for the strategic management of the bank using pertinent information that has been provided through the ALCO process together with knowledge of the individual businesses managed by members of the committee. ALCO regularly reviews the Bank's overall asset and liability position, forward looking asset and liability pipeline, overall economic position, the Banks' liquidity position, capital adequacy, balance sheet risk, interest risk and makes necessary changes in its mix as and when required.

The Bank has a specified liquidity and funding ratio to maintain to ensure financial flexibility to cope with unexpected future cash demands. ALCO monitors the liquidity and funding ratio on an ongoing basis and ascertains liquidity requirements under various stress situations. In order to ensure liquidity against all commitments, the Bank reviews the behaviour patterns of liquidity requirements. The Bank has an approved Liquidity Contingency Plan (LCP) which is reviewed and updated on an annual basis by the ALCO. All regulatory requirements including CRR, SLR and RWA are reviewed by ALCO.

#### 2.15.4 Credit Risk

Credit risk is a form of performance risk in a contractual relationship. In any contractual situation, performance risk refers to the possibility that one party in the contract will not honor its obligations to the other. Credit risk is usually defined as the performance risk associated with a financial contract (e.g. a loan, bond, or derivative contract). Hence, the potential failure of a manufacturer to honor a warranty might be called performance risk, whereas the potential failure of a borrower to make good on its payment requirements—which include both the repayment of the amount borrowed, the principal, and the contractual interest payments, would be called credit risk. A borrower or an obligor is defined as any party to a contract that has to perform a financial obligation to the other.

Indeed, the basic concepts for measuring credit risk-probability of default, recovery rate, exposure at default, expected loss, loss given default, and unexpected loss-are easy enough to understand and explain. However, even for those involved in risk management who agree on the concepts, it is not always easy to practically implement a method that is fully consistent with an original concept.

Therefore, the Bank's credit risk management activities have been designed to address all these issues.

A thorough risk assessment is done before sanction of any credit facility at risk management units. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the credit facility etc. The assessment process starts at the branch level and ends at Credit Risk Management division when it is approved /declined by the competent authority. Credit approval authority has been delegated to the individual executives. Proposal beyond their delegation are approved/declined by the Executive Committee



and/or the Board of Directors of the Bank.

In determining Single borrower/Large loan limit, the instructions of Bangladesh Bank BRPD circular no.-02, dated January 16, 2014 is strictly followed. Internal audit is conducted at yearly intervals to ensure compliance of Banks and Regulatory policies. Loans are classified as per Bangladesh Bank's BRPD circular no. - 14, dated September 23, 2012 & amendment BRPD circular no.- 19 & 05 dated December 27, 2012 & May 29, 2013 respectively.

## 2.15.5 Information & Communication Technology Risk

The Bank has adequately addressed Information and Communication Technology (ICT) Risk Management. It is an in-depth exercise and continual process. The (ICT) Risk Management exercise mainly includes minimizing financial and image loss to the institution in all events such as natural disasters, technological failure, human errors etc. The Bank has Core Banking software (i-STELAR) to perform all types of transactions including local/online/internet in a secured way. To take care of its core banking system, a separate security module has been incorporated in the software which manages different roles/privileges for different users. All financial transactions can be tracked for future audit purpose.

The Bank uses Central Data Centre and Data Guard has been in place with Standby Database to protect any kind of failure with a minimum downtime. Data travelling throw network uses encryption and decryption mechanism.

In line with Bangladesh Bank directives, the bank has approved its own ICT policies for its operation and services. Under these guidelines, a security policy has also been worked out. To abide by and adhere to what is laid down in the policy; the implementation has been made through Active Directory Services (ADS), Password Policy, Audit Policy, Group Policy, User Rights, and Permission Policy etc. In order to access secure network resources from public network, the Bank has already implemented Virtual Private Network (VPN). Bank has also implemented:

- 1. Access Control List (ACL).
- 2. IP filtering and
- 3. TCP/UDP service blocking through router and firewall devices.

It has already centralized the administrative control to access the network, mailing system and internet. An internet main server is in place for local mail communication. SBL has introduced Business Continuity Plan (BCP) for its entire network and trained the officials to cope up with any contingencies.

#### 2.15.6 Money Laundering Risk:

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risks, the Bank has a designated Chief Anti Money Laundering Compliance Officer (CAMLCO) at Head Office and Branch Anti Money Laundering (BAMLCO) Compliance Officers, who independently review the transactions of the accounts to verify suspicious transactions. Manuals for prevention of money laundering have been established and Transaction profile has been introduced. Training is continuously given to all the category of Officers and Executives for developing awareness and skill for identifying suspicious activities/ transactions.

Know Your Customer (KYC) policy and Transaction Profile (TP) format have been introduced. The regulatory requirements are being complied with and the guidelines in respect of KYC are being followed for opening of new accounts. Training is being provided continuously to all the categories of executives and officers for developing awareness and skill for identifying suspicious activities.

## 2.15.7 Internal Audit:

The bank's compliance risk management system is subject to implementation by the senior management and a qualified compliance officer/staff, and reviewed by an effective and comprehensive internal audit function. Compliance risk included in the risk assessment methodology of the internal audit function, and an audit program that covers the adequacy and effectiveness of the bank's compliance function established, including testing of controls commensurate with the perceived level of risk. This principle implies that the compliance function and the internal audit function separate to ensure that the activities of the compliance function are subject to independent review. However, the audit function keep the head of compliance informed of any audit findings related to compliance.

## 2.15.8 Fraud & Forgeries:

Fraud means intentional deception resulting in injury to another person and forgeries is criminal falsification by making or altering an instrument with intent to cheat. SBL continuously pays attention to implement and improve the anti-fraud internal controls for prevention of fraud and forgery. SBL assesses/evaluates the effectiveness of its Anti-Fraud Internal Control measures on quarterly basis as per the items/areas mentioned in the prescribed checklist of Bangladesh Bank. During the year 2015, no fraud has been detected by the bank and it has duly been reported to Bangladesh Bank.



## 2.15.9 Highlights on Bangladesh Bank's Inspections of Core Risk Implementation:

Bangladesh Bank carried out a comprehensive inspection of SBL Head Office & 29 branches during the year 2015 & special inspection on four core risk (ALM, CRM, ICCD & ICT) based on 30-06-2015 by DBI & two core risk (AML & Foreign Exchange Risk) by BFIU & Foreign Exchange Inspection department during 2015 for assessing the implementation of the guidelines on core risk as well as to evaluate the effectiveness of risk management practices by the Bank. Major findings of the inspection were discussed in a meeting participated by the Board, Bangladesh Bank representatives and related management personnel of the Bank. The Board took the observations with utmost importance and instructed management to comply with BB suggestions for improvement. BB also conducted several other audits on different units/departments of the bank all over the year which include Treasury Division, Credit Division, Credit Administration Division, ICCD and Foreign Exchange etc. Bank already comply all the findings & observations of core risk as per stipulated time set by Bangladesh Bank. The overall core risk implementation status of the Bank is satisfactory.

#### 2.16 Regulatory and legal compliance

he bank complied with the requirements of the following laws & regulation:

- a) The Bank Companies Act 1991
- b) The Companies Act 1994
- c) Income Tax Laws
- d) The Value Added Tax Laws
- e) Bangladesh Securities and Exchanges Rules 1987, Bangladesh Securities and Exchanges Ordinance 1969, Bangladesh Securities and Exchanges Act 1993.
- f) Rules, Regulations and Circulars issued by the Bangladesh Bank and other regulatory authorities.

#### 2.17 General

- a) Figures appearing in the financial statements have been rounded off to the nearest Taka
- b) Figures and account titles of previous year have been rearranged whenever considered necessary to conform with current year's presentation.
- c) Expenses irrespective of capital or revenue nature accrued but not paid have been provided for in the books of account of the Bank.

## 2.18 Compliance of Bangladesh Accounting Standard (BASs) and Bangladesh Financial Reporting Standard (BFRSs)

The bank has complied the following BASs & BFRSs as adopted by ICAB during the preparation of financial statements as at and for the year ended 31 December 2015.

Name of BASs /BFRSs	BASs/BFRSs	No.	Status
Presentation of Financial Statements	BAS	1	Applied
Inventories	BAS	2	N/A
Cash Flows Statements	BAS	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	BAS	8	Applied
Events after the Reporting Period	BAS	10	Applied
Construction Contracts	BAS	11	N/A
Income Taxes	BAS	12	Applied
Property, Plant and Equipments	BAS	16	Applied
Leases	BAS	17	Applied
Revenue	BAS	18	Applied
Employee Benefits	BAS	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	BAS	20	N/A
The Effect of Changes in Foreign Exchange Rates	BAS	21	Applied
Borrowing Costs	BAS	23	N/A
Related Party Disclosures	BAS	24	Applied
Accounting and Reporting by Retirement Benefit Plans	BAS	26	N/A
Consolidated and Separate Financial Statements	BAS	27	Applied
Investments in Associates	BAS	28	N/A
Interests in Joint Ventures	BAS	31	N/A



Name of BASs /BFRSs	BASs/BFRSs	No.	Status
Interests in Joint Ventures	BAS	31	N/A
Financial Instruments: Presentation	BAS	32	Applied
Earning per share	BAS	33	Applied
Interim Financial Reporting	BAS	34	Applied
Impairment of Assets	BAS	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	BAS	37	Applied
Intangible Assets	BAS	38	Applied
Financial Instruments: Recognition and Measurement	BAS	39	Applied
Investment Property	BAS	40	N/A
Agriculture	BAS	41	N/A
First-time Adoption of Bangladesh Financial Reporting Standards	BFRS	1	N/A
Share-based Payment	BFRS	2	N/A
Business Combinations	BFRS	3	Applied
Insurance Contracts	BFRS	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	BFRS	5	Applied
Exploration for and Evaluation of Mineral Resources	BFRS	6	N/A
Financial Instruments: Disclosures	BFRS	7	Applied
Operating Segments	BFRS	8	Applied
Consolidated Financial Statements	BFRS	10	Applied
Joint Arrangements	BFRS	11	N/A
Disclosure of Interests in Other Entities	BFRS	12	Applied
Fair Value Measurement	BFRS	13	Applied



		Amount in Taka		
3.	CASH	31.12.2015	31.12.2014	
3.1	Cash in hand			
	In local Currency	787,637,226	803,171,201	
	In Foreign Currency	26,779,962	40,898,207	
	Total	814,417,188	844,069,408	
3.2	Balance with Bangladesh Bank and its agent bank(s)			
	(including foreign currency)			
	In local Currency	6,054,117,649	6,012,440,924	
	In Foreign Currency	240,770,207	324,403,518	
		6,294,887,856	6,336,844,442	
	Sonali Bank as agent of Bangladesh Bank			
	Local currency	87,339,115	140,947,979	
		6,382,226,971	6,477,792,421	
	Total	7 406 644 450	7 224 064 020	
	Total	7,196,644,159	7,321,861,829	

#### 3.3 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Ratio and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 33 of Bank Companies Act 1991(amendment upto 2013), DOS circular No. 01 dated January 19,2014 and MPD circular No. 02 dated December 10, 2013 and MPD circular No.01 dated June 23,2014.

The Cash Reserve Ratio on the Bank's time and demand liabilities at the rate of 6.50% on bi-weekly basis and minimum 6% on daily basis has been calculated and maintained with Bangladesh Bank in current account and 13% Statutory Liquidity Ratio, on the same liabilities has also been maintained in the form of treasury bills, bonds including FC balance with Bangladesh Bank. Both the reserves maintained by the Bank are in excess of the statutory requirements, as shown below:

## i) Cash Reserve Ratio (CRR) average 6.5% on bi-weekly basis and minimum 6% on daily basis of Average Demand and Time Liabilities:

6,085,131,000	5,972,232,000
6,117,359,000	5,993,454,000
32,228,000	21,222,000
12,170,262,000	11,944,463,000
17,170,640,481	18,065,833,925
5,000,378,481	6,121,370,925
813,780,932	844,069,408
85,733,000	140,947,979
1,747,982,332	-
2,763,876,812	10,286,372,081
11,759,267,405	6,794,444,457
17,170,640,481	18,065,833,925
	32,228,000 12,170,262,000 17,170,640,481 5,000,378,481 813,780,932 85,733,000 1,747,982,332 2,763,876,812 11,759,267,405



Standard Exchange Co.(UK) Ltd.   -   4,900			Amoun	t in Taka
ii. Cash in hand  Standard Bank Limited (note-3.1) Standard Express(USA) Ltd. Standard Express(USA) Ltd. SEL Capital Mgt. Ltd. SEL Securities Ltd.  iii. Balance with Bangladesh Bank and its agent bank(s)  Standard Express(USA) Ltd. SEL Capital Mgt. Ltd.  SEL Securities Ltd.  Balance with Bangladesh Bank and its agent bank(s)  Standard Bank Limited (note-3.2) Standard Exchange Co.(UK) Ltd. SEL Capital Mgt. Ltd. SEL Capital Mgt. Ltd. SEL Securities Ltd.  SEL Securities Ltd.  Balance with other Banks and financial institutions  In Bangladesh (note 4.1) Outside Bangladesh (note 4.2)  Light Sell Capital Mgt. Ltd. SEL Securities Ltd.  SE	2(a) Consolidated such		31.12.2015	31.12.2014
Standard Bank Limited (note-3-1)   814,417,188   844,066   Standard Exchange Co.(UK) Ltd.   15,824,202   24,466   4,906   58L Capital Mgt. Ltd.   -	• •			
Standard Exchange Co.(UK) Ltd.   -   4,900	. Continue			
Standard Express(USA) Ltd.   15,824,002   24,466   SBL Capital Mgt. Ltd.   -	Standard Bank Limited (note-3.1)		814,417,188	844,069,408
SBL Capital Mgt. Ltd. SBL Securities Ltd.	Standard Exchange Co.(UK) Ltd.		-	4,909,786
### SBL Securities Ltd.  ### Balance with Bangladesh Bank and its agent bank(s)    Standard Bank Limited (note-3.2)			15,824,202	24,463,457
830,241,390   873,442     ii.   Balance with Bangladesh Bank and its agent bank(s)			-	-
ii. Balance with Bangladesh Bank and its agent bank(s)  Standard Bank Limited (note-3.2) Standard Exchange Co.(UK) Ltd. Standard Exchange Co.(UK) Ltd. STANDARD Excurities Ltd. SBL Capital Mgr. Ltd. SBL Securities Ltd.  6,382,226,971 7,212,468,361 7,351,235  4. Balance with other Banks and financial institutions  In Bangladesh ( note 4.1) Outside Bangladesh ( note 4.2) 288,471,256 710,745 1,900,582,811 1,416,360  4.1 In Bangladesh Current Deposits  Short Term Deposit (STD) Basic Bank Limited Southest Bank Limited 119,615 93	SBL Securities Ltd.		- 020 244 200	- 072 442 654
Standard Bank Limited (note-3.2)   6,382,226,971   6,477,792     Standard Exchange Co.(UK) Ltd.   -       Standard Express(USA) Ltd.   -       SBL Capital Mgt. Ltd.   -       SBL Securities Ltd.   -       SBL Securities Ltd.   -       T,212,468,361   7,351,235     T,212,468			830,241,390	8/3,442,051
Standard Exchange Co.(UK) Ltd.   -	ii. Balance with Bangladesh Bank and its agent ba	ank(s)		
Standard Exchange Co.(UK) Ltd.   -	6. 1. 10. 11. 11. 11. 12.		6 202 226 674	6 477 702 424
Standard Express(USA) Ltd.   -			6,382,226,971	6,477,792,421
SBL Capital Mgt. Ltd. SBL Securities Ltd.  6,382,226,971 6,477,792 7,212,468,361 7,351,235  4. Balance with other Banks and financial institutions  In Bangladesh (note 4.1) Outside Bangladesh (note 4.2) 288,471,256 710,745 1,900,582,811 1,416,360  4.1 In Bangladesh Current Deposits  Short Term Deposit (STD) Basic Bank Limited Southest Bank Limited 5 outhest Bank Limited 762				_
SBL Securities Ltd 6,382,226,971 6,477,792 7,212,468,361 7,351,235  4. Balance with other Banks and financial institutions  In Bangladesh ( note 4.1) 1,612,111,555 705,610 288,471,256 710,745 1,900,582,811 1,416,360 1,416,360 1,516			-	- -
6,382,226,971 6,477,792 7,212,468,361 7,351,235  4. Balance with other Banks and financial institutions  In Bangladesh ( note 4.1) 1,612,111,555 705,610 288,471,256 710,745 1,900,582,811 1,416,360  4.1 In Bangladesh  Current Deposits - Short Term Deposit (STD)  Basic Bank Limited 50uthest Bank Limited 762			_	_
### Type			6,382,226,971	6,477,792,421
In Bangladesh ( note 4.1) Outside Bangladesh ( note 4.2)  4.1 In Bangladesh  Current Deposits  Short Term Deposit (STD)  Basic Bank Limited Southest Bank Limited Southest Bank Limited Southest Bank Limited Toposits  1,612,111,555 705,610 704,945 710,749				7,351,235,072
In Bangladesh ( note 4.1) Outside Bangladesh ( note 4.2)  4.1 In Bangladesh  Current Deposits  Short Term Deposit (STD)  Basic Bank Limited Southest Bank Limited Southest Bank Limited Southest Bank Limited Toposits  1,612,111,555 705,610 704,945 710,749				
Outside Bangladesh ( note 4.2) 288,471,256 710,745  1,900,582,811 1,416,360  4.1 In Bangladesh  Current Deposits -  Short Term Deposit (STD)  Basic Bank Limited 119,615 93  Southest Bank Limited 762	4. Balance with other Banks and financial institution	ions		
4.1       In Bangladesh       1,900,582,811       1,416,360         Current Deposits       -       -         Short Term Deposit (STD)       -       -         Basic Bank Limited       119,615       93         Southest Bank Limited       762	In Bangladesh ( note 4.1)		1,612,111,555	705,610,614
4.1 In Bangladesh  Current Deposits  Short Term Deposit (STD)  Basic Bank Limited Southest Bank Limited Total	Outside Bangladesh ( note 4.2)		288,471,256	710,749,528
Current Deposits - Short Term Deposit (STD)  Basic Bank Limited 119,615 93 Southest Bank Limited 762			1,900,582,811	1,416,360,142
Current Deposits - Short Term Deposit (STD)  Basic Bank Limited 119,615 93 Southest Bank Limited 762	4.1 In Rangladesh			
Short Term Deposit (STD)  Basic Bank Limited  Southest Bank Limited  762	a. sunguación			
Basic Bank Limited 119,615 Southest Bank Limited 762	Current Deposits		-	-
Southest Bank Limited 762	Short Term Deposit (STD)			
	Basic Bank Limited		119,615	93,824
Islami Bank bd Limited 14,213 12				762
			14,213	12,812
				5,000,000
				4,557 74,354
				18,400,369
	-			78,387
				6,885
				4,471,991
			919,329	475,574
Standard Chartered Bank 4,922,987 2,077	Standard Chartered Bank		4,922,987	2,077,074
	BRAC Bank Ltd.			21,273,984
<u>39,811,555</u> 51,970			39,811,555	51,970,573
Carinar Donocit	Chairer Donosit			
Savings Deposit -	ognings nethosis		•	•



		Amount in Taka	
Fixed Deposits		31.12.2015	31.12.2014
Hajj Finance Company Ltd.		273,700,000	215,000,000
Premier Leasing And Finance Ltd.		100,000,000	<u>-</u>
Dhaka Bank Ltd.		600,000,000	-
BFIC Finance Ltd.		-	100,000,000
Midland Bank Ltd.		400,000,000	-
Union Capital Ltd.		-	100,000,000
Int'l Leasing Ltd.		100,000,000	-
Islamic Finance & Investment Ltd.		98,600,000	75,000,000
Al-Arafa Islami Bank Ltd.		-	163,640,041
		1,572,300,000	653,640,041
		1,612,111,555	705,610,614
Outside Bangladesh			
Outside Bangladesh In Current account			
Interest Bearing			
Standard Chartered Bank, New York		94,463,392	206,314,625
Mashreq Bank Psc, New York		22,036,291	87,915,635
HSBC Bank, New York		-	-
UTI Kolkota, ACU		840	834
ICICI Bank Ltd., Mumbai, India		1,779,948	18,364,522
A.B. Bank LTD. MUMBAI		3,871,629	11,833,927
Non Interest Bearing			
HSBC, Mumbai, India		-	-
AXIS Bank Limited, Mombai,India		-	-
Standard Chartered Bank Ltd., Mumbai, India		21,404,937	44,722,868
Standard Chartered Bank Ltd.,Frankfurt		6,585,982	6,421,498
Standard Chartered Bank Ltd., Tokyo		2,321,706	429,556
ICICI Bank Ltd., Hongkong		2,043,314	-
Nepal Bangladesh Bank Ltd, Kathmundu		6,778,585	8,305,682
HSBC Bank, Karachi, Pakistan		-	14,936,812
Bhutan National Bank, Bhutan		1,542,580	5,152,550
Commerz Bank, Frankfurt		1,846,931	9,042,954
Habib American Bank Ltd. New York		74,112,034	157,150,936
Habib Metropolitan Bank Ltd. Karachi,Pakistan		12,798,134	
Mashreq Bank ,London		13,033,290	6,032,955
Bank A <b>l</b> jaria Ksa		1,041,618	-
HSBC Bank Plc, London, UK		-	8,248,895
HSBC Bank Australia Ltd, Sydney, Australia		-	-
Westpac Banking Corporation Sydney, AU		2,691,247	998,850
Saudi Ho <b>ll</b> andi Bank KSA		3,124,852	4,152,150
Sonali Bank (UK) Ltd		9,641,849	113,372,179
Total Nostro Accounts		281,119,156	703,397,428
FDR			
Standard Chartered Bank Ltd., Mumbai, India		7,352,100	7,352,100
Total Outside Bangladesh		288,471,256	710,749,528
	Total	1,900,582,811	1,416,360,142

( Annexure-A may kindly be seen for details)



		Amoun	t in Taka
4,3	Maturity grouping of balance with other banks and financial institutions	31.12.2015	31.12.2014
-1.5	Trading grouping of souther wall outer scalls and instructed instructions		
	Payable on demand	-	-
	Up to 1 month  Over 1 month but not more than 3 months	1,526,882,811	1,037,720,101
	Over 3 months but not more than 3 months	100,000,000 273,700,000	378,640,041
	Over 1 year but not more than 5 years	-	-
	Over 5 years	-	-
		1,900,582,811	1,416,360,142
4.4	Net Balance with other banks and financial institutions		
	Balance with other banks and financial institutions(note-4)	1,900,582,811	1,416,360,142
	Add: Lending to other banks and financial institutions(note-05)	1,070,000,000	250,000,000
	Less: Borrowing from other banks and financial institutions(note-10)	1,115,837,033	3,360,336,329
		1,854,745,779	(1,693,976,187)
4.5	Consolidated Net Balance with other banks and financial institutions		
	Balance with other banks and financial institutions(note-4b)	1,854,745,779	(1,693,976,187)
	Less: Borrowing from other banks and financial institutions	-	-
44.		1,854,745,779	(1,693,976,187)
4(a)	Consolidated Balance with other banks and financial institutions In Bangladesh		
	II bulgonesi		
	Standard Bank Limited (note-4.1)	1,612,111,555	705,610,614
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd. SBL Capital Mgt. Ltd.	41,665,017	- 191,039,897
	SBL Securities Ltd.	258,826,392	381,502,293
		1,912,602,964	1,278,152,804
	Outside Bangladesh		
	6. 1. 10. 11. 17. 17. 12.	200 474 256	740 740 520
	Standard Bank Limited (note-4.2) Standard Exchange Co.(UK) Ltd.	288,471,256 9,670,665	710,749,528 519,879
	Standard Express(USA) Ltd.	67,606,615	59,573,851
	SBL Capital Mgt. Ltd.	-	-
	SBL Securities Ltd.	-	-
		365,748,536	770,843,258
		2,278,351,500	2,048,996,062



		Amoun	t in Taka
5.	Money at Call and Short Notice	31.12.2015	31.12.2014
	Banking Company		
		-	-
	Non-Banking Financial Institutions		
	ICB	-	200,000,000
	IPDC	450,000,000	50,000,000
	Fareast Finance	150,000,000	-
	MIDAS IIDFC	160,000,000 150,000,000	-
	Intl.Leasing	100,000,000	<u>-</u>
	Prime Finance	150,000,000	<u>-</u>
	GSP Finance	40,000,000	-
	First Finance	130,000,000	-
	Premier Leasing	90,000,000	-
	BFIC	100,000,000	-
		1,070,000,000	250,000,000
	Total	1,070,000,000	250,000,000
5.1	Maturity grouping of Money at Call and Placements:		
	Payable on demand	1,070,000,000	250,000,000
	Up to 1 month	1,070,000,000	230,000,000
	Over 1 month but not more than 3 months	_	_
	Over 3 months but not more than 1 year	-	-
	Over 1 year but not more than 5 years	-	-
	Over 5 years	-	-
		1,070,000,000	250,000,000
6.	Investments		
	Government securities (note -6.a)	14,541,005,217	17,098,391,239
	Others Investment (note -6.b)	5,045,329,523	3,545,012,849
		19,586,334,740	20,643,404,088



	Amount in Taka		
	31.12.2015	31.12.2014	
a) Government securities			
Treasury Bill			
91 days Treasury Bi <b>ll</b> s	-	168,247,538	
182 days Treasury Bills	120,817,008	1,513,471,330	
364 days Treasury Bills	2,643,059,773	8,604,653,214	
Total Treasury Bill	2,763,876,781	10,286,372,082	
Government Bond			
2 years Government bonds	3,123,726,383	2,674,189,141	
5 years Government bonds	2,817,511,814	1,957,429,601	
10 years Government bonds	2,838,629,837	1,122,710,298	
15 years Government bonds	1,421,035,691	569,000,094	
20 years Government bonds	1,558,363,711	471,115,323	
Total Government Bond	11,759,267,436	6,794,444,457	
Prize bonds	1,861,000	2,574,700	
Total Prize bonds	1,861,000	2,574,700	
Government Islamic Bond			
1 years bonds	5,000,000	5,000,000	
2 years bonds	11,000,000	10,000,000	
Total Government Islamic Bond	16,000,000	15,000,000	
Total Government Securities	14,541,005,217	17,098,391,239	
b) Other Investments			
Quoted Shares	150,000,000	150,000,000	
Unquoted Shares	2,608,040,719	2,607,308,049	
Preference share	168,707,058	375,705,388	
Subordinated Bonds	370,599,412	411,999,412	
Bangladesh Bank Bi <b>ll</b>	1,747,982,333	-	
Total Others Investment	5,045,329,523	3,545,012,849	



		Amount in Taka		
6.1	Government Securities classified as per Bangladesh Bank Circular:	31.12.2015	31.12.2014	
0.1	dovernment securities classified as per bargacies i barik circular.			
	Held for trading (HFT)	3,163,322,844	10,935,553,816	
	Held to maturity (HTM)	11,375,821,373	6,160,262,723	
	Other Securities(Prize Bond)	1,861,000	2,574,700	
		14,541,005,217	17,098,391,239	
6.2	Maturity grouping of Investments :			
0.2	On demand	1,749,843,333	2,574,700	
	Up to 1 month	-	_,	
	Over 1 month but not more than 3 months	-	168,247,538	
	Over 3 months but not more than 1 year	120,817,008	1,513,471,330	
	Over 1 year but not more than 5 years	5,782,786,156	8,604,653,214	
	Over 5 years	11,932,888,243	10,354,457,306	
		19,586,334,740	20,643,404,088	
6.2	Other Investments:	•	-	
	Quoted Shares			
	First Bangladesh Fixed Income Fund	150,000,000	150,000,000	
	Total Quoted Shares	150,000,000	150,000,000	
	Unquoted Shares			
	Central Depository Bangladesh Limited (CDBL)	156,548,164	156,548,164	
	Market Stabilization Fund	5,000,000	5,000,000	
	SWIFT	3,003,185	1,198,135	
	Standard Exchange Co.(UK) Ltd.	34,394,370	35,886,750	
	Standard Express(USA) Ltd.	109,200,000	108,780,000	
	SBL Capital Mgt. Ltd.	1,499,950,000	1,499,950,000	
	SBL Securities Ltd.	799,945,000	799,945,000	
	Total Unquoted Shares	2,608,040,719	2,607,308,049	
	Preference share			
	SUPCL & SPPCL	11,131,300	27,826,600	
	RAJ LANKA POWER COMPANY LTD	157,575,758	187,878,788	
	UPGD	-	160,000,000	
	Total Preference share	168,707,058	375,705,388	



		Amoun	t in Taka
Subordinated Bond		31.12.2015	31.12.2014
Dhaka Bank Ltd		35,000,000	50,000,000
Trust Bank Ltd.		60,000,000	80,000,000
National Bank Ltd .			
		25,600,000	32,000,000
BSRM Ltd.		99,999,412	150,000,000
Zero Coupon Bond		150,000,000	99,999,412
Total Subordinated Bond		370,599,412	411,999,412
Bangladesh Bank Bill			
30 days Treasury Bi <b>ll</b> s		1,747,982,333	-
Total Bangladesh Bank Bill		1,747,982,333	-
Total Other Investments		5,045,329,523	3,545,012,849
( Annexure-E may kindly be	coon for details)	3,043,323,323	3,343,012,043
	section details)		
6(a) Consolidated Investments Government			
	a ()	14 541 005 217	17 000 201 220
Standard Bank Limited (not		14,541,005,217	17,098,391,239
Standard Exchange Co.(UK)	Lto.	-	-
Standard Express(USA) Ltd.		-	-
SBL Capital Mgt. Ltd.		-	-
SBL Securities Ltd.		14,541,005,217	17,098,391,239
Others			,,
Standard Bank Limited (not	e-6)	5,045,329,523	3,545,012,849
Standard Bank Limited (Sha		(1,499,950,000)	(1,499,950,000)
Standard Exchange Co.(UK)		(34,394,370)	(35,886,750)
Standard Express(USA) Ltd.		(109,200,000)	(108,780,000)
SBL Capital Mgt. Ltd.		1,760,723,528	1,595,581,457
SBL Securities Ltd.		205,064,459	59,504,495
SBL Securities Ltd. (Share C	anital to SSL)	(799,945,000)	(799,945,000)
SDE SCOUNCES Etal. (Share C	white 332)	4,567,628,140	2,755,537,051
		19,108,633,357	19,853,928,290
7. Loan and advances/Investn			
	e following broad categories:		
I) Loans, cash credits, overc	irans, etc		
Inside Bangladesh			
Secured overdraft/Quard a	gainst TDR	17,548,254,979	14,954,380,142
Term Loan		25,662,421,650	23,263,939,224
Export Development Fund (	EDF)	1,235,363,050	1,231,048,960
Agricu <b>l</b> ture Loan		3,138,966,407	2,163,882,135
Cash credit/ Murabaha		12,991,419,521	12,589,941,381
House Building loans		1,977,978,314	1,518,456,852
Staff Loans		397,233,252	386,161,921
Transport Loans		741,813,952	829,856,556
Loans against trust receipt		8,361,245,409	8,586,671,712
Payment against document		1,411,292,740	611,408,043
Packing credit		222,255,321	233,599,183
Demand Loan			



			Amount in Taka	
			31.12.2015	31.12.2014
	Lease Finance / Izara		954,190,014	811,464,420
	Syndicate/Club Finance		2,943,028,338	2,312,644,826
	VISA Credit Card		177,896,773	142,556,987
	SME/SE		7,886,646,306	6,074,986,914
	Green Finance		11,976,022	-
	Consumer Credit Scheme/Hire purchase		256,980,758	208,983,450
			89,328,655,083	79,127,742,605
	Outside Bangladesh		-	-
			89,328,655,083	79,127,742,605
	ii) Bills purchased and discounted			
	Payable inside Bangladesh			
	Inland bills purchased		1,377,773,279	741,754,358
	Payable outside Bangladesh			
	Foreign bills purchased and discounted		137,793,070	139,347,219
			1,515,566,349	881,101,576
	То	tal	90,844,221,432	80,008,844,181
- 4				
7.1	Net loans and advances/investments		00.044.224.422	00 000 044 101
	Loans and advances/Investments(note-7) Less:		90,844,221,432	80,008,844,181
	Non-performing loans and advances/Investments(note-7.8)		2,958,782,375	2,852,619,914
	Interest suspense (note-12.4)		251,682,207	187,404,778
	Provision for loans and advances/Investments(note-12.2)		2,476,258,143	2,418,271,420
			5,686,722,725	5,458,296,112
			85,157,498,707	74,550,548,069
7.2	Residual maturity grouping of loans and advances/Investments			
	including bills purchased and discounted			
	Repayable on demand		-	-
	Up to 1 month		14,653,666,211	7,163,317,249
	Over 1 month but not more than 3 months		15,147,933,932	4,121,324,734
	Over 3 months but not more than 1 year		30,050,441,525	32,861,269,139
	Over 1 year but not more than 5 years		23,230,159,248	20,730,030,675
	Over 5 years		7,762,020,516	15,132,902,384
			90,844,221,432	80,008,844,181
7.3	Loans and advances/Investments under the following broad categories :			
	l		70 545 007 055	(2.042.242.502
	Loans Coch Cradit		70,545,037,055	62,942,313,503
	Cash Credit		1,235,363,050	1,231,048,960
	Overdraft		17,548,254,979	14,954,380,142
			89,328,655,083	79,127,742,605
	Bills purchased and discounted		1,515,566,349	881,101,576
			90,844,221,432	80,008,844,181



			in Taka	
			31.12.2015	31.12.2014
7.4	Loar	ns and advances/Investments on the basis of significant concentration		
	inclu	uding bills purchased and discounted		
	a)	Loans and advances/Investments to allied concerns of Directors/Sponsors of the Bank (Annexu		176,929,000
	b)	Loans and advances/Investments to Chief Executive and other senior executives (including sta	ff) 586,993,673	546,709,711
	C)	Loans and advances/Investments to customers group :		
		i) Commercial lending	3,145,100,000	3,950,296,640
		ii) Export financing	2,697,700,000	3,221,300,000
		iii) House building loan	1,977,900,000	1,744,871,656
		iv) Consumers Credit Scheme	226,395,558	193,031,529
		v) Sma <b>ll</b> and medium enterprises	7,886,646,306	6,074,986,914
		vi) Special program loan	141,400,000	142,556,987
		vii) Other Loans and advances/Investments	25,351,732,000	25,184,323,607
			41,426,873,863	40,511,367,333
	d)	Industrial Loans/Investments		
		i) Agricultural Industries	2,879,632,376	1,928,129,182
		ii) Textile Industries	18,290,500,000	16,156,500,000
		iii) Food and allied Industries	1,088,500,000	1,939,120,778
		iv) Pharmaceuticals Industries	227,900,000	216,704,673
		v) Leather, Chemical and Cosmetics etc	342,100,000	396,245,698
		vi) Cement and Ceramic Industries	2,254,850,000	1,787,437,806
		vii) Service Industries	11,624,400,000	8,054,800,000
		viii) Transport and Communication Industries	4,211,600,000	3,068,100,000
		ix) Other Industries	7,645,400,000	5,226,800,000
			48,564,882,376	38,773,838,137
	Tota	Loans and advances/investments	90,844,221,432	80,008,844,181
				, , ,
7.5	Geo	graphical Location-wise Loans and advances/Investments:		
	Urba	an:		
		Dhaka Region	58,284,987,188	50,500,541,596
		Chittagong Region	21,156,177,174	20,342,537,041
		Sylhet Region	405,735,528	362,225,523
		Rajshahi Region	1,503,330,272	1,027,492,182
		Khulna Region	3,680,184,034	3,047,361,725
		Rangpur Region	1,525,965,910	1,198,571,880
		Barisal Region	351,416,529	238,443,062
			86,907,796,635	76,717,173,008



		Amount in Taka	
		31.12.2015	31.12.2014
	Rural:		
	Dhaka Region	2,575,404,694	2,306,733,939
	Chittagong Region	610,330,911	399,168,945
	Sylhet Region	155,917,155	169,152,006
	Rajshahi Region	183,459,788	45,195,797
	Khulna Region	200,246,642	193,160,488
	Rangpur Region	211,065,606	178,259,997
	Barisal Region	-	-
		3,936,424,796	3,291,671,172
	Outside Bangladesh	-	-
	Total	90,844,221,431	80,008,844,181
7.0	Datella of uladand calletonela		
7.6	Details of pledged collaterals	0.724.200.000	6.024.400.000
	Agriculture and SME	9,721,300,000	6,931,400,000
	Manufaturing/Production Real Estate	31,829,600,000	28,572,800,000
		10,577,900,000	4,485,100,000
	Capital Market and Non-Bank Financial Institution s	3,745,000,000	2,356,300,000
	Service	10,375,100,000	9,810,800,000
	Others	10,680,000,000	18,350,200,000
		76,928,900,000	70,506,600,000
7.7	DETAIL OF LARGE LOAN		
1.1	Number of clients with amount of outstanding and classified loans/Investments to whom loans and add Total Capital of the Bank was Taka 1,410.97 crore as at 31st December, 2015 (Taka 1,085.47 Crore in 20		eds 10% of total capital of the Bank.
	Number of Clients	21	18
	Amount of outstanding advances/Investments /Investment s	3,469.15 Crore	2760.96 Crore
	Amount of classified advances/Investments/Investment s	-	-
	Measures taken for recover y	Not applicable	Not applicable
	,		

Name of Clients	anding as on 31.12.2015	as on 31.12.2015		
Name of Clients	Funded	Non-Funded	Total	31.12.2014
Sinha Group	170.05	206.70	376.75	269.83
Saad Musa Group	128.61	126.19	254.80	213.23
PRAN-RFL Group	166.54	35.05	201.59	-
Paradise Group	198.47	1.36	199.83	188.00
Bashundhara Grou p	-	-	-	172.18
Chaity Group	189.96	2.57	192.53	264.20
Navana Group	117.47	66.08	183.55	130.63
Rangs Group	150.08	25.20	175.28	-
Abdul Monem Grou p	119.42	53.86	173.28	151.26
Everway Yarn Dyeing Industires Ltd .	85.78	62.54	148.32	141.97
Partex Group	122.78	23.27	146.05	120.76
Zara Composite Textile Ltd.	126.16	16.58	142.74	136.29
Ocean Paradise	142.70	-	142.70	129.85
Nasir Group	126.89	10.71	137.60	-
STC Group	101.48	30.19	131.67	133.37
Armana Group	6.19	125.09	131.28	-
Union Group	69.16	61.41	130.57	106.57
Anwar Group	-	-	-	125.95
Modern Group	-	-	-	110.18
Aman Group	74.56	53.65	128.21	112.87
Abul Khair Grou p	100.72	25.87	126.59	138.83
Noman Group	110.58	6.34	116.92	-
7B Associates	113.16	3.29	116.45	114.99
NZ Group	89.37	23.07	112.44	-
Total	2,510.13	959.02	3,469.15	2,760.96

7.8



		Amount in Taka		
Dart	iculars of loans and advances/Investments	31.12.2015	31.12.2014	
raii	iculais oi lodis and advances/investinents	2015 Taka	2014 Taka	
i)	Loans/Investments considered good in respect of which the Bank is fu <b>ll</b> y secured	78,897,047,365	69,181,768,130	
ii)	Loans/Investments considered good against which the bank holds no security other than the debtors' personal guarantee	5,921,369,707	5,366,226,934	
iii)	Loans/Investments considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	6,025,804,360	5,460,849,117	
iv)	Loans/Investments adversely dassified; provision not maintained there against	90,844,221,432	- 80,008,844,181	
v)	Loans/Investments due by directors or officers of the banking company or any of them either	90,044,221,432	00,000,044,101	
,	separately or jointly with any other persons	852,465,193	723,638,711	
vi)	Loans/Investments due from companies or firms in which the directors of the Bank have interest as directors, partners or managing agents or in case of private companies as members	265,471,520	176,929,000	
vii)	Maximum total amount of advances/Investments, including temporary advances/Investments made at any time during the year to directors or managers or officers of the banking company or any of them either separately or jointly with any other person.	854,645,145	813,593,898	
viii)	Maximum total amount of advances/Investments, including temporary advances/Investments granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in the case of private companies, as members	305,898,119	313,908,792	
ix)	Due from banking companies	-	-	
X)	Total amount of Classified advances/Investments on which interest is not credited to income	2,958,782,375	2,852,619,914	
	Movement of Classified Loans and advances/Investments     Opening Balance     Increase/(decrease) during the year	2,852,619,914 106,162,461 <b>2,958,782,375</b>	1,461,319,695 1,391,300,219 <b>2,852,619,914</b>	
	b) Provision kept against loan classified as bad debts	1,576,604,262	1,550,636,184	
	c) Interest credited to interest suspense Account (note-12.4)	251,682,207	187,404,778	
xi)	Cumulative amount of written off loans/Investments Opening Balance Amount written off during the year	2,266,180,396 428,087,935 2,694,268,331	752,122,576 1,514,057,820 2,266,180,396	
Amo	ount realized against loan/Investments previously written off	5,377,000	2,531,000	
The	amount of written off / classified loans/Investments for which law suits have been filed	6,729,395,821	5,009,959,074	



			Amoun	t in Taka	
				31.12.2015	31.12.2014
7.09	Classification of loans and advances/l	nvestments			
	Unclassified:			87,885,439,057	77,156,224,267
	Standard including staff loans/li	nvestments		87,556,047,054	76,842,908,721
	Special Mention Account (SMA)			329,392,003	313,315,546
	Classified:			2,958,782,375	2,852,619,914
	Sub standard			31,476,178	97,482,110
	Doubtfu <b>l</b>			59,781,784	50,698,409
	Bad/Loss			2,867,524,413	2,704,439,395
				90,844,221,432	80,008,844,181
7.10	Particulars of required provision for l	oan and advances/Investments			
	Status	Base	Rate	Provision	Provision
		for Provision	%		
	General Provision				
	Unclassified loans/Investments	87,556,047,054	*Various	896,410,550	864,493,305
	(excluding SMA)				
	Special Mentioned Account	329,302,560	**Various	3,243,331	3,141,931
				899,653,881	867.635.236

<sup>\*</sup> Provision on unclassified loan/Investments is kept @ 1% on general loans and advances/Investments and 2% on small enterprise financing , 5% on consumer financing and 2.5% on Short-term Agricultural and Micro-Credits .

<sup>\* \*</sup> Provision @ 0.25% against all unclassified loans of Small and Medium Enterprise(SME), @ 5% on the unclassified amount for Consumer Financing, @ 2% on the unclassified amount for Housing Finance, Loans for Professionals to set up business under Consumer Financing Scheme, Loans to Brokerage House, Merchant Banks, Stock dealers, etc. and @ 1% against all other unclassified loans.

Base for Provision	Rate		
	%		
7,574,682	*Various	1,266,289	12,477,686
13,879,415	**Various	6,915,939	5,708,054
1,568,422,034	100	1,568,422,034	1,532,450,433
_	•	1,576,604,262	1,550,636,173
nvestments		2,476,258,143	2,418,271,408
		2,476,258,143	2,418,271,420
		0	12
	7,574,682 13,879,415	7,574,682 *Various 13,879,415 **Various 1,568,422,034 100	*Various 1,266,289 13,879,415 **Various 6,915,939 1,568,422,034 100 1,568,422,034  nvestments 2,476,258,143

<sup>\*</sup> Provision on Sub-Standard loan/Investments is kept @ 5% on Short-term Agricultural and Micro-Credits and @ 20% against all other Sub-Standard loan/Investments.

<sup>\*\*</sup>Provision on doubtful loan/Investments is kept @ 5% on Short-term Agricultural and Micro-Credits and @ 50% against all other doubtful loan/Investments.



				Amount in Taka		
				31.12.2015	31.12.2014	
7.11	Particulars of required provision on Off-B	alance Sheet Exposures				
		Base for Provision	Rate			
			%			
	Acceptance and endorsements	11,643,865,982		116,438,660	111,327,491	
	Letter of guarantee	6,585,987,015	1%	65,859,870	50,984,076	
	Letter of credit	8,481,854,996		84,818,550	90,848,592	
	Bills for Collection	2,484,387,483		24,843,875	19,352,391	
	Required provision of Off-Balance Sheet I	Exposures		291,960,955	272,512,550	
	Total provision maintained (note-12.3)			291,960,955	272,512,550	
	Excess/(short) provision at 31 December			-	-	
7.12	Suits filed by the bank (Branch wise detail	ils)				
	Principa <b>l</b> Branch			90,005,000	90,005,000	
	Topkhana Branch			388,351,278	393,891,159	
	Khu <b>l</b> na Branch			683,318,905	683,317,905	
	Gulshan Branch			90,062,821	90,062,821	
	Sylhet Branch			212,362,487	16,636,677	
	Uttara Branch			107,918,222	113,530,255	
	Rajshahi Branch			17,932,215	17,932,214	
	Khatungonj Branch			1,177,152,133	672,852,694	
	Jubi <b>l</b> ee Road Branch			719,788,509	254,767,076	
	Cox's Bazar Branch			393,806	392,806	
	lmamgonj Branch			178,981,252	142,373,253	
	Saidpur SME/Krishi Branch			946,000	946,000	
	Agrabad Branch			946,149,304	784,415,758	
	Panthapath Branch			43,865,000	43,865,000	
	CEPZ Branch			29,105,715	1,939,570	
	Bhairab SME Branch			2,510,852	1,714,595	
	Benapole Branch			64,773,268	30,599,607	
	Rangpur Branch			7,917,050	1,682,093	
	Beanibazar Branch			3,067,342	3,067,342	
	CDA Branch			383,437,985	345,637,985	
	Kustia Branch Dhanmondi Branch			33,086,531	32,790,009	
				115,181,404	23,121,404	
	Green Road Branch Dinajpur Branch			29,215,186 13,028,332	7,377,800 16,439,387	
	Faridpur Branch			11,590,232	10,670,568	
	Ni <b>l</b> phamari Branch			260,000	260,000	
	Takerhat Branch			1,549,881	699,096	
	Pahartali Branch			1,242,796,000	1,228,971,000	
	Rohanpur Branch			91,945,626	1,220,371,000	
	Bogra Branch			6,758,343	_	
	Goalabazar Branch			11,178,069		
	Moulovibazar Branch			796,988		
	Bishawanath Branch			16,944,093		
	Gulshan-1 Branch			1,500,000		
	Jessore Branch			5,525,992		
				6,729,395,821	5,009,959,074	



		Amount in Taka	
7.13	Bills purchased and discounted	31.12.2015	31.12.2014
7.15	Payable in Bangladesh	1,377,773,279	741,754,358
	Payable outside Bangladesh	137,793,070	139,347,219
	Tayable oddade bullgladesh	1,515,566,349	881,101,576
7.14	Maturity grouping of bills purchased and discounted		
	Payable within one month	-	-
	Over one month but less than three months	606,226,539	352,440,631
	Over three months but less than six months	909,339,809	528,660,946
	Six months or more	-	-
		1,515,566,349	881,101,576
7(a)	Consolidated Loans and advances/Investments		
	Standard Bank Limited (note-7)	89,328,655,083	79,127,742,605
	Standard Bank Limited (Loan to SCML)	(1,614,638,051)	(1,560,429,327)
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	2,142,209,731	1,893,308,756
	SBL Securities Ltd.	114,831,495	106,854,542
		89,971,058,258	79,567,476,576
	Consolidated hills purchased and discounted		
	Consolidated bills purchased and discounted Standard Bank Limited (note-7)	1,515,566,349	881,101,576
	Standard Exchange Co.(UK) Ltd.	1,313,300,343	-
	Standard Express(USA) Ltd.		
	SBL Capital Mgt. Ltd.		
	SBL Securities Ltd.	_	_
	DE Securico Eta.	1,515,566,349	881,101,576
		91,486,624,607	80,448,578,152
8.	Fixed assets including premises, furniture and fixture		
	Land	2,370,861,325	2,325,816,325
	Land and Building	495,282,384	513,609,247
	Furniture & Fixture	475,247,873	416,002,000
	Office Appliance	512,362,488	451,549,585
	Software	77,156,373	68,165,352
	Bank's Vehide	65,855,534	68,433,825
	Total cost	3,996,765,977	3,843,576,334
	Less: Accumulated Depreciation	552,742,407	445,422,354
	Net book value at the end of the year (See Annexure-B for details)	3,444,023,570	3,398,153,980
	The Local Marie City of the year (See AllifeAdjes 101 decidis)	3,777,023,310	00,000 رودورو



		Amoun	it in Taka
8(a)	Consolidated fixed assets including premises, furniture and fixture	31.12.2015	31.12.2014
o(u)	Standard Bank Limited (note-8)	3,444,023,570	3,398,153,980
	Standard Exchange Co.(UK) Ltd.	3,504,098	4,006,277
	Standard Express(USA) Ltd.	15,612,282	17,575,663
	SBL Capital Mgt. Ltd.	3,793,341	4,219,024
	SBL Securities Ltd.	5,925,418	6,644,518
		3,472,858,709	3,430,599,462
9.	Other assets		
	Stock of Stationery	9,451,426	13,990,783
	Stamps in hand	3,059,740	2,262,159
	Suspenses A/c (note-9.1)	136,675,544	75,522,624
	Advance Deposit	1,571,430	1,543,906
	Branch adjustments accounts (note-12.9)	48,160,647	55,502,870
	Sundry Assets (note-9.2)	6,964,548,633	5,864,741,556
		7,163,467,419	6,013,563,898
9.1	Suspense Accounts		
9.1	Sundry Debtors	30,542,145	23,432,793
	Advance Against TA/DA	389,231	230,891
	Advance Against Proposed Branch	15,150,000	16,935,000
	Advance Against Legal Expenses	7,437,461	6,166,578
	Encashment-PSP/BSP/WEDB	50,006,749	17,067,615
	Advance on against board meeting	275,000	135,000
	Advance Against Annual General Meeting	165,000	500,000
	Advance Against Cash Incentive	-	59,000
	Mobile Banking	43,077	84,527
	Cash Remittance	32,666,881	10,911,220
		136,675,544	75,522,624
9.2	Sundry Assets		
	Advance Rent	353,782,559	208,965,553
	Interest Receivable (note - 9.4)	316,863,252	218,487,196
	Prepaid expenses	33,216,082	121,434
	Advance Tax (note-9.3)	6,220,807,795	5,419,570,278
	Repo Adjustment	13,803,428	15,774,481
	Protested Bill Account	28,737,128	16,844,329
	Clearing Adjustment BFTN adjustment	(2,062,862) (14,638,277)	(2,061,290) (17,361,515)
	Profit Receivable from Obu	4,292,198	(17,301,313)
	Excise duty adjustment on FDR	9,747,030	4,400,790
	Demand Draft without advice	300	300
	Semand State Middle dutice	6,964,548,633	5,864,741,556
		3,50 1,0 10,000	9,00 11, 1 1,000



		Amount in Taka	
9.3	Advance Tax	31.12.2015	31.12.2014
	Advance Corporate Tax	5,895,502,442	5,175,827,629
	Advance Income tax on L/C Commission	63,388,062	55,254,012
	Advance Income tax on Tr.Bill	99,477,907	77,918,389
	Advance Income tax on Share dividend	113,205,835	65,315,469
	Advance Tax On Vehicle	200,000	-
	Advance Income tax on Interest Balance with other banks	45,262,869	42,947,799
	Advance Income tax on Subordinated bond	3,770,680	2,306,980
		6,220,807,795	5,419,570,278
9.4	Interest Receivable		
	Interest Receivable on Staff loan	278,242	273,940
	Interest Receivable on LTR	283,222	283,222
	Interest Receivable on SME	26,840	(1,195)
	Interest Receivable on Bill purchased & discount	4,473,323	4,466,073
	Interest Receivable on Treasury Bond	299,962,665	195,664,095
	Interest Receivable on SOD	64,006	4,530
	Interest Receivable on Agri & Rural Credit	825,533	-
	Interest Receivable on transport loan	5,085	5,085
	Interest Receivable on investment	1,896,489	2,522,602
	Interest Receivable on packing credit	1,014,000	1,014,000
	Interest Receivable on FDR	8,033,846	14,254,844
		316,863,252	218,487,196
9(a)	Consolidated other assets		
- ()	Standard Bank Limited (note-9)	7,163,467,419	6,013,563,898
	Standard Exchange Co.(UK) Ltd.	12,522,875	1,046,458
	Standard Express(USA) Ltd.	14,276,758	15,977,937
	SBL Capital Mgt. Ltd.	172,444,666	120,174,624
	SBL Securities Ltd.	378,109,459	397,588,876
		7,740,821,177	6,548,351,793
10.	Borrowings from other banks, financial institutions and agents		
	In Bangladesh ( note-10.1 )	1,115,837,033	3,360,336,329
	Outside Bangladesh	-	-
		1,115,837,033	3,360,336,329



10.1   In Bangladesh   Call Borrowings   Rupul Bank Ltd   Sexic Eart Ltd   12,000,000   500,000,00			Amount in Taka	
Rupal Bank Ltd			31.12.2015	31.12.2014
Rupall Bank Ltd	10.1	In Bangladesh		
Rupall Bank Ltd		Call Borrowings		
BASIC Bank Ltd			-	600,000,000
Social Blank Ltd		·	120,000,000	
FIC Bank Ltd			-	
Pubali Bank Ltd				
Agrant Bank Ltd - 300,000,000 Other Borrowings Re-Finance from B Bank 1113,971,800 115,131,117 EDF from B Bank 881,865,233 828,205,212 Bangladesh Bank Islamic Fund 1,115,837,033 3,360,336,329  Ouside Bangladesh			-	
Networkings   113,971,800   115,131,117   EDF from Bank   881,865,233   282,826,5212   117,000,000   1,115,837,033   3,860,336,329   1,115,837,033   3,860,336,329   1,115,837,033   3,860,336,329   1,115,837,033   3,860,336,329   1,115,837,033   3,860,336,329   1,115,837,033   3,860,336,329   1,115,837,033   3,860,336,329   1,115,837,033   3,860,336,329   1,115,837,033   3,860,336,329   1,115,837,033   3,860,336,329   1,115,837,033   3,860,336,329   1,115,837,033   3,860,336,329   1,115,837,033   3,860,336,329   1,115,837,033   3,860,336,329   1,115,837,033   3,860,336,329   1,115,837,033   3,860,336,329   1,115,837,033   3,860,336,329   1,115,837,033   3,860,336,329   1,115,837,033   3,860,336,339   1,115,837,033   1,115,837,033   1,115,837,033   1,115,837,033   1,115,837,033   1,115,837,033   1,115,837,033   1,115,837,033   1,115,837,033   1,115,8			-	
Re-Finance from B Bank   113,971,800   115,131,117   EDF from B Bank   881,865,233   828,05,712   117,000,000			-	300,000,000
EDF from B Bank   881,865,233   828,205,212   117,000,000		•		
Bangladesh Bank Islamic Fund				
1,115,837,033   3,360,336,329		EDF from B Bank	881,865,233	
Outside Bangladesh		Bangladesh Bank Islamic Fund	-	117,000,000
1,115,837,033   3,360,336,329			1,115,837,033	3,360,336,329
1,115,837,033   3,360,336,329				
1,115,837,033   3,360,336,329		Outside Bangladesh	_	_
10.2   Security against borrowing from other banks, financial institutions and agents			1 115 837 033	3 360 336 329
Secured			1,115,057,055	3,300,330,323
Secured	40.2	Committee against house sing from other hands. Francial institutions and agants		
Unsecured	10.2	Security against porrowing from other parits, financial insultions and agents		
Unsecured				
10.3   Maturity grouping of borrowing from other banks, financial institutions and agents			-	-
Repayable on demand		Unsecured	-	-
Repayable on demand			-	-
Repayable on demand				
Repayable on demand	10.3	Maturity grouping of borrowing from other banks, financial institutions and agents		
Up to 1 month				
Up to 1 month Over 1 month but within 3 months Over 3 months but within 1 year Over 1 year but within 5 years Over 5 years  1.1 Deposits and other deposits Deposits from customers (note.11.1) Deposits from banks Current deposits and other deposits Bills payable Savings bank/Mudaraba Savings deposits Short-term deposits Fixed deposits/Mudaraba Fixed Deposits (note.11.2)		Repayable on demand	1,115,837,033	3,360,336,329
Over 1 month but within 3 months         -         <			, , , , , <u>-</u>	, , , , , <u>-</u>
Over 3 months but within 1 year         - <t< td=""><td></td><td>·</td><td>_</td><td>_</td></t<>		·	_	_
Over 1 year but within 5 years         - <td< td=""><td></td><td></td><td></td><td>_</td></td<>				_
Over 5 years       - <t< td=""><td></td><td></td><td></td><td>_</td></t<>				_
1,115,837,033       3,360,336,329         11. Deposits and other deposits			-	-
11. Deposits and other deposits		over 5 years	-	-
Deposits from banks (note-11.1)       7,400,000,000       6,000,000,000         Deposits from customers (note.11.3)       99,504,584,346       91,270,604,752         11.1       Deposits' from banks       Current deposits and other deposits         Bills payable       -       -         Savings bank/Mudaraba Savings deposits       -       -         Short-term deposits       -       -         Fixed deposits/Mudaraba Fixed Deposits (note.11.2)       7,400,000,000       6,000,000,000			1,115,837,033	3,360,336,329
Deposits from customers (note.11.3)         99,504,584,346         91,270,604,752           11.1         Deposits' from banks         -         -           Current deposits and other deposits         -         -           Bills payable         -         -           Savings bank/Mudaraba Savings deposits         -         -           Short-term deposits         -         -           Fixed deposits/Mudaraba Fixed Deposits (note.11.2)         7,400,000,000         6,000,000,000	11.			
11.1Deposits' from banks106,904,584,34697,270,604,752Current deposits and other depositsBills payableSavings bank/Mudaraba Savings depositsShort-term depositsFixed deposits/Mudaraba Fixed Deposits (note.11.2)7,400,000,0006,000,000,000			7,400,000,000	6,000,000,000
11.1 Deposits' from banks Current deposits and other deposits Bills payable Savings bank/Mudaraba Savings deposits Short-term deposits Fixed deposits/Mudaraba Fixed Deposits (note.11.2)  - 7,400,000,000  - 6,000,000,000		Deposits from customers (note.11.3)	99,504,584,346	91,270,604,752
Current deposits and other deposits  Bills payable  Savings bank/Mudaraba Savings deposits  Short-term deposits  Fixed deposits/Mudaraba Fixed Deposits (note.11.2)			106,904,584,346	97,270,604,752
Current deposits and other deposits  Bills payable  Savings bank/Mudaraba Savings deposits  Short-term deposits  Fixed deposits/Mudaraba Fixed Deposits (note.11.2)				
Current deposits and other deposits  Bills payable  Savings bank/Mudaraba Savings deposits  Short-term deposits  Fixed deposits/Mudaraba Fixed Deposits (note.11.2)	11.1	Deposits' from banks		
Bills payable		<u>.                                      </u>		
Savings bank/Mudaraba Savings deposits				
Short-term deposits				
Fixed deposits/Mudaraba Fixed Deposits (note.11.2) 7,400,000,000 6,000,000,000				•
		·	7 400 000 000	
7,400,000,000 6,000,000,000		Hixea deposits/Mudaraba Hixea Deposits (note. 11.2)		
			7,400,000,000	6,000,000,000



		Amount in Taka	
11.2	Deposits' from banks (Fixed Deposits)	31.12.2015	31.12.2014
	United Commercial Bank Limited	500,000,000	500,000,000
	BRAC Bank Limited	1,000,000,000	1,500,000,000
	National Bank Limited	1,500,000,000	-
	Modhumoti Bank Limited	400,000,000	-
	Mutual Trust Bank Limited	-	500,000,000
	Dutch Bangla Bank Limited	1,000,000,000	1,000,000,000
	Rupali Bank Limited	-	1,000,000,000
	Sonali Bank Limited	-	1,500,000,000
	Uttara Bank Limited	500,000,000	-
	NCC Bank Limited	1,000,000,000	-
	Prime Bank Limited	200,000,000	-
	Mercantile Bank Limited	500,000,000	-
	Bank Asia Limited	800,000,000	-
		7,400,000,000	6,000,000,000
11.3	Customer Deposits		
	i)Current deposits and other Deposits		
	Current / Al-wadeeah current deposits	5,378,676,752	3,321,017,831
	Foreign Currency deposits	2,090,045,631	2,309,007,096
	Sundry deposits (note - 11.4)	5,808,300,167	5,169,448,335
		13,277,022,550	10,799,473,262
	ii)Bills payable		
	Pay orders issued	1,221,845,507	1,129,397,091
	Pay slips issued	600	600
	Demand draft	22,717,497	25,833,685
		1,244,563,604	1,155,231,376
	iii)Savings bank Deposits/IVIudaraba savings deposits	6,084,761,875	4,805,271,546
	iv) Term Deposits/Fixed Deposits		
	Fixed deposits/Mudaraba Fixed Deposits (Excluding Bank Deposit)	67,248,028,186	63,264,360,063
	Short term deposits	3,109,669,981	3,042,423,837
	Deposits Under Schemes	8,540,538,150	8,203,844,668
		78,898,236,317	74,510,628,568
	Total	99,504,584,346	91,270,604,752



		Amount in Taka	
11.4	Sundry deposits	31.12.2015	31.12.2014
	Sundry creditors	179,480,853	109,741,339
	Foreign currency held against back to back L/C	1,000	1,000
	Margin on Letter of Guarantee	504,220,471	398,043,418
	Margin on Letter of Credit	628,174,963	443,122,586
	Margin on FDBP/IBP/Export bills etc.	228,990,938	270,063,550
	Sales proceeds of PSP/BSP etc.	41,550,000	9,750,000
	Risk Fund	5,266,225	4,832,607
	Service charge	517,792	1,632,978
	Security Money	7,484,216	8,292,022
	SBL Employees Provident Fund	10,230	8,411,440
	SBL Employees W. Fund	1,002,900	1,952,941
	Interest payable on deposits	3,954,258,708	3,695,162,176
	VAT, Excise Duty and Income Tax	250,360,600	214,975,611
	Others	6,981,271	3,466,666
		5,808,300,167	5,169,448,335
11.5	Maturity analysis of inter-bank deposits		
	Repayable on demand	-	-
	Up to 1 month	-	-
	Over 1 month but within 3 months	-	-
	Over 3 months but within 1 year	7,400,000,000	6,000,000,000
	Over 1 year but within 5 years	-	-
	Over 5 years but within 10 years	-	-
	Over 10 years	-	-
		7,400,000,000	6,000,000,000
11.6	Maturity analysis (Deposits received from other than banks)		
	Repayable on demand	4,840,809,077	2,988,916,048
	Up to 1 month	12,531,518,286	1,333,388,734
	Over 1 month but within 3 months	14,958,808,430	3,627,545,419
	Over 3 months but within 1 year	21,700,478,405	28,611,739,970
	Over 1 year but within 5 years	25,735,227,771	26,530,054,518
	Over 5 years but within 10 years	19,737,742,378	28,178,960,064
	Over 10 years	-	-
		99,504,584,346	91,270,604,752
11.7	Maturity analysis (Bills payable)	-	-
	Repayable on demand	1,244,563,604	1,155,231,376
	Up to 1 month	-	-
	Over 1 month but within 3 months	-	_
	Over 3 months but within 1 year	-	-
	Over 1 year but within 5 years	_	_
	Over 5 years but within 10 years	_	_
	Over 10 years	-	-
		1,244,563,604	1,155,231,376



#### 11.8 Payable on Demand and Time Deposits

#### i. Demand Deposits

Current / Al-wadeeah current Deposits
Savings Deposits/Mudaraba Savings deposits (10%)
Foreign Currency Deposits (non interest/profit bearing)
Sundry deposits
Bills payable

## ii. Time Deposits

Savings deposits/Mudaraba savings deposits (90%)
Fixed deposits/Mudaraba Term Deposits
Short term deposits/Mudaraba short term deposits
Deposits under schemes
Foreign currency deposits (interest/profit bearing)

## 11.9 Fixed Deposits- Maturity wise Grouping(including Bank Deposit)

Repayable within 01 month
Repayable over 1 months but within 03months
Repayable over 3 months but within 1 year
Repayable over 1 year but within 5 years
Repayable over 5 years but within 10 years
Unclaimed Deposits for 10 years and above

## 11.10 Deposits Under Schemes

Standard Bank Regular Deposit Programme (SRDP)
Double Income Plus (DI+)
Standard Bank Regular Income Programme (SRIP)
Savings scheme for Tk.10.00 lac
Savings scheme for Tk.5.20 lac
Marriage SB Insurance Scheme
SBL Lakhopati Plus Programme
SBL Millionaire Plus Programme
Haji Savings Schemes

Amount in Taka		
31.12.2015 31.12.2014		
5,378,676,752	3,321,017,831	
608,476,188	480,527,155	
2,090,045,631	2,309,007,096	
5,808,300,167	5,169,448,335	
1,244,563,604	1,155,231,376	
15,130,062,342	12,435,231,793	
5,476,285,688	4,324,744,391	
74,648,028,186	69,264,360,063	
3,109,669,981	3,042,423,837	
8,540,538,150	8,203,844,668	
-	-	
91,774,522,005	84,835,372,959	
106,904,584,346	97,270,604,752	
14,647,841,432	2,106,333,500	
14,647,841,432	2,106,333,500	
15,917,484,499	23,631,873,500	
18,237,656,595	19,216,613,563	
11,197,204,228	22,203,206,000	
-	-	
74,648,028,186	69,264,360,063	
-	-	
2,903,035,834	2,228,040,131	
3,690,784,661	3,839,649,650	
643,871,549	854,088,285	
664,405,617	593,741,805	
327,860,934	374,753,798	
200,000	50,473	
86,114,099	97,081,024	
223,313,352	215,832,845	
952,104	606,657	
8,540,538,150	8,203,844,668	
-	-	



# 11(a) Consolidated deposits and other deposits Current deposits and other deposits

Standard Bank Limited (note-11.3)
Standard Exchange Co.(UK) Ltd.
Standard Express(USA) Ltd.
SBL Capital Mgt. Ltd.
SBL Securities Ltd.

## Bills payable

Standard Bank Limited (note-11.3) Standard Exchange Co.(UK) Ltd. Standard Express(USA) Ltd. SBL Capital Mgt. Ltd. SBL Securities Ltd.

## Savings bank/IVIudaraba savings deposits

Standard Bank Limited (note-11.3)
Standard Exchange Co.(UK) Ltd.
Standard Express(USA) Ltd.
SBL Capital Mgt. Ltd.
SBL Securities Ltd.

#### **Short Term Deposits**

Standard Bank Limited (note-11.3) Standard Exchange Co.(UK) Ltd. Standard Express(USA) Ltd. SBL Capital Mgt. Ltd. SBL Securities Ltd.

#### Term/Fixed deposits

Standard Bank Limited (note-11.3) Standard Exchange Co.(UK) Ltd. Standard Express(USA) Ltd. SBL Capital Mgt. Ltd. SBL Securities Ltd.

Amount in Taka		
31.12.2015	31.12.2014	
13,277,022,550	10,799,473,262	
_	10,011,490	
27,147,640	21,722,095	
-	-	
13,304,170,190	10,831,206,847	
1,244,563,604	1,155,231,376	
-	-	
-	-	
-	-	
1,244,563,604	1,155,231,376	
1,211,000,001	., 100,201,010	
6,084,761,875	4,805,271,546	
-	-	
-	-	
-	-	
6,084,761,875	4,805,271,546	
0,004,701,073	4,003,271,340	
3,109,669,981	3,042,423,837	
-	-	
-	-	
-	-	
-	-	
3,109,669,981	3,042,423,837	
74,648,028,186	69,264,360,063	
-	-	
-	-	
<del>-</del>	-	
7/ 6/10 020 106	60 364 360 063	
74,648,028,186	69,264,360,063	



		Amount i	n Taka
	Deposits under schemes	31.12.2015	31.12.2014
	Standard Bank Limited (note-11.3)	8,540,538,150	8,203,844,668
	Standard Exchange Co.(UK) Ltd.		· · · · · -
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	_	_
	SBL Securities Ltd.	-	-
		8,540,538,150	8,203,844,668
		106,931,731,986	97,302,338,337
12.	OTHER LIABILITIES		
12.	Provision for Taxation (note-12.1)	6,326,724,066	5,386,480,513
	Deferred Tax (note-12.1(i)	43,478,165	36,991,727
	Accrued Expenses	15,600,401	20,189,408
	General Provision for Unclassified Loans (note-12.2)	896,410,550	864,493,304
	General Provision for SMA (note-12.2)	3,243,331	3,141,931
	Specific provision for Classified loans (note-12.2)	1,576,604,262	1,550,636,184
	Provision for classified others Assets (note-12.6)	38,118,603	16,944,329
	Provision for decrease in value of investments (note-12.7)	4,775,231	4,775,231
	Provision for Off-Balance Sheet Items (note-12.7)	291,960,955	272,512,550
	Interest Suspense Account (note-12.4 )	251,682,207	187,404,778
	Provision for Nostro A/c	42,575	42,575
	Provision for Bonus (note-12.5)	250,000,000	235,000,000
	Provision for LFC	22,972,409	21,584,370
	Provision for interest waived (note-12.11)	47,075,225	37,800,000
	SBL Foundation	30,000,000	20,000,000
	Provision for Green Banking	8,000,000	6,000,000
	Provision for unforseen losses	6,041,283	4,000,000
	Profit receivable on Bai Murabaha/Bai Muajjal	13,527,215	2,538,546
	Exchange House	14,145,162	9,278,715
	Islamic Settlement Account	14,143,102	6,037,193
	Subordinate Bond	2,000,000,000	0,037,133
	Foreign Currency translation gains (note-12.10)	6,602,154	7,674,541
	Total	11,847,003,793	8,693,525,896
12.1	Provision for Taxation	5 206 400 542	4.500.700.254
	Opening Balance	5,386,480,513	4,568,796,254
	Addition during the year	940,243,553	817,684,259
	Adjustment during the year	6,326,724,066	5,386,480,513 -
	Cloring Polymon	6 226 724 066	E 206 400 E42
	Closing Balance	6,326,724,066	5,386,480,513

Provision for taxation has been made on accounting profit considering taxable allowances/disallowances as per Income Tax Ordinance 1984.

The assessments for the Assessment year upto 2011-2012(Income year -2010) is pending before Taxes Appellate Tribunal but revised assessment u/s 159 is under process. The assessment for the assessement year 2013-2014 is pending before 1st Appeal. The Income tax return for the years 2014-15 & 2015-2016 are submitted under section 82BB and pending for assessment. Income Tax has been provided @ 40% on the net profit earned by the Bank for the year 2015.



		Amount in Taka			
12.1(a)	Consolidated Provision for Taxation	31.12.2015	31.12.2014		
	Standard Bank Limited (note-12)	6,326,724,066	5,386,480,513		
	Standard Exchange Co.(UK) Ltd.	-	-		
	Standard Express(USA) Ltd.	100 221 054	110 150 410		
	SBL Capital Mgt. Ltd. Opening Balance 118,158,418	190,321,054	118,158,418		
	Addition during the year 72,162,636				
	Adjustment during the year				
	SBL Securities Ltd.	53,401,227	39,616,194		
	Opening Balance 39,616,194 Addition during the year 13,785,033				
	Adjustment during the year -				
		6,570,446,347	5,544,255,125		
40.40	26.15				
<b>12.1(i)</b>	<b>Deferred Tax :</b> Written down value of fixed assets				
1)	Carrying amount at balance sheet	3,444,023,570	3,398,153,980		
	Tax base	(3,335,328,159)	(3,311,114,623)		
	Taxable Temporary Difference	108,695,412	87,039,357		
ii)	Employees benefit				
	Carrying amount at balance sheet	-	-		
	Tax base Taxable Temporary Difference	-	-		
	Total temporary difference	108,695,412	87,039,357		
	Tax Rate	40.00%	42.50%		
	Deferred Tax asset/(Liability)	(43,478,165)	(36,991,727)		
	Opening Balance	36,991,727	29,323,720		
	Addition during the year	6,486,438 <b>43,478,165</b>	7,668,007 <b>36,991,727</b>		
	Adjustment during the year	43,476,103	30,351,727		
	Closing Balance	43,478,165	36,991,727		
12.2	Provision for Loans and advances/Investments				
	i) The movement in general provision for unclassified Loans:				
	Provision held at the beginning of the year	864,493,304	744,072,607		
	Additional provision for the year	31,917,246	120,420,697		
	Provision held at the end of the year	896,410,550	864,493,304		
	ii) The movement in general provision on Special Mention Account (SMA) loans:				
	Provision held at the beginning of the year	3,141,931	3,748,761		
	Amount transferred to provision for bad & doubtful debts	-	-		
	Additional provision for the year	101,400	(606,830)		
	Provision held at the end of the year	3,243,331	3,141,931		



		Amount in	Taka
	iii) The movement in specific provision for bad and doubtful debts:	31.12.2015	31.12.2014
	Provision held at the beginning of the year	1,550,636,184	1,592,067,896
	Amount adjusted during the year	- · · · · ·	-
	Amount written off during the year	(424,978,393)	(1,502,751,407)
	Additional amount of provision for the year	-	-
	Amount of provision for the year	450,946,471	1,461,319,695
	Provision held at the end of the year	1,576,604,262	1,550,636,184
	Total	2,476,258,143	2,418,271,420
12.3	The movement in General provision for Off Balance Sheet Items:		
	Provision held at the beginning of the year	272,512,550	265,253,147
	Additional provision for the year	19,448,405	7,259,403
	Provision held at the end of the year	291,960,955	272,512,550
12.4	Interest Suspense Account		
	Balance at the beginning of the year	187,404,778	110,862,977
	Add: Amount transferred to " Interest Suspense A/c" during the year	135,424,024	186,086,501
	Less: Amount recovered in " Interest Suspense A/c" during the year	68,961,939	98,238,288
	Less: Amount written off during the year	2,184,656	11,306,412
	Balance at the end of the year	251,682,207	187,404,778
12.5	Provision for Bonus		
	Balance at the beginning of the year	235,000,000	100,000,000
	Add: Additional provision for the year	250,000,000	235,000,000
	Less: Disbursement during the period	235,000,000	100,000,000
		250,000,000	235,000,000
12.6	Provision for other Assets		
a)	Provision against protested bill		
	Balance at the beginning of the year	16,844,329	-
	Add: Addition during the year	11,892,799	16,844,329
		28,737,128	16,844,329
	Provision against suspense	400,000	100.000
	Balance at the beginning of the year	100,000	100,000
	Add: Addition during the year	9,281,475	400.000
	Total Provision for other Assets	9,381,475	100,000
	TOTAL PROVISION FOR PASSES	38,118,603	16,944,329



	Amount in Taka				
		31.12.2015	31.12.2014		
12.6(a)	Consolidated Provision for Other Assets				
	Standard Bank Limited (note-12.7)	28,737,128	16,844,329		
	Standard Exchange Co.(UK) Ltd.	-	-		
	Standard Express(USA) Ltd.	-	-		
	SBL Capital Mgt. Ltd.	489,064	489,064		
	Add: Addition during the year	- 20 226 402	47 222 202		
		29,226,192	17,333,393		
12.7	Provision for decrease in value of Investments				
	Balance at the beginning of the year	4,775,231	4,775,231		
	Less: adjustment during the year	-	-		
	Add: Addition during the year	-	-		
		4,775,231	4,775,231		
12.7(a)	Consolidated Provision for decrease in value of Investments				
12./(d)	Standard Bank Limited (note-12.7)	4,775,231	4,775,231		
	Standard Exchange Co.(UK) Ltd.	4,773,231	4,773,231		
	Standard Express(USA) Ltd.	_	_		
	SBL Capital Mgt. Ltd.	351,752,421	332,263,336		
	Add: Addition during the year	63,525,018	19,489,085		
	SBL Securities Ltd.	5,450,019	382		
	Add: Addition during the year	7,733,874	5,449,637		
		433,236,563	361,977,671		
12.0	Dualition for immainment of diant mountin land				
12.8	Provision for impairment of dient margin loan Balance at the beginning of the year				
	Less: adjustment during the year				
	Add: Addition during the year	_	_		
	naan aan aan gare jaa	-	-		
12.8(a)	Consolidated Provision for impairment of client margin loan				
	Standard Bank Limited (note-12.7)	-	-		
	Standard Exchange Co.(UK) Ltd.	-	-		
	Standard Express(USA) Ltd.	-	-		
	SBL Capital Mgt. Ltd.	108,033,666	25,355,500		
	Add: Addition during the year	50,560,435	82,678,166		
	SBL Securities Ltd.	<b>1,068,545</b> 375,857	<b>889,244</b> 179,301		
	Add: Addition during the year	160,038,503	109,102,211		



		Amount in Taka		
12.9	Branch Adjustment	31.12.2015	31.12.2014	
12.3	Branch adjustments account represents outstanding inter branch and head office transactions origin	nated but yet to be responded at the	balance sheet date. The balance of	
	unreconciled items has been adjusted reconciled subsequently .	, ,		
12.10	Foreign Currency translation gains/loss against investment			
	Standard Exchange Co.(UK) Ltd.	776,554	2,268,941	
	Beginning of the year	2,268,941	4,202,291	
	Additional for the year	-	-	
	Adjustment for the year	1,492,387	1,933,350	
	Standard Express(USA) Ltd.	5,825,600	5,405,600	
	Beginning of the year	5,405,600	4,595,600	
	Additional for the year	420,000	810,000	
	Adjustment for the year	-	-	
	Total Foreign Currency translation gains	6,602,154	7,674,541	
	Less: Foreign Currency translation loss			
	Beginning of the year	-	-	
	Additional for the year	-	-	
	Standard Exchange Co.(UK) Ltd.	-	-	
	Standard Express(USA) Ltd.		-	
		6,602,154	7,674,541	
12.11	Provision for interest waived			
	Balance at the beginning of the year	37,800,000	_	
	Add: Additional provision for the year	40,000,000	37,800,000	
	Less: Disbursement during the period	30,724,775	-	
		47,075,225	37,800,000	
12(a)	Consolidated other liabilities			
	Standard Bank Limited (note-12)	11,847,003,793	8,693,525,896	
	Standard Exchange Co.(UK) Ltd.	9,644,411	2,384,794	
	Standard Express(USA) Ltd.	18,261,224	26,338,342	
	SBL Capital Mgt. Ltd.	846,625,257	579,648,489	
	SBL Securities Ltd.	127,010,504	81,062,155	
		12,848,545,189	9,382,959,676	



#### 13. Share Capital

#### 13.1 Authorized Capital

150,00,00,000 ordinary shares of Tk.10/- each

Amount in Taka

31.12.2015

31.12.2014

15,000,000,000

15,000,000,000

The Bank increased it's authorized capital from Taka 880.00 crore to Taka 1500.00 crore by passing a special resolution in the Bank's 27th extra Ordinary General Meeting held on14th November, 2011 at Institute of Diploma Engineers of Bangladesh, 160/A,kakrail VIP Road, Dhaka, Bangladesh. All corporate formalities were duly complied by the Bank as required.

#### 13.2 Issued, subscribed and fully Paid up Capital:

66,000,000 ordinary shares of Taka 10/- each issued for cash 524,163,185 ordinary shares of Taka 10/- each issued as bonus shares 65,577,600 ordinary shares of Taka 10/- each issued as Right shares in 2007

6,557,407,850
655,776,000
5,241,631,850
660,000,000

5,702,093,780
655,776,000
4,386,317,780
660,000,000

#### 13.3 Initial Public offer (IPO)

Out of the total issued, subscribed and fully paid up capital of the Bank 3,300,000 ordinary shares of Tk.100.00 each amounting to Taka 3,30,000,000 was raised through public offering of shares in 2003.

#### 13.4 Rights issue

Bank has increased its paid up capital by issuance of 2:1 rights share at par on 8 November 2007.

#### 13.5 Particulars of fully Paid up Share Capital:

Particulars	Number of shares			Number of shares in (%)		
	01.01.2015		31.12.2015	01.01.2015	31.12.2015	
Sponsors/Promoters	247,861,463		280,629,901	43.47%	42.80%	
Investment Corporation of Bangladesh	14,761,493		16,975,716	2.59%	2.59%	
ICB Unit Fund,ICB Mutual Fund & ICB Investors Account	18,113,043		20,943,410	3.18%	3.19%	
Financial Institutions	29,782,745		17,239,476	5.22%	2.63%	
General Public	259,690,634		319,952,281	45.54%	48.79%	
Total	570,209,378		655,740,784	100.00%	100.00%	

#### 13.6 Classification of Shareholders by holding as on 31st December, 2015

Shareholding range

01-500 501-5,000 5,001-10,000 10,001-20,000 20,001-30,000 30,001-40,000 40,001-50,000 50,001-100,000 100,001-10,00,000 10,00,001 to 100,00,000 10,00,00,001 and over

#### **Number of Shareholders**

2015	2014
9748	13742
16106	17522
2584	2916
1676	1532
603	441
234	216
174	155
375	317
404	335
64	59
16	14
31984	37249

#### Number of Shares

2015	2014		
1,996,593	2,891,373		
30,895,635	32,996,419		
18,332,553	21,231,706		
23,078,387	21,884,732		
14,505,099	10,884,635		
8,059,409	7,512,533		
7,857,095	7,047,996		
26,974,780	22,355,295		
117,098,633	95,941,494		
163,392,031	151,036,585		
243,550,569	196,426,610		
655,740,784	570,209,378		



		Amount in Taka		
13.7	Capital adequacy Ratio (BASEL-III)	31.12.2015	31.12.2014	
	Core Capital ( Tier-I)	2015	2014	
		<u>Taka</u>	<u>Taka</u>	
	Paid up Capital	6,557,407,850	5,702,093,780	
	Statutory Reserve (note-14a)	3,753,432,724	3,279,884,057	
	General Reserve	-	-	
	Surplus Profit & Loss Account/Retained Earnings	1,010,618,745	719,477,885	
	Sub Total	11,321,459,319	9,701,455,722	
	Regulatory Adjustments	413,881,170	-	
	Total Core Capital ( Tier-I)	10,907,578,149	9,701,455,722	
	Supplementary Capital ( Tier-II)			
	General Provision maintained against unclassified Ioan/investment (note-12.2)	899,653,881	867,635,236	
	Provision for Off-Balance sheet exposure (note-12.3)	291,960,955	272,512,550	
	Subordinate Bond	2,000,000,000	-	
	Revaluation gain/loss on Securities 50% of total (note-15.a)	13,132,709	13,132,709	
	Sub Total	3,204,747,545	1,153,280,495	
	Regulatory Adjustments	2,626,542		
	Total Supplementary Capital ( Tier-II)	3,202,121,003	1,153,280,495	
	A. Total Capital Regulatory Capital	14,109,699,152	10,854,736,217	
	B. Total Risk Weighted Assets	113,658,835,331	106,147,200,000	
	C. Required Capital based on risk weighted assets (10%)	11,365,883,533	10,614,720,000	
	D. Surplus/(Deficiency) (A-C)	2,743,815,619	240,016,217	
	Capital Adequacy Ratio	12.41%	10.23%	



Amount in Taka

		31.12.2015		31.12.2014		
	Percentage of Capital on Risk weighted Assets:			31.12.1	4	
	Capital Requirement	Required	Held	Required	Held	
	Minimum Common Equity Tier-I	4.50%	9.60%	·		
	Minimum Tier-I	5.50%	9.60%	5.00%	9.14%	
	Tier-II	Not specified	2.82%	Not specified	1.09%	
	Total	10.00%	12.41%	10.00%	10.23%	
13.7(a)	Consolidated Capital Adequacy Ratio (BASEL-III)					
	Core Capital ( Tier-I)	2015 <u>Taka</u>		2014 <u>Taka</u>		
	Paid up Capital		57,407,850		702,093,780	
	Statutory Reserve (note-14a )		53,432,724		279,884,057	
	General Reserve		-		-	
	Minority interest in subsidiaries		136,181		128,622	
	Surplus Profit & Loss Account/Retained Earnings	1,1	46,277,109		877,682,612	
	Sub Total	<u> </u>	7,253,864		359,789,071	
	Regulatory Adjustments	41	13,881,170			
			13,372,694	9,859,789,0		
	Total core capital ( not-1)	11,01	3,312,034	5,0	33,703,071	
	Supplementary Capital ( Tier-II)					
	General Provision maintained against unclassified loan/investment (note-12.2)	8	99,653,881		867,635,236	
	Provision for Off-Balance sheet exposure( <b>note-12.3</b> )		91,960,955		272,512,550	
	Subordinate Bond		00,000,000		-	
	Revaluation gain/loss on Securities 50% of total (note-15.a)		13,132,709		13,132,709	
	Sub Total		4,747,545	1,1	53,280,495	
	Regulatory Adjustments		2,626,542		-	
	Total Supplementary Capital ( Tier-II)	3,20	02,121,003	1,1	53,280,495	
	A. Total Capital	14,24	15,493,696	11,0	13,069,566	
	B. Total Risk Weighted Assets	116,93	6,425,694	99,6	22,800,000	
	C. Required Capital based on risk weighted assets (10%)	11,6	93,642,569	9,	962,280,000	
	D. Surplus/(Deficiency) (A-C)	2,55	61,851,127	1,0	50,789,566	
	Capital Adequacy Ratio	12.18%	)	11.05%	6	



			Amount in Taka			
	Percentage of Capital on Risk weighted Assets:	31.12.2	31.12.2015		31.12.2014	
	receiving or capital or run vierginear runcin.	31.12.	15	31.12.	.14	
	Capital Requirement	Required	Held	Required	Held	
	Minimum Common Equity Tier-I	4.50%	9.44%			
	Minimum Tier-I	5.50%	9.44%	5.00%	9.90%	
	Tier-II		2.74%		1.16%	
	Total	10.00%	12.18%	10.00%	11.05%	
14	Statutory Reserve					
	Opening balance at the beginning of the year	3,	279,884,057	2	2,911,544,725	
	Addition during the year		473,548,668		368,339,331	
	Closing balance at the end of the year	3,7	53,432,724	3	,279,884,057	
14(a)	Consolidated Statutory Reserve					
()	Opening balance at the beginning of the year	3,	279,884,057	-	2,911,544,725	
	Addition during the year		473,548,668		368,339,331	
	Closing balance at the end of the year		53,432,724	3	,279,884,057	
15.	General Reserve					
	Opening balance at the beginning of the year		-		-	
	Transferred from diminution in value of investments		_		-	
	Closing balance at the end of the year		-		-	
15.1	Revaluation gain/loss on investments					
	Gain from revaluation of investment ( HFT & HTM)		26,265,418		74,301,377	
	Adjustment during the year		(26,265,418)		(74,301,377)	
	Addition during the year		16,389,640		26,265,418	
	Closing balance at the end of the year		16,389,640		26,265,418	
15.1(a)	Consolidated revaluation gain/loss on investment					
	Standard Bank Limited		16,389,640		26,265,418	
	Standard Exchange Co.(UK) Ltd.					
	Standard Express(USA) Ltd.					
	SBL Capital Mgt. Ltd.					
	SBL Securities Ltd.		-		-	
			16,389,640		26,265,418	



		Amount in Taka	
16.	Retained earnings/movement of profit and loss account	31.12.2015	31.12.2014
101	Balance on 1 January	719,477,885	493,688,303
	Add: Net Profit after tax for the year	1,421,013,347	1,016,344,392
	Add: Transfer from SCML	134,995,050	119,996,000
	Add: Transfer from SBSL	63,995,200	27,997,900
	Less: Transfer to statutory Reserve	(473,548,668)	(368,339,331)
	Less: Cash/Stock dividend	(855,314,070)	(570,209,378)
	Balance at 31 December	1,010,618,745	719,477,885
16(a)	Consolidated retained earnings/movement of profit and loss account		
	Balance on 1 January	877,682,612	601,192,564
	Add: Net Profit after tax for the year	1,596,425,236	1,213,395,240
	Less: Transfer to statutory Reserve	(473,548,668)	(368,339,331)
	Add/Less: Foreign Currency translation Gain/ loss	1,039,557	1,654,071
	Less: Minority Interest	(7,558)	(10,553)
	Less: Cash/Stock dividend	(855,314,070)	(570,209,378)
	Balance at 31 December	1,146,277,109	877,682,612
16.1	Retained Earnings carried forward from previous year		
	Balance on 1 January	71,472,824	60,686,595
	Add: Net Profit after tax & statutory reserve for the previous year	648,005,061	433,001,707
	Add: Transfer from SCML	134,995,050	119,996,000
	Add: Transfer from SBSL	63,995,200	27,997,900
	Less: Cash/Stock dividend	(855,314,070)	(570,209,378)
	Balance at 31 December	63,154,065	71,472,824
16.1(a)	Consolidated Retained Earnings carried forward from previous year		
	Balance on 1 January	32,626,704	12,021,950
	Add: Net Profit after tax & statutory reserve for the previous year	845,055,908	589,170,614
	Add/ Less: Foreign Currency translation Gain /(loss)	1,039,557	1,654,071
	Less: Minority Interest	(7,558)	(10,553)
	Less: Cash/Stock dividend	(855,314,070)	(570,209,378)
	Balance at 31 December	23,400,541	32,626,704
16.1(b)	Minority Interest		
	SBL Capital Mgt. Ltd.		
	Balance on 1 January	60,920	55,694
	Add: Addition during the year	4,877	5,226
	SBL Securities Ltd.		
	Balance on 1 January	67,702	62,375
	Add: Addition during the year	2,681	5,327
	Balance at 31 December	136,181	128,622



		Amount in Taka		
17.	CONTINGENT LIABILITIES	31.12.2015	31.12.2014	
17.1	Acceptances and Endorsements			
	Back to Back L/C (Foreign)	7,721,379	234,301,090	
	Back to Back L/C (Local)	4,661,685,323	4,448,228,472	
	Letter of Credit (Others)	6,974,459,280	6,450,219,557	
		11,643,865,982	11,132,749,119	
17.2	Letter of Guarantee			
	Letter of Guarantee( Local)	6,583,866,095	5,096,286,702	
	Letter of Guarantee( Foreign)	2,120,920	2,120,920	
	Others	-	-	
		6,585,987,015	5,098,407,622	
	Money for which the Bank is contingently liable in respect of guarantees given favoring:			
	Directors	-	-	
	Government	-	-	
	Banks and other financial institutions	-	-	
	Others	6,585,987,015	5,098,407,622	
		6,585,987,015	5,098,407,622	
17.3	Irrevocable Letter of Credit			
	Letter of Credit (Sight)	5,768,035,745	6,247,164,578	
	Letter of Credit (Usance)	2,713,819,251	2,837,694,575	
	Letter of Credit (Others)	-	-	
		8,481,854,996	9,084,859,153	
17.4	Bill for Collection			
	Inward local bill for collection	208,154,897	208,154,897	
	Inward Foreign bill for collection	406,000	406,000	
	Outward local bill for collection	1,653,626,090	1,523,331,587	
	Outward Foreign bill for collection	622,200,496	203,346,574	
		2,484,387,483	1,935,239,058	
17.5	Other Contingent Liabilities		_	
		-	-	
		29,196,095,476	27,251,254,953	
		29, 190,095,470	21,251,254,953	



#### 17(a) Consolidated contingent liabilities

#### Acceptances and endorsements

Standard Bank Limited (note-17) Standard Exchange Co.(UK) Ltd. Standard Express(USA) Ltd. SBL Capital Mgt. Ltd. SBL Securities Ltd.

#### Letters of guarantee

Standard Bank Limited (note-17)
Standard Exchange Co.(UK) Ltd.
Standard Express(USA) Ltd.
SBL Capital Mgt. Ltd.
SBL Securities Ltd.

#### Irrevocable Letters of Credit

Standard Bank Limited (note-17)
Standard Exchange Co.(UK) Ltd.
Standard Express(USA) Ltd.
SBL Capital Mgt. Ltd.
SBL Securities Ltd.

#### Bills for Collection

Standard Bank Limited (note-17)
Standard Exchange Co.(UK) Ltd.
Standard Express(USA) Ltd.
SBL Capital Mgt. Ltd.
SBL Securities Ltd.

#### Other Contingent liabilities

Standard Bank Limited (note-17)
Standard Exchange Co.(UK) Ltd.
Standard Express(USA) Ltd.
SBL Capital Mgt. Ltd.
SBL Securities Ltd.

Amount in Taka		
31.12.2015	31.12.2014	
11,643,865,982	11,132,749,119	
-	-	
_	-	
_	-	
11,643,865,982	11,132,749,119	
6,585,987,015	5,098,407,622	
-	-	
-	-	
6,585,987,015	5,098,407,622	
8,481,854,996	9,084,859,153	
-	-	
_	-	
-	-	
8,481,854,996	9,084,859,153	
2,484,387,483	1 025 220 050	
2,404,307,403	1,935,239,058	
-		
-	-	
2,484,387,483	1,935,239,058	
-	-	
-	-	
-	-	
-	-	
-	-	
29,196,095,476	27,251,254,953	



		Amount in	Taka
		31.12.2015	31.12.2014
18	Income Statement		
	Income:		
	Interest/ profit, discount and similar income (note-18.1)	10,424,600,767	11,587,690,805
	Dividend income	58,791,592	54,613,767
	Fees, Commission and brokerage ( note-21.1)	420,072,772	429,746,633
	Gains Less Losses arising from dealing in securities (note-20)	-	-
	Gains Less Losses arising from Investment securities (note-20)	1,638,976,958	1,518,760,359
	Gains Less Losses arising from dealing in Foreign Currencies (Note-21.2)	304,939,116	375,125,768
	Income from non banking assets	-	-
	Other operating income (note-22)	274,705,930	241,763,782
	Profit less losses on interest rate changes	-	-
	Total	13,122,087,134	14,207,701,114
	F		
	Expenses:	7,792,692,733	0 F62 060 007
	Interest/profit paid on deposit, Borrowings etc. ( <b>note-19</b> ) Losses on loans and advances/Investments	40,199,748	8,562,869,907
		2,052,249,559	37,867,455
	Administrative Expenses (note-18.2)		1,863,972,300
	Other operating expenses (note-33)	233,540,907	189,718,551
	Depreciation on Banking assets (note-32)	112,073,054	106,338,948
	Total	10,230,756,002	10,760,767,161
	Operating Profit before Provision	2,891,331,133	3,446,933,953
18(a)	Consolidated Income Statement		
	lucana.		
	Income:		
	Standard Bank Limited (note-18)	13,122,087,134	14,207,701,114
		13,122,087,134 47,821,015	14,207,701,114 36,076,950
	Standard Bank Limited <b>(note-18)</b> Standard Exchange Co.(UK) Ltd.		
	Standard Bank Limited (note-18)	47,821,015	36,076,950
	Standard Bank Limited <b>(note-18)</b> Standard Exchange Co.(UK) Ltd. Standard Express(USA) Ltd.	47,821,015 91,682,810	36,076,950 56,151,736
	Standard Bank Limited <b>(note-18)</b> Standard Exchange Co.(UK) Ltd. Standard Express(USA) Ltd. SBL Capital Mgt. Ltd.	47,821,015 91,682,810 323,576,181	36,076,950 56,151,736 316,153,968
	Standard Bank Limited <b>(note-18)</b> Standard Exchange Co.(UK) Ltd. Standard Express(USA) Ltd. SBL Capital Mgt. Ltd. SBL Securities Ltd.  Total	47,821,015 91,682,810 323,576,181 65,189,877	36,076,950 56,151,736 316,153,968 105,450,660
	Standard Bank Limited (note-18) Standard Exchange Co.(UK) Ltd. Standard Express(USA) Ltd. SBL Capital Mgt. Ltd. SBL Securities Ltd. Total  Expenses:	47,821,015 91,682,810 323,576,181 65,189,877 <b>13,650,357,017</b>	36,076,950 56,151,736 316,153,968 105,450,660 <b>14,721,534,428</b>
	Standard Bank Limited (note-18) Standard Exchange Co.(UK) Ltd. Standard Express(USA) Ltd. SBL Capital Mgt. Ltd. SBL Securities Ltd.  Total  Expenses: Standard Bank Limited (note-18)	47,821,015 91,682,810 323,576,181 65,189,877 <b>13,650,357,017</b>	36,076,950 56,151,736 316,153,968 105,450,660 <b>14,721,534,428</b>
	Standard Bank Limited (note-18) Standard Exchange Co.(UK) Ltd. Standard Express(USA) Ltd. SBL Capital Mgt. Ltd. SBL Securities Ltd.  Total  Expenses: Standard Bank Limited (note-18) Standard Exchange Co.(UK) Ltd.	47,821,015 91,682,810 323,576,181 65,189,877 13,650,357,017	36,076,950 56,151,736 316,153,968 105,450,660 <b>14,721,534,428</b> 10,760,767,161 30,588,550
	Standard Bank Limited (note-18) Standard Exchange Co.(UK) Ltd. Standard Express(USA) Ltd. SBL Capital Mgt. Ltd. SBL Securities Ltd.  Total  Expenses: Standard Bank Limited (note-18) Standard Exchange Co.(UK) Ltd. Standard Express(USA) Ltd.	47,821,015 91,682,810 323,576,181 65,189,877 13,650,357,017 10,230,756,002 39,528,648 78,178,925	36,076,950 56,151,736 316,153,968 105,450,660 <b>14,721,534,428</b> 10,760,767,161 30,588,550 67,156,786
	Standard Bank Limited (note-18) Standard Exchange Co.(UK) Ltd. Standard Express(USA) Ltd. SBL Capital Mgt. Ltd. SBL Securities Ltd.  Total  Expenses: Standard Bank Limited (note-18) Standard Exchange Co.(UK) Ltd. Standard Express(USA) Ltd. SBL Capital Mgt. Ltd.	47,821,015 91,682,810 323,576,181 65,189,877 13,650,357,017 10,230,756,002 39,528,648 78,178,925 12,426,605	36,076,950 56,151,736 316,153,968 105,450,660 <b>14,721,534,428</b> 10,760,767,161 30,588,550 67,156,786 13,101,891
	Standard Bank Limited (note-18) Standard Exchange Co.(UK) Ltd. Standard Express(USA) Ltd. SBL Capital Mgt. Ltd. SBL Securities Ltd.  Total  Expenses: Standard Bank Limited (note-18) Standard Exchange Co.(UK) Ltd. Standard Express(USA) Ltd.	47,821,015 91,682,810 323,576,181 65,189,877 13,650,357,017 10,230,756,002 39,528,648 78,178,925	36,076,950 56,151,736 316,153,968 105,450,660 <b>14,721,534,428</b> 10,760,767,161 30,588,550 67,156,786
	Standard Bank Limited (note-18) Standard Exchange Co.(UK) Ltd. Standard Express(USA) Ltd. SBL Capital Mgt. Ltd. SBL Securities Ltd.  Total  Expenses: Standard Bank Limited (note-18) Standard Exchange Co.(UK) Ltd. Standard Exchange Co.(UK) Ltd. Standard Express(USA) Ltd. SBL Capital Mgt. Ltd. SBL Securities Ltd.	47,821,015 91,682,810 323,576,181 65,189,877 13,650,357,017 10,230,756,002 39,528,648 78,178,925 12,426,605 14,580,963	36,076,950 56,151,736 316,153,968 105,450,660 <b>14,721,534,428</b> 10,760,767,161 30,588,550 67,156,786 13,101,891 14,514,124



		Amount in Taka	
		31.12.2015	31.12.2014
18.1	Interest/profit , Discount and similar income	40.044.500.000	44 122 642 462
	Interest/profit received from Loans and advances/Investments (note-18.3)	10,314,590,003	11,423,613,463
	Interest/profit received from FC clearing Account	1,994,426	469,688
	Interest/profit received from Bank and other financial institutions	108,016,338 <b>10,424,600,767</b>	163,607,654 <b>11,587,690,805</b>
		10,424,000,707	11,367,030,003
18.2	Administrative Expenses		
10.2	Salary and allowances (note-23)	1,563,656,328	1,440,663,508
	Rent, Taxes, Insurance, Electricity etc.(note-24)	360,476,918	290,455,155
	Legal expenses (note-25)	3,320,768	5,302,006
	Postage, stamp, telecommunication etc.(note-26)	26,405,225	24,483,855
	Stationery, Printings, advertisement etc.(note-27)	48,290,725	46,053,604
	Managing Director's salary and fees (note-28)	8,420,000	8,220,000
	Directors' Fees (note-29)	5,874,500	7,551,688
	Auditor's fees (note -30)	503,750	480,200
	Repair of Bank's assets (note-32)	35,301,346	40,762,284
	,	2,052,249,559	1,863,972,300
	Expenses included VAT on which applicable		
18.3	Interest/profit received from Loans and advances/Investments		
	Secured overdraft/Quard against TDR	2,093,907,186	2,103,447,332
	Term Loan	2,884,559,398	3,309,048,159
	Export Development Fund (EDF)	62,157,099	31,561,380
	Agriculture Loan	286,411,000	260,243,532
	Cash credit/ Murabaha	1,621,203,895	1,900,608,599
	House Building loans	216,921,668	249,781,692
	Staff Loans	20,066,849	19,532,983
	Transport Loans	94,734,830	108,534,916
	Loans against trust receipt	888,427,081	1,508,207,725
	Payment against document	96,055,654	140,841,162
	Packing credit	23,674,906	37,972,428
	Demand Loan	419,867,262	260,183,886
	Lease Finance / Izara	118,531,479	133,292,491
	Syndicate/Club Finance	337,933,508	330,478,171
	VISA Credit Card	23,049,061	22,885,257
	SME/SE	994,217,787	867,634,925
	Green Finance	523,212	
	Consumer Credit Scheme/Hire purchase	24,613,997	23,848,324
	Inland bills purchased	94,645,179	112,567,567
	Foreign bills purchased and discounted	13,088,952	2,942,935
	Total interest on loans and advances/Investments	10,314,590,003	11,423,613,463



		Amoun	t in Taka
		31.12.2015	31.12.2014
	Interest / profit received from FC clearing account	1,994,426	469,688
	Interest/profit received from Bank and other Financial Institution	79,999,865	112,652,341
	Interest on Call Loans	28,016,473	50,955,312
		110,010,764	164,077,342
	Total	10,424,600,767	11,587,690,805
18.3(a)	Consolidated interest income/profit on investment		
	Standard Bank Limited (note-18.3)	10,424,600,767	11,587,690,805
	Standard Bank Limited (Intt. Received from SCML)	(164,208,724)	(214,505,106)
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	282,477,067	303,069,896
	SBL Securities Ltd.	40,393,923	45,101,992
		10,583,263,033	11,721,357,587
19.	Interest/profit paid on deposits, borrowings, etc.		
	Interest/Profit paid on deposits ( note -19.1)	7,622,526,635	8,289,101,600
	Interest paid on borrowings	170,166,098	273,768,307
		7,792,692,733	8,562,869,907
19.1	Interest/Profit paid on deposits & othes Account		
	Savings Bank / Mudaraba Savings Deposits	184,027,152	144,704,597
	Short Term Deposits / Mudaraba Short Term Deposits	124,660,380	124,631,383
	Fixed Deposits / Mudaraba Term Deposits	6,210,139,455	6,837,335,207
	Deposits Under Schemes / Mudaraba Deposit Schemes	1,084,532,981	1,182,430,413
	Interest paid on subordinated Bond	19,166,667	-
		7,622,526,635	8,289,101,600
19(a)	Consolidated interest / profit paid on Deposits, borrowings, etc.		
	Standard Bank Limited (note-19)	7,792,692,733	8,562,869,907
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	-	-
	SBL Capital Mgt. Ltd.	-	-
	SBL Securities Ltd.	541,667	-

8,562,869,907

7,793,234,400



		Amount in Taka	
		31.12.2015	31.12.2014
20.	Income from Investment		
	Dividend on shares	58,791,592	54,613,767
	Gain on shares	-	- -
	Interest/profit received from Subordinated Bond	19,029,511	22,565,912
	Interest income from Government Securities (Note 20.1)	1,255,658,311	1,519,442,810
	Capital Gain on Government Securities (Note 20.2)	380,198,031	8,076,235
	Revaluation Gain/(loss) on Government Securities (Note 20)3	(15,908,896)	(31,324,598)
		1,697,768,550	1,573,374,125
20.1	Interest income from Government Securities		
	Interest on treasury bills	405,662,586	1,036,714,489
	Interest on treasury bonds	1,333,608,912	503,221,922
		1,739,271,498	1,539,936,411
	Interest expenses on treasury bills		
	Interest expenses on treasury bonds	483,613,187	20,493,601
		483,613,187	20,493,601
	Net interest income from Government Securities	1,255,658,311	1,519,442,810
20.2	Capital Gain on Government Securities		
	Capital Gain on treasury bills	107,619,649	8,370,635
	Capital Gain on treasury bonds	273,521,559	-
		381,141,209	8,370,635
	Capital loss on treasury bills	943,178	294,400
	Capital loss on treasury bonds	- 0.40.470	-
	Net Capital Gain on Government Securities	943,178 <b>380,198,031</b>	294,400 <b>8,076,235</b>
20.3	Revaluation Gain/(loss) on Government Securities		
20.5	revaluation data (toss) on dovernment securities		
	Revaluation Gain on treasury bills	153,204,545	187,288,227
	Revaluation Gain on treasury bonds	-	-
		153,204,545	187,288,227
	Revaluation loss on treasury bills	129,259,063	211,654,752
	Revaluation loss on treasury bonds	39,854,378	6,958,073
		169,113,441	218,612,825
	Net Revaluation Gain/(loss) on Government Securities	(15,908,896)	(31,324,598)



		Amount	t in Taka
		31.12.2015	31.12.2014
20(a)	Consolidated Income from Investment		
	Standard Bank Limited	1,697,768,550	1,573,374,125
	Standard Exchange Co.(UK) Ltd.	-	-
	Standard Express(USA) Ltd.	203,825	452,529
	SBL Capital Mgt. Ltd.	181,438,935	192,460,913
	SBL Securities Ltd.	11,924,091	41,608,918
		1,891,335,401	1,807,896,485
21.	Commission/Fees, Exchange and Brokerage		
	Commission /Fees (note-21.1)	420,072,772	429,746,633
	Exchange earnings (note-21.2)	304,939,116	375,125,768
	Brokerage	-	-
		725,011,887	804,872,401
21.1	Commission		
	Commission on Import L/Cs	57,942,226	28,662,817
	Commission on Export L/Cs	21,479,064	16,680,041
	Commission on Back to Back L/Cs	231,198,262	307,660,276
	Commission on Bank Guarantee	92,644,687	61,708,728
	Commission on chanchyapatra	2,423,292	1,844,009
	Commission on Remmittance	13,973,536	11,677,747
	Underwriting commission	411,704	1,513,015
		420,072,772	429,746,633
	Brokerage	420,072,772	429,746,633
		420,012,112	425,140,033
21.2	Exchange		
	Gains arising from Dealing Securities	-	-
	Less: Losses	-	-
	Gains arising from Investment Securities	-	-
	Less: Losses		405 402 627
	Gains arising from Foreign Trade Business Less: Losses	511,580,515 206,641,400	495,402,627 120,276,858
	Less. Losses	304,939,116	375,125,768
		304,333,110	373,123,700



		Amount in Taka	
		31.12.2015	31.12.2014
24(-)	Council dated Councils on Fusions and Ducleys		
21(a)	Consolidated Commission, Exchange and Brokerage Standard Bank Limited (note-21)	725,011,887	804,872,401
	Standard Exchange Co.(UK) Ltd.	45,459,268	33,875,896
	Standard Excitalize Co.(o) Etd.  Standard Express(USA) Ltd.	91,424,514	55,677,815
		22,535,828	33,684,467
	SBL Capital Mgt. Ltd. SBL Securities Ltd.	12,741,212	18,610,090
	SBL Securities Ltd.	897,172,709	946,720,669
		331,112,1103	5.07.20,005
22.	Other operating income	44.520.560	47.007.225
	SWIFT & Telex charge recoveries	44,529,568	47,007,225
	Postage charge recoveries	16,332,674	16,427,560
	Service charges	82,295,438	59,051,722
	FCC recoveries	1,000	1,283,539
	Rebate on nostro a/c	31,494,010	31,120,129
	Handling charges on EDF	27,442,653	14,251,371
	Locker charges	801,000	601,090
	LC advising charges	150,113	240,984
	Loan processing/documentation fees	21,339,345	8,632,877
	Capital Gain on Sale of Assets	983,600	4,223,670
	Service charges agst CIB/Clearing return Debit / VISA Card Fees	1,520,308	233,904
		21,448,061	15,043,715 2,090,294
	On line Charges	1,777,727	2,090,294 1,479,701
	Stationery Charge Recovery Handling Charge On Import Lc	816,424	279,470
	Handling Charge On Export Lc	8,669,178	3,398,963
	Earning on Treasury FEX	2,309,080	2,029,951
	NPSB Settlement Income	1,112,796	31,470
	Miscellaneous earnings	11,682,956	34,336,147
	mischaricous currings	274,705,930	241,763,782
22(a)	Consolidated other operating income Standard Bank Limited (note-22)	274,705,930	241,763,782
	Standard Exchange Co.(UK) Ltd.	2,361,747	2,201,054
	Standard Excreas(USA) Ltd.	54,471	2,201,034
	SBL Capital Mgt. Ltd.	1,333,075	1,443,798
	SBL Securities Ltd.	130,651	129,660
	SUL Securities Lia.	278,585,874	245,559,686
23.	Salaries and allowances	FFC 7C7 40C	404.242.556
	Basic salary	556,767,486	494,312,556
	Allowances (note-23.1) Bonus & ex-gratia	575,913,813 335,437,945	515,434,593 342,783,021
	Bank's contribution to provident fund	54,608,225	48,423,231
	Casual wages	40,928,859	39,710,107
	cusuui nu <sub>b</sub> es	1,563,656,328	1,440,663,508
		1,505,050,520	1,770,003,300



		Amount in Taka	
		31.12.2015	31.12.2014
23.1	Allowances		
	House rent allowances	276,384,742	247,485,919
	Conveyance allowances	58,620,368	52,809,686
	Entertainment allowances	95,170	4,156
	House maintenance & utility	9,677,851	9,722,287
	Medical allowances	83,178,900	77,854,305
	Risk allowances	1,755,250	1,576,175
	Washing allowances	1,685,726	1,571,021
	Remuneration for probationaries	27,239,649	39,355,050
	Charge allowances	1,949,210	1,815,184
	Leave Fare Compensation	22,800,694	21,471,955
	Gratuity	83,333,333	54,587,875
	Leave Encashment	8,849,317	6,792,446
	Extra allowances	343,604	388,534
		575,913,813	515,434,593
23(a)	Consolidated salaries and allowances		
	Standard Bank Limited (note-23)	1,563,656,328	1,440,663,508
	Standard Exchange Co.(UK) Ltd.	10,099,792	7,655,720
	Standard Express(USA) Ltd.	32,426,138	28,730,371
	SBL Capital Mgt. Ltd.	7,372,964	7,568,157
	SBL Securities Ltd.	7,676,007	7,487,790
		1,621,231,229	1,492,105,546
24.	Rent, Taxes, Insurance, electricity, etc.		
	Rent- Office	208,301,556	164,664,168
	Rent- Godown	18,000	18,030
	Lease Rent-Vehicle	7,358,630	6,759,745
	Rates and taxes	39,153,899	18,314,935
	Insurance	57,721,349	56,248,068
	Utilities	47,923,485	44,450,208
		360,476,918	290,455,155



	Amount in Taka	
	31.12.2015	31.12.2014
24(a) Consolidated Rent, Taxes, Insurance, electricity, etc.		
Standard Bank Limited (note-24)	360,476,918	290,455,155
Standard Exchange Co.(UK) Ltd.	6,435,645	6,326,356
Standard Express(USA) Ltd.	19,572,732	19,301,890
SBL Capital Mgt. Ltd.	1,782,910	1,734,753
SBL Securities Ltd.	1,743,069	1,618,149
	390,011,274	319,436,303
25. Legal expenses		
Legal fees & charges	3,320,768	5,302,006
Stamp & notary public expenses	5,320,700	5,502,000 -
Starry a rotary public expenses	3,320,768	5,302,006
25(a) Consolidated Legal expenses.		
Standard Bank Limited (note-25)	3,320,768	5,302,006
Standard Exchange Co.(UK) Ltd.	40,127	227,761
Standard Express(USA) Ltd.	3,136,541	1,054,487
SBL Capital Mgt. Ltd.	224,225	138,000
SBL Securities Ltd.	28,750 <b>6,750,411</b>	8,050 <b>6,730,304</b>
	0,730,411	0,730,304
26. Postage, Stamps, Telecommunication etc.		
Postage	11,526,910	10,474,035
Telegram, telex, fax and e-mail	128,801	111,303
Telephone, Mobile (office & residence)	7,480,800	7,287,974
SWIFT /Reuters charges	7,268,714	6,610,543
	26,405,225	24,483,855
26(a) Consolidated Postage, Stamps, Telecommunication etc.		
Standard Bank Limited (note-26)	26,405,225	24,483,855
Standard Exchange Co.(UK) Ltd.	217,946	113,402
Standard Express(USA) Ltd.	1,520,332	2,433,709
SBL Capital Mgt. Ltd.	32,838	24,902
SBL Securities Ltd.	304,789	277,066
	28,481,130	27,332,934



		Amount in Taka	
		31.12.2015	31.12.2014
27.	Stationery, Printing, Advertisement etc.		
	Printing stationery	6,518,024	5,539,662
	Security stationery	2,480,094	3,315,164
	Petty stationery	6,396,567	6,500,289
	Computer stationery	9,379,369	8,024,400
	Publicity and advertisement	23,516,671	22,674,088
		48,290,725	46,053,604
27(a)	Consolidated Stationery, Printing, Advertisement etc.		
	Standard Bank Limited (note-27)	48,290,725	46,053,604
	Standard Exchange Co.(UK) Ltd.	496,655	727,424
	Standard Express(USA) Ltd.	3,514,568	1,733,690
	SBL Capital Mgt. Ltd.	171,034	154,265
	SBL Securities Ltd.	96,150 <b>52,569,132</b>	133,819 <b>48,802,802</b>
		32,303, 132	40,002,002
28.	Managing Director's salary and fees		
20.	Basic salary	2,400,000	2,400,000
	House rent allowance	1,800,000	1,800,000
	Medical Allowances	360,000	360,000
	House maintenance & utility	1,260,000	1,260,000
	Bonus	1,400,000	1,200,000
	Leave Fare Compensation	1,200,000	1,200,000
		8,420,000	8,220,000
29.	Directors fees & meeting expenses		
	Directors fees	1,417,000	1,290,000
	Travelling and haltage	3,071,343	4,413,311
	Refreshment and dinner	1,386,157	1,848,377
		5,874,500	7,551,688
20(-)	Canadidated Division from Quanties are area		
29(a)	Consolidated Directors fees & meeting expenses Standard Bank Limited (note-29)	5,874,500	7,551,688
	Standard Exchange Co.(UK) Ltd.	5,674,500	/,551,000
	Standard Express(USA) Ltd. Standard Express(USA) Ltd.	156,000	155,400
	SBL Capital Mgt. Ltd.	465,234	391,673
	SBL Securities Ltd.	534,220	436,126
	SEE Securites Etc.	7,029,954	8,534,887
		1,525,55	
30.	Audit fees	503,750	480,200
		503,750	480,200



30 (a) Consolidated Auditors fees Standard Bank Limited Standard Exchange Co.(UK) Ltd. Standard Express(USA) Ltd. SBL Capital Mgt. Ltd. SBL Securities Ltd. SBL Securities Ltd.	480,200 418,679
Standard Bank Limited  Standard Exchange Co.(UK) Ltd.  Standard Express(USA) Ltd.  SBL Capital Mgt. Ltd.  SBL Securities Ltd.  SBL Securities Ltd.  SBL Securities Ltd.	
Standard Bank Limited  Standard Exchange Co.(UK) Ltd.  Standard Express(USA) Ltd.  SBL Capital Mgt. Ltd.  SBL Securities Ltd.  SBL Securities Ltd.  SBL Securities Ltd.	
Standard Exchange Co.(UK) Ltd.  Standard Express(USA) Ltd.  SBL Capital Mgt. Ltd.  SBL Securities Ltd.  SBL Securities Ltd.	
Standard Express(USA) Ltd.  SBL Capital Mgt. Ltd.  SBL Securities Ltd.  28,750	418,679
SBL Capital Mgt. Ltd.  SBL Securities Ltd.  48,875  SBL Securities Ltd.	
SBL Securities Ltd. 28,750	20.750
	28,750
581,375	57,500 <b>985,129</b>
361,373	965,129
31. Charges on loan losses	
Loan-written off 199,748	67,455
Interest waived 40,000,000	37,800,000
40,199,748	37,867,455
32. Depreciation and repair of Banks assets	
Depreciation on Fixed Assets	7.005.670
Land and Building 12,072,053	7,225,672
Furniture & fixture 32,227,051	30,086,441
Office appliance & equipment 37,157,798	32,476,867
Computer 15,597,482 Software 8,356,762	16,249,069 7,922,553
Motor vehicle 6,661,908	12,378,347
112,073,054	106,338,948
116,003,004	100,330,340
Repair, Renovation & Maintenance of Bank's Assets	
Office furniture 500,473	437,860
Office appliance & equipment 5,824,152	5,548,452
Computer & Software 19,574,293	24,443,946
Motor vehicle 9,402,428	10,332,026
35,301,346	40,762,284
Total 147,374,400	147,101,233
	111/101/200
32(a) Consolidated depreciation and repair of Banks assets	
Standard Bank Limited (note-32)	147,101,233
Standard Exchange Co.(UK) Ltd. 1,135,473	1,668,495
Standard Express(USA) Ltd. 4,399,305	4,509,808
SBL Capital Mgt. Ltd. 425,683	496,254
SBL Securities Ltd. 1,132,741	1,589,574
154,467,602	155,365,364



Ente Don. Travi Anni Bran Trair New Petrr Car e Phot Staff Clea Pren Loca Busi Freig Cool Annu Banh	HER EXPENSES	31.12.2015	31.12.2014
Ente Don. Travi Anni Bran Trair New Petrr Car e Phot Staff Clea Pren Loca Busi Freig Cool Annu Banh			31.12.2014
Dona Travi Anni Bran Train New Petro Car o Phot Staff Clea Pren Loca Busi Cool Annu Banl On L			
Travi Anni Bran Trair New Petrr Car c Phot Staff Clea Pren Loca Busi Freig Cool Annu Banl On L	ertainment (office)	11,367,899	11,442,763
Anni Bran Train New Petro Car e Phot Staff Clea Pren Loca Busi Freig Cool Annu Banl On L	nation & subscription	23,541,300	7,024,005
Bran Trair New Petro Car o Phot Staff Clea Pren Loca Busi Freig Cool Annu Banl On L	velling	8,850,585	9,350,017
Trair New Petrr Car G Phot Staff Clea Pren Loca Busi Freig Cool Annu Banl	iversary	4,713,104	2,800,117
New Petro Car o Phot Clea Pren Loca Busi Freig Cool Annu Banl On L	nch /Subsidiary company opening expenses	1,118,261	5,306,277
Petro Car e Phot Staff Clea Pren Loca Busi Freig Cool Annu Banl	ning and seminar expenses	4,550,174	3,539,407
Car of Photo Staff Clea Pren Loca Busi Freig Cool Annu Banl	wspaper and periodicals	909,626	793,663
Phot Staff Clea Pren Loca Busi Freig Cool Annu Banl On L	rol, oil and lubricants	23,893,758	23,591,164
Staff Clea Pren Loca Busi Freig Cool Annu Banl	expenses	24,311,673	24,076,222
Clea Pren Loca Busi Freig Cool Annu Banl On L	tocopy expenses	2,562,248	2,128,105
Pren Loca Busi Freig Cool Annu Banl On L	ff uniform and liveries	1,483,589	1,280,690
Loca Busi Freig Cook Annu Bank On L	aning and washing	1,081,834	899,539
Busi Freig Cool Annu Banl On L	mises up keeping	3,903,336	4,103,867
Freig Cook Annu Bank On L	al conveyance	5,140,997	4,488,527
Cook Annu Bank On L	iness development	1,157,362	1,454,870
Annı Banl On L	ight and cartage	214,441	98,340
Bank On L	k and servant	361,500	363,060
On L	nual General Meeting	4,703,014	6,798,620
	ık charges and commission paid	3,344,683	3,195,741
	Line (ABB) expenses	300,637	277,546
Man	nagers Conference exp	3,149,007	2,340,022
Perf	formance award	600,000	607,500
SBL	welfare fund	10,284,282	9,392,196
Gen	nerator expenses	7,069,010	7,054,793
Conr	nectivity fees	19,647,655	16,733,032
CDB	BL Charges	360,040	106,000
Visa	Card Process charges	1,415,737	1,721,942
Dhal	aka Stock Exchange	1,482,971	100,000
Chitt	ttagong Stock Exchange	1,482,971	100,000
Men	mbership fee to Central Shariah Board	600,000	-
Cale	ender ,dairy & greeting cards etc	18,399,261	13,584,298
Gree	en Banking	2,000,000	2,000,000
SBL	Foundation	30,000,000	20,000,000
NPS	5B settlement expenses	316,970	59,020
Disco	comfort A <b>ll</b> owances	1,402,250	1,447,800
Secu	urity Service-Out Sourcing	5,204,659	-
Subo	ordinated Bond Issue Expenses	1,000,000	-
Misc	cellaneous	1,616,072	1,459,409
		233,540,907	189,718,551

Expenses included VAT on which applicable



		Amour	nt in Taka
		31.12.2015	31.12.2014
33(a)	Consolidated other expenses		
. ,	Standard Bank Limited (note-33)	233,540,907	189,718,551
	Standard Exchange Co.(UK) Ltd.	21,103,010	13,450,713
	Standard Express(USA) Ltd.	13,453,309	9,237,431
	SBL Capital Mgt. Ltd.	1,902,842	2,565,137
	SBL Securities Ltd.	2,494,820	2,906,050
		272,494,888	217,877,882
33.1	Nostro account maintenance		
	Nostro account maintenance	-	-
	Bank charge	-	-
		-	<u>-</u>
34	Provision for loans/Investments, off balance sheet exposure & other assets		
	Provision for bad and doubtful loans and advances/investments	450,946,471	1,461,319,695
	Provision for SMA loans and advances/investments	101,400	(606,830)
	Provision for unclassified loans & advances/Investments	31,917,246	120,420,697
	Provision for off balance sheet exposure	19,448,405	7,259,403
	Provision for other assets	21,174,274	16,844,329
	Provision for diminution in value of investments(34.1)	-	-
		523,587,795	1,605,237,295
		-	-
34.1	Provision for diminution in value of investments		
	Dealing Securities		
	Quoted	-	-
	Unquoted	-	-
	Investment Securities	-	-
	Quoted	-	-
	Unquoted	-	-
		-	-
		523,587,795	1,605,237,295
34.1(a)	Consolidated Provision for diminution in value of investments		
34. I(d)	Dealing Securities	_	_
	Standard Bank Limited (note-34.1)	-	-
	Standard Exchange Co.(UK) Ltd.	_	
	Standard Express(USA) Ltd.	_	_
	SBL Capital Mgt. Ltd.		
	SBL Securities Ltd.	-	-



	Amount in Taka		
	31.12.2015	31.12.2014	
Investment Securities	71,258,892	24,938,722	
Standard Bank Limited (note-34.1)	-	-	
Standard Exchange Co.(UK) Ltd.	-	-	
Standard Express(USA) Ltd.	-	-	
SBL Capital Mgt. Ltd.	63,525,018	19,489,085	
SBL Securities Ltd.	7,733,874	5,449,637	
	71,258,892	24,938,722	
Consolidated Provision for loans/Investments,off balance sheet exposure & other assets			
*Provision for bad and doubtful loans and advances/investments-SBL	450,946,471	1,461,319,695	
Provision for SMA loans and advances/investments-SBL	101,400	(606,830)	
Provision for unclassified loans & advances/Investments -SBL	31,917,246	120,420,697	
Provision for off balance sheet exposure-SBL	19,448,405	7,259,403	
Provision for diminution in value of investments (SCML & SBSL)	71,258,892	24,938,722	
Provision for impairment of client margin loan (SCML & SBSL)	50,936,292	82,857,467	
Provision for others (SBL)	21,174,274	16,844,329	
	645,782,979	1,713,033,484	

<sup>\*</sup>Bangladesh Bank vide letter no. DBI-1/111/2016-533 dated 22.03.2016 has instructed to keep additional provision of Tk. 21.85 crore within June, 2016 against additional classified loans & advances for Tk. 78.98 (classified loans & advances as per Bangladesh Bank is Tk. 374.86 crore - classified loans & advances as per Bank was Tk. 295.88 crore) and also Tk. 45.61 crore as additional provision have to be kept within September, 2016 against seven loans accounts under stay order from honorable High Court division of Supreme court of Bangladesh.

#### 35 Tax expenses

34(a)

Current tax Deferred tax

35(a)	Concoli	dated tax	cexnenses

#### Current tax

Standard Bank Limited (note-35) Standard Exchange Co.(UK) Ltd. Standard Express(USA) Ltd. SBL Capital Mgt. Ltd. SBL Securities Ltd.

940,243,553	817,684,259
6,486,438	7,668,007
946,729,991	825,352,266
940,243,553	817,684,259
- ·	-
-	-
72,162,636	64,345,278
13,785,033	19,279,648
1,026,191,222	901,309,185



		Amount in Taka		
		31.12.2015	31.12.2014	
	Deferred tax			
	Standard Bank Limited (note-35)	6,486,438	7,668,007	
	Standard Exchange Co.(UK) Ltd.	-	-	
	Standard Express(USA) Ltd.	-	-	
	SBL Capital Mgt. Ltd.	-	-	
	SBL Securities Ltd.	-	-	
		6,486,438	7,668,007	
	Total	1,032,677,660	908,977,192	
36	Earning Per Share (EPS)			
	Net profit after tax	1,421,013,347	1,016,344,392	
	Number of Ordinary Share	655,740,785	655,740,785	
	Earning Per Share *	2.17	1.55	
	* Earning per share calculated dividing basic earning during the year by number of share outstanding	g as on reporting date complying wi	th the provision of BAS-33.	
36(a)	Consolidated Earning Per Share (EPS)			
30(a)	Consolidated Latting Fet Shale (LFS)			
	Net profit after tax	1,596,425,236	1,213,395,240	
	Number of Ordinary Share	655,740,785	655,740,785	
	Earning Per Share *	2.43	1.85	
	* Earning per share calculated dividing basic earning during the year by number of share outstanding	g as on reporting date complying wi	th the provision of BAS-33.	
37	Received from other operating activities			
	SWIFT & Telex charge recoveries	44,529,568	47,007,225	
	Postage charge recoveries	16,332,674	16,427,560	
	Service charges	82,295,438	59,051,722	
	FCC recoveries	1,000	1,283,539	
	Rebate on nostro a/c	31,494,010	31,120,129	
	Handling charges on EDF	27,442,653	14,251,371	
	Locker charges	801,000	601,090	
	LC advising charges	150,113	240,984	
	Loan processing/documentation fees Service charges agst CIB/Clearing return	21,339,345 1,520,308	8,632,877 233,904	
	Debit / VISA Card Fees	21,448,061	15,043,715	
	Stationery Charge Recovery	1,777,727	2,090,294	
	Handling Charge On Import Lc	816,424	1,479,701	
	Handling Charge On Export Lc	8,669,178	279,470	
	Earning on Treasury FEX	2,309,080	3,398,963	
	NPSB Settlement Income	1,112,796	2,029,951	
	Miscellaneous earnings	11,682,956	31,470	
	Capital Gain on Government Securities	380,198,031	34,336,147	
	Revaluation Gain/(loss) on Government Securities	(15,908,896)	8,076,235	
		638,011,466	245,616,347	
			Z4J.U1U, 34/	

**Amount in Taka** 



Standard Exchange Co.(UK) Ltd.       2,361,747         Standard Express(USA) Ltd.       54,471         SBL Capital Mgt. Ltd.       1,333,075         SBL Securities Ltd.       130,651         641,891,410       24         38 Payments for other operating activities       \$641,891,410         Rent, Taxes, Insurance, Electricity etc.       360,476,918       29         Legal Expenses       3,320,768       2         Postage, Stamp, Telecommunication etc.       26,405,225       2         Directors' Fee & Other benefits       5,874,500       3         Audit Fees       503,750       3         Charges on loan losses       40,199,748       3         Repair of Bank's assets       147,374,400       4         Other Expenses       238,129,914       19	5,616,347 2,201,054 21,392 1,443,798 129,660 0,412,251 0,455,155 5,302,006 4,483,855 7,551,688 480,200
Standard Bank Limited (note-35)       638,011,466       24         Standard Exchange Co.(UK) Ltd.       2,361,747       2,361,747         Standard Express(USA) Ltd.       54,471       333,075         SBL Capital Mgt. Ltd.       1,333,075       35         SBL Securities Ltd.       130,651       24         641,891,410       24         8 Payments for other operating activities       360,476,918       29         Rent, Taxes, Insurance, Electricity etc.       360,476,918       29         Legal Expenses       3,320,768       29         Postage, Stamp, Telecommunication etc.       26,405,225       2         Directors' Fee & Other benefits       5,874,500       3         Audit Fees       503,750       3         Charges on loan losses       40,199,748       3         Repair of Bank's assets       147,374,400       4         Other Expenses       238,129,914       19	2,201,054 21,392 1,443,798 129,660 <b>3,412,251</b> 0,455,155 5,302,006 4,483,855 7,551,688 480,200
Standard Bank Limited (note-35)       638,011,466       24         Standard Exchange Co.(UK) Ltd.       2,361,747       2,361,747         Standard Express(USA) Ltd.       54,471       333,075         SBL Capital Mgt. Ltd.       1,333,075       35         SBL Securities Ltd.       130,651       24         641,891,410       24         8 Payments for other operating activities       360,476,918       29         Rent, Taxes, Insurance, Electricity etc.       360,476,918       29         Legal Expenses       3,320,768       29         Postage, Stamp, Telecommunication etc.       26,405,225       2         Directors' Fee & Other benefits       5,874,500       3         Audit Fees       503,750       3         Charges on loan losses       40,199,748       3         Repair of Bank's assets       147,374,400       4         Other Expenses       238,129,914       19	2,201,054 21,392 1,443,798 129,660 <b>3,412,251</b> 0,455,155 5,302,006 4,483,855 7,551,688 480,200
Standard Exchange Co.(UK) Ltd.       2,361,747         Standard Express(USA) Ltd.       54,471         SBL Capital Mgt. Ltd.       1,333,075         SBL Securities Ltd.       130,651         641,891,410       24         38 Payments for other operating activities       \$641,891,410         Rent, Taxes, Insurance, Electricity etc.       360,476,918       29         Legal Expenses       3,320,768       2         Postage, Stamp, Telecommunication etc.       26,405,225       2         Directors' Fee & Other benefits       5,874,500       3         Audit Fees       503,750       3         Charges on loan losses       40,199,748       3         Repair of Bank's assets       147,374,400       4         Other Expenses       238,129,914       19	2,201,054 21,392 1,443,798 129,660 <b>3,412,251</b> 0,455,155 5,302,006 4,483,855 7,551,688 480,200
Standard Express(USA) Ltd.       54,471         SBL Capital Mgt. Ltd.       1,333,075         SBL Securities Ltd.       130,651         641,891,410       248         38 Payments for other operating activities       360,476,918         Rent, Taxes, Insurance, Electricity etc.       360,476,918       29         Legal Expenses       3,320,768       2         Postage, Stamp, Telecommunication etc.       26,405,225       2         Directors' Fee & Other benefits       5,874,500       3         Audit Fees       503,750       3         Charges on loan losses       40,199,748       3         Repair of Bank's assets       147,374,400       4         Other Expenses       238,129,914       19	21,392 1,443,798 129,660 <b>0,412,251</b> 0,455,155 5,302,006 4,483,855 7,551,688 480,200
SBL Capital Mgt. Ltd.       1,333,075         SBL Securities Ltd.       130,651         641,891,410       248         38 Payments for other operating activities       360,476,918         Rent, Taxes, Insurance, Electricity etc.       360,476,918       29         Legal Expenses       3,320,768       29         Postage, Stamp, Telecommunication etc.       26,405,225       2         Directors' Fee & Other benefits       5,874,500       40,199,748       3         Audit Fees       503,750       40,199,748       3         Charges on loan losses       40,199,748       3         Repair of Bank's assets       147,374,400       4         Other Expenses       238,129,914       19	1,443,798 129,660 1,412,251 0,455,155 5,302,006 4,483,855 7,551,688 480,200
SBL Securities Ltd.       130,651         641,891,410       248         38 Payments for other operating activities       360,476,918         Rent, Taxes, Insurance, Electricity etc.       360,476,918         Legal Expenses       3,320,768         Postage, Stamp, Telecommunication etc.       26,405,225         Directors' Fee & Other benefits       5,874,500         Audit Fees       503,750         Charges on loan losses       40,199,748       3         Repair of Bank's assets       147,374,400       4         Other Expenses       238,129,914       19	129,660 <b>9,412,251</b> 0,455,155 5,302,006 4,483,855 7,551,688 480,200
641,891,410         248         38 Payments for other operating activities         Rent, Taxes, Insurance, Electricity etc.       360,476,918       29         Legal Expenses       3,320,768       29         Postage, Stamp, Telecommunication etc.       26,405,225       2         Directors' Fee & Other benefits       5,874,500       3         Audit Fees       503,750       4         Charges on loan losses       40,199,748       3         Repair of Bank's assets       147,374,400       4         Other Expenses       238,129,914       19	0,412,251 0,455,155 5,302,006 4,483,855 7,551,688 480,200
38 Payments for other operating activities         Rent, Taxes, Insurance, Electricity etc.       360,476,918       29         Legal Expenses       3,320,768       29         Postage, Stamp, Telecommunication etc.       26,405,225       2         Directors' Fee & Other benefits       5,874,500       40         Audit Fees       503,750       40         Charges on loan losses       40,199,748       3         Repair of Bank's assets       147,374,400       4         Other Expenses       238,129,914       19	0,455,155 5,302,006 4,483,855 7,551,688 480,200
Rent, Taxes, Insurance, Electricity etc.       360,476,918       29         Legal Expenses       3,320,768       3         Postage, Stamp, Telecommunication etc.       26,405,225       2         Directors' Fee & Other benefits       5,874,500         Audit Fees       503,750         Charges on loan losses       40,199,748       3         Repair of Bank's assets       147,374,400       4         Other Expenses       238,129,914       19	5,302,006 4,483,855 7,551,688 480,200
Legal Expenses       3,320,768         Postage, Stamp, Telecommunication etc.       26,405,225         Directors' Fee & Other benefits       5,874,500         Audit Fees       503,750         Charges on loan losses       40,199,748       3         Repair of Bank's assets       147,374,400       4         Other Expenses       238,129,914       19	5,302,006 4,483,855 7,551,688 480,200
Legal Expenses       3,320,768         Postage, Stamp, Telecommunication etc.       26,405,225         Directors' Fee & Other benefits       5,874,500         Audit Fees       503,750         Charges on loan losses       40,199,748       3         Repair of Bank's assets       147,374,400       4         Other Expenses       238,129,914       19	4,483,855 7,551,688 480,200
Postage, Stamp, Telecommunication etc.       26,405,225       2         Directors' Fee & Other benefits       5,874,500         Audit Fees       503,750         Charges on loan losses       40,199,748       3         Repair of Bank's assets       147,374,400       4         Other Expenses       238,129,914       19	4,483,855 7,551,688 480,200
Directors' Fee & Other benefits       5,874,500         Audit Fees       503,750         Charges on loan losses       40,199,748         Repair of Bank's assets       147,374,400         Other Expenses       238,129,914	480,200
Audit Fees       503,750         Charges on loan losses       40,199,748       3         Repair of Bank's assets       147,374,400       4         Other Expenses       238,129,914       19	480,200
Repair of Bank's assets       147,374,400       4         Other Expenses       238,129,914       19	7 0 6 7 4 5 6
Repair of Bank's assets       147,374,400       4         Other Expenses       238,129,914       19	7,867,455
Other Expenses 238,129,914 19	0,762,284
	0,012,951
	,915,594
38(a) Consolidated Payments for other operating activities	
	6,915,594
	3,463,592
	4,406,799
	4,541,226
	4,871,878
859,816,633	1,199,089
39 Changes in other assets	
	1,813,134
Stamps in hand (797,581)	(486,411)
	9,110,475)
Advance deposit (27,524)	(140,770)
	9,996,309)
	8,617,195)
	1,381,002
	1,457,405)
Excise Duty adjustment on FDR (5,346,240)	(533,190)
	5,774,481)
	0,000,000
Profit Receivable from Obu (4,292,198)	_
	0,000,000
Advance for Land & Building nurchase	9,422,805
	1. TEE.UUJ
Clearing Adjustment (2,721,666)	
Clearing Adjustment (2,721,666)	5,500,705



	Amour	Amount in Taka		
	31.12.2015	31.12.2014		
39(a) Consolidated Changes in other assets				
Standard Bank Limited (note37)	250,289,949	246,500,705		
Standard Exchange Co.(UK) Ltd.	11,476,417	(56,502)		
Standard Express(USA) Ltd.	(1,701,179)	(5,258,570)		
SBL Capital Mgt. Ltd.	(12,128,504)	(10,210,353)		
SBL Securities Ltd.	(36,206,923)	(71,601,283)		
	211,729,760	159,373,997		
40 Changes in other liabilities				
Accrued Expenses	(4,589,007)	2,136,143		
Standard Exchange UK	4,866,447	(4,546,392)		
Interest suspenses account	64,277,429	76,541,801		
Provision for bonus	15,000,000	135,000,000		
Islamic Settlement Account	(6,037,193)	(295,480)		
Profit receivable	1,884,221	(1,898,910)		
Provision for LFC	1,388,039	4,972,097		
SBL Foundation	10,000,000	-		
Provision for Green Banking	2,000,000	2,000,000		
Provision for unforseen losses	2,041,283	2,000,000		
Interest waived	9,275,225	37,800,000		
Foreign Currency translation gains	(1,072,387)	(1,123,350)		
Total	99,034,057	252,585,909		
40(a) Consolidated Changes in other liabilities				
Standard Bank Limited (note-38)	99,034,057	252,585,909		
Standard Exchange Co.(UK) Ltd.	7,259,617	4,612,681		
Standard Express(USA) Ltd.	(8,077,118)	(18,181,393)		
SBL Capital Mgt. Ltd.	703,382,596	2,934,366		
SBL Securities Ltd.	22,985,040	43,371,854		
	824,584,192	285,323,417		

#### 41 Expenditure Incurred for employees

Number of employees at 31st December 2015 was 1604 (2014: 1554) who were in receipt of remuneration for that year which in the aggregate was not less than TK 60,000 and those employed for a part of that year who were in receipt of remuneration of not less than Tk.7,500.



#### 42 Disdosure on Audit committee

The Audit Committee comprised of

SL. No.	Name	Status with Bank	Status with Committee	Educational Qualification
1	Mr. S.S. Nizamuddin Ahmed	Independent Director	Chairman	M.Com
2	Mr. Kamal Mostafa Chowdhury	Director	Member	B.A.
3	Mr. Md. Zahedul Hoque	Director	Member	МВА
4	Investment Corporation of Bangladesh, Represented by its Managing Director, Mr. Md. Iftikhar -Uz-Zaman	Director	Member	M.A. In Statistics
5	Mr. Najmul Huq Chaudhury	Independent Director	Member	B.Com
6	Md. Ali Reza	Appointed as CFO and acting Group Company Secretary	Acting Member Secretary	MBA ,FCMA

During 2015, the Audit Committee discharged the following responsibilities:

Reviewed the Company's draft financial statements for the year ended on December 31, 2015 and recommended the same for placing before the Board for approval.

Recommendation for publishing the report of the committee in the Annual Report

Recommendation for appointment of external auditors and the audit fee

Reviewed the quarterly financial statements and recommended the same for placing before the Board of Directors meeting for approval.

Reviewed the overall financial health of the Bank.

Reviewed internal audit plan for the year 2015 and Internal Control & Compliance guidelines / policy of the Bank.

Reviewed annual assessment of the performance of internal audit and inspection activities.

Recommended audit findings placed before the Board of Directors.

Reviewed the Comprehensive Inspection Report of Bangladesh Bank along with the reply of SBL there on and recommended the same for placing before the Board of Directors meeting for approval for onward submission to Bangladesh Bank.

The Audit Committee of the Board of Directors met 7(Seven) times during the year 2015. On invitation, Managing Director, Deputy Managing Director and Chief Financial Officer (CFO) attended the meetings to meet queries of the Committee and take directives for improvement. The decision and directives of the Audit Committee were being complied to upgrade operational efficiency of the organization.



### 43 Realetd Party Disclosures i) Particulars of Directors of the Bank as on 31st December 2015

SI.No.	Name of the Persons	Designation	Present Address	% of Shares as on
1	Mr. Kazi Akram Uddin Ahmed	Chairman	House No.73, Road No.6, O.R. Nizam Road R/A, Chittagong	2.35%
2	Mr. Ferozur Rahman	Vice Chairman	My Heart,8/10 Sukrabad, Dhaka- 1209	2.07%
3	Mr. Kamal Mostafa Chowdhury	Director	"Bedura House" 72, Bangshal Road, Firingi Bazar, Kotwali, Chittagong	2.41%
4	Mr. Ashok Kumar Shaha	Director	29/B Ghatforhadbeg, Chittagong	2.01%
5	Mr. Md. Monzurul Alam	Director	218,DT Road , Dewanhat, Chittagong-4000	2.00%
6	Mr. S. A. M. Hossain	Director	Victor Electronics, 400 Bipani Bitan (3rd Floor), Chittagong-4000	2.72%
7	Mr.Mohammed Abdul Aziz	Director	168, Fakirapool, Motijheel, Dhaka- 1000	2.83%
8	Al-Haj Mohammed Shamsul Alam	Director	Radiovision, 398, Biponi Bitan Chittagong-4000	2.61%
9	Mr. Gulzar Ahmed	Director	New Apan Jewelers Suvastu Imam Square (Ground Floor) 65, Gulshan Avenue, Gulshan 1 Dhaka 1212	2.00%
10	Mr. Mohammad Zahedul Hoque	Director	284, Khatungonj Chittagong	2.28%
11	Al-Haj Moammed Yousuf Chowdhury	Director	8/B, O.R. Nizam Road, Panclish R/a Panclish, Chittagong-4000	2.00%
12	Investment Corporation of Bangladesh, represented by its Managing Director Mr. Md. Iftikhar-Uz-Zaman	Director	Head Office 8 Rajuk Avenue (14th Floor) Dhaka	2.59%
13	Mr. S. S. Nizamuddin Ahmed	Independent Director	House # 1, Road # 2/A, (Banani Chairman Bari), Banani, Dhaka.	0.03%
14	Mr. Najmul Huq Chaudhury	Independent Director	House # 232, Road # 9, Block #B ,Chandgaon, CDA R/A ,Chittagong.	Nil
15	Mr. Md. Nazmus Salehin	Ex-Officio Director	Head Office, Metropolitan Chamber Building, 122-124 Motijheel C/A, Dhaka	Nil



- Reconciliation of inter Banks/Books of accounts

  Books of Accounts with regard to inter bank (In Bangladesh and outside Bangladesh) are reconciled and there are no material differences, which may affect the financial statements significantly.
- 45 Auditors work hour
  The external auditor has covered 80% of the risk weighted assets and has spent around 3,885 hours to complete the audit as per Bangladesh Auditing Standards. They have audited 19 (nineteen) branches and Head Office of the bank.
- 46 Statement of Liquidity
  The liquidity statement has been prepared in accordance with the remaining maturity grouping of the value of the assets and liabilities as on 31st December, 2015 under the guidelines of Bangladesh Bank BRPD circular No.14 dated 25th June, 2003.
- Workers Participation Fund and Welfare Fund SRO-336-AIN/210 dated 05-10-2010 issued by Ministry of Labour and Employment and published in Bangladesh gazette on 07-10-2010 declaring the status of business of certain institutions and companies (like mobile operating companies, mobile network service providing company, all Govt. and Non-govt. money lending companies, all insurance companies etc.) as "Industrial Undertakings" for the purposes of chapter -XV of Bangladesh Labour Act-2006 which deals with the workers participation in companys profit by way of Workers Participation Fund and Welfare Fund. The Bangladesh Labour Act, 2006 requires the "Industrials Undertaking" to maintain provision for workers profit participation fund @ 5% on net profit. However ,we have obtained legal opinion from legal adviser in this regard where it has been stated that Standard Bank Limited does not fall under this category. Therefore no provision in this regard has been made in the financial statements during the year under audit.
- 48 Events after the Balance Sheet date
  The Board of Directors in its 250th meetings decided to recommend payment of 15% stock dividend for the year 2015. The total amount of dividend is Taka. 983,611,177.00



	(Nostro Accounts)	
STANDARD BANK LIMITED	Balance with other Bank-Outside Bangladesh (Nostro Account	as at 31st December, 2015

		as at 31st De	at 31st December, 2015	2			
			2015			2014	
Name of the bank	Currency Name	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
Interest Bearing							
Standard Chartered Bank, New York	OSD	1,203,355.28	78.5000	94,463,391.81	2,646,755.94	77.9500	206,314,625.52
Mashreq Bank Psc, New York	OSD	280,717.08	78.5000	22,036,290.70	1,127,846.50	77.9500	87,915,634.68
ICICI Bank Ltd., Mumbai, India	ACU(\$)	22,674.50	78.5000	1,779,947.99	235,593.61	77.9500	18,364,521.90
A.B. Bank Ltd. Mumbai	ACU(\$)	49,320.11	78.5000	3,871,628.64	151,814.33	77.9500	11,833,927.02
Non Interest Bearing							
Habib American Bank Ltd., New York	OSN	944,102.37	78.5000	74,112,033.71	2,016,047.94	77.9500	157,150,936.92
ICICI Bank Ltd., Hongkong	OSD	26,029.48	78.5000	2,043,314.21	105,822.90	77.9500	8,248,895.06
Sonali Bank (UK) LTD	OSD	119,096.13	78.5000	9,349,045.74	606,259.37	77.9500	47,257,917.89
AXIS Bank Limited, Mumbai, India	ACU(\$)	10.70	78.5000	839.95	10.70	77.9500	834.07
Standard Chartered Bank Ltd., Mumbai, India	ACU(\$)	272,674.35	78.5000	21,404,936.97	573,737.88	77.9500	44,722,867.75
Nepal Bangladesh Bank Ltd., Kathmundu, Nepal	ACU(\$)	86,351.40	78.5000	6,778,584.90	106,551.40	77.9500	8,305,681.63
NIB Bank Ltd., Karachi, Pakistan	ACU(\$)	ı	78.5000	ı	1	77.9500	ı
Habib Metropolitan Bank, Karachi, Pakistan	ACU(\$)	163,033.55	78.5000	12,798,133.68	191,620.42	77.9500	14,936,811.74
Bhutan National Bank, Bhutan	ACU(\$)	19,650.70	78.5000	1,542,579.95	66,100.70	77.9500	5,152,549.57
Standard Chartered Bank, Frankfurt, Germany	EURO	76,465.78	86.1298	6,585,982.32	67,402.34	95.2712	6,421,498.44
Commerz Bank, Frankfurt, Germany	EURO	21,443.58	86.1298	1,846,931.21	94,918.07	95.2712	9,042,953.68
Standard Chartered Bank Ltd., Tokyo	УФĮ	3,539,455.00	0.6560	2,321,705.50	657,568.00	0.6533	429,556.30
Mashreq Bank, London, UK	GBP	111,788.86	116.5885	13,033,289.90	49,611.75	121.6034	6,032,955.00
Sonali Bank (UK) LTD	GBP	2,511.42	116.5885	292,802.98	543,687.83	121.6034	66,114,261.48
Saudi Hallandi Bank, KSA	SAR	150,000.00	20.8324	3,124,851.50	200,000.00	20.7608	4,152,150.00
Bank Al-Jazira, KSA	SAR	20,000.00	20.8324	1,041,617.50	1		
Westpac Banking Corporation Ltd.	AUD	46,207.42	58.2428	2,691,247.21	15,489.97	64,4837	998,849.80
Total				281,119,156.36			703,397,428.44



# Standard Bank Limited Fixed Assets Including Premises, Furniture and Fixtures As At 31st December, 2015

Annexure-"B"

			Cost				Depreciation		
Description	Balance at 1st January 2015	Addition during the year	Adjustment for disposal	Balance at 31st December 2015	Balance at 1st January 2015	Addition during the year	Adjustment for disposal	Balance at 31st December 2015	Written down value at 31st December 2015
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Land	2,370,676,325	185,000	1	2,370,861,325	ı	ı	1	ı	2,370,861,325
Building	468,748,621	26,533,763	ı	495,282,384	15,951,355	12,072,053	ı	28,023,408	467,258,976
Furniture & Fixture	416,002,000	59,245,873	ı	475,247,873	117,713,710	32,227,051		149,940,761	325,307,112
Office Appliances	451,549,585	60,812,903		512,362,488	224,076,064	52,755,280		276,831,344	235,531,144
Software	68,156,373	000'000'6	ı	77,156,373	35,249,438	8,356,762		43,606,200	33,550,173
Bank Vehicle	67,522,534	3,086,000	4,753,000	65,855,534	52,431,786	6,661,908	4,753,000	54,340,694	11,514,840
Total 31.12.2015	3,842,655,438	158,863,539	4,753,000	3,996,765,977	445,422,353	112,073,054	4,753,000	552,742,407	3,444,023,570
Total 31.12.2014	977,662,769	2,872,756,191	6,842,626	3,843,576,334	344,989,165	106,338,948	5,905,759	445,422,354	3,398,153,980



## Standard Bank Limited Name of the Directors/Sponsors and the Entities in which they have Interest As On 31st December, 2015

SI	Name & Status with Bank	Address	Name of Firms/Companies in whch interested as proprietor, partner, director, managing agent, guarantor employee, etc.	Position	Percentage (%) of Holding/Interst in the concern	Remarks
1	Mr. Kazi Akram Uddin Ahmed Chairman	House # 73, Road # 6 O.R. Nizam Road R/A Chittagong	The Eastern Engineering Works Ltd. Bright Steel Wire Rope MFG Co. Ltd. M/s. Kazi & Co.	Managing Director Managing Director Proprietor	64.00% 33.33% 100%	
2	Mr. Ferozur Rahman Vice Chairman	'My Heart' 8/1, Sukrabad Mohammadpur, Dhaka	Golden Dragon Ltd. Hotel Eram Intl. Ltd. Hotel Peacock M/s. Olio Enterprise Hotel Olio Dream Heaven	Director Director Director Proprietor Proprietor	15.34% 17.96% 65% 100% 100%	
3	Mr.Kamal Mostafa Chowdhury Director	"Bedura House" 72, Bangshal Road, Firingi Bazar, Kotwali, Chittagong	Raja Corporation Raja Securities Ltd. Holy Crescent Hospital Ltd. K. M. C. International	Proprietor Managing Director Director Proprietor	100% 14.29% 2.27% 100%	
4	Mr. Ashok Kumar Saha Director	29/B, Ghatforhadbeg Chittagong	NG Saha Steel Inds. (Pvt.) Ltd. NGS Cement Inds Ltd NGS Steel Inds. Ltd. Uttam Oil Mills Ltd. A.K. Saha Steel Industries (Pvt.) Ltd.	Director Director Managing Director Managing Director Chairman	33% 33% 33% 33% 33%	
5	Mr. Md. Monzurul Alam Director	218, D.T. Road, Dewanhat Chittagong	Taher & Co. Ltd. Golden Brick Works Ltd. Golden Steel Alloy Works Ltd. Al-Haj Mostafa Hakim- Housing & Real Estate Ltd. Golden Oxygen Ltd. Al-haj Mostafa Hakim Cement Ind. Ltd. Golden Iron Works Ltd. M/s. Monzur Alam Mutual Jute Spinner Ltd. Mostafa Hakim Container Yard Ltd. Al-Haj Mostafa hakim Bricks Ltd. Eagle Star Textile Mills Ltd. H.M. Steel & Ind. Ltd.	Managing Director Chairman	36714 shares 219725 shares 124163 shares 101000 shares 101000 shares 9500 shares 218525 shares 100% 4000 shares 5000 shares 5000 shares 303557 shares 10000 shares	
6	Mr. S. A. M. Hossain Director	Victor Electronics 400 Bipani Bitan (3rd Floor) Chittagong	Victor Electronics Samira Electronics Samira Trade Intl. Hotel Victory Ltd. Eastern Metal Ind. Chittagong Ltd.	Proprietor Proprietor Proprietor Chairman Chairman	100% 100% 100% 40% 12.50%	
7	Mr. Mohammed Abdul Aziz Director	168, Fakirapool Motijheel, Dhaka	New Ruma Products Alim International	Proprietor Proprietor	100% 100%	
8	Al-Haj Mohammed Shamsul Alam Director	M/s. Radio Vision 398, Bipani Bitan Chittagong	M/S. Radio Vision M/S. Pam Complex Pvt. Ltd. M/S. A.B. Electronics M/S. G. Telecom M/S. G. Net Digital Communication Midas Financing Ltd. R.B. Electronics Ind. Ltd	Managing Partner Managing Director Managing Partner Partner Partner Shareholder Managing Director	50% 31.50% 40% 33.33% 33.33% 10,00,000 shares 50%	



SI	Name & Status with Bank	Address	Name of Firms/Companies in whch interested as proprietor, partner, director, managing agent,guarantor employee, etc.	Position	Percentage (%) of Holding/Interst in the concern	Remarks
9	Mr. Gulzar Ahmed Director	Apan Jewellers Suvastu Imam Square (Ground Floor) 65 Gulshan Avenue Gulshan - 1, Dhaka - 1212	New Apan Jewellers	Proprietor	100%	
10	Mr. Md. Zahedul Hoque Director	284/285, Khatungonj Chittagong	M/S Zahed Brothers M/S NLZ Fashion M/S NLZ Fashion Ltd. M/S. Noor Oil & Food Products Ltd. M/S. Arafat Ltd.	Proprietor Proprietor Managing Director Director Director	100% 100% 80% 100%	
11	Al-Haj Md. Yousuf Chowdhury Director	8/B, O. R. Nizam Road Panchlaish R/A. Chittagong	Hotel Royel Palace Ltd. Royel Tower M/s. Lucky Traders M/s Lucky Trading Central Insurance Ltd.	Chairman Proprietor Proprietor Proprietor Director	100% 100% 100% 100% 100%	
12	Investment Corporation of Bangladesh, representing by it's Managing Director Mr. Md. Iftikhar-Ur-Zaman Director	Head Office Investment Corporation of Bangladesh (ICB) 8, Rajuk Avenue (14th Floor), Dhaka	Not Aç	oplicable		
13	Mr. S. S. Nizamuddin Ahmed Independent Director	House # 1, Road # 2/A (Banani Chairman Bari) Banani, Dhaka	Not Aç	pplicable		
14	Mr. Najmul Huq Chaudhury Independent Director	House # 232, Road # 9 Block # B, Chandgaon CDA R/A, Chittagong	Not A <sub>f</sub>	pplicable		
15	Mr. Md. Nazmus Salehin Managing Director & CEO Standard Bank Ltd. Chamber Building (3rd floor) 122-124, Motijheel C/A Dhaka - 1000.	Chamber Building (3rd floor) 122-124, Motijheel C/A, Dhaka - 1000	Not Aç	oplicable		



			as at 31 December 2015	nber 2015				
TS ST	Name of The Director	Status with Bank	Name of the Concern	Nature of Loan	Limit	Outstanding	Classification Status	Remarks
-	Mr. Kazi Akram Uddin Ahmed.	Chairman	M/s. Kazi & Co.	CC (Hypo)	400.00	0.17	DΠ	Regular
4	Mr. Ferozur Rahman	Vice Chairman	M/s. Olio Enterprise	SOD (General)	525.00	225.55	ΩC	Regular
3	Mr. Alhaj Mohammed Shamsul Alam	Director	M/s. Radio Vision.	CC (Hypo)	524.00	230.72	nc	Regular
7	Mr. Alhaj Md. Yousuf Chowdhury	Director	M/s. Lucky Traders.	CC (Hypo)	555.00	72.57	ΩC	Regular
2	Mr. A. S. M Hossain	Director	M/s. Samira Trade International.	CC (Hypo)	00.099	315.60	OUC	Regular
9	Mr. Alhaj Md. Monzurul Alam	Director	M/s. Monzurul Alam.	CC (Hypo)	570.00	576.15	DΩ	Regular
7	Mr. Mohammad Zahedul Haque	Director	M/s. N. L. Z. Fashion	CC (Hypo)	728.00	726.90	ΩC	Regular
∞	Mr. Md. Abdul Aziz	Director	M/s. Mohammed Abdul Aziz.	CC (Hypo)	89.00	14.00	nc	Regular
			M/s. Mohammed Abdul Aziz.	Letter of Credit	00.009	NIL	DΠ	Regular
			M/s. New Ruma Products	Letter of Credit		NIL	DΩ	Regular
			M/s. Alim International	Letter of Credit		NIL	ΩC	Regular
6	Mr. Kamal Mostafa Chowdhury	Director	M/s. Raja Corporation.	SOD (General)	00:089	NIL	DΠ	Regular
10	Mr. Ashok Kumar Saha	Director	Mr. Ashok Kumar Saha	SOD (General)	200.00	NIL	DΩ	Regular
				Total	5,831.00	2,161.66		



# STANDARD BANK LIMITED Investment in Shares of the Bank as at 31 December 2015

St Company Value Company Value Quoted:  1 First Bangladesh Fixed Income Fund 10 Sub Total Unquoted: 2 Market Stabilization Fund 3 SWIFT 4 Standard Exchange Co.(UK) Ltd. 5 Standard Express(USA) Ltd. 6 SBL Capital Mgt. Ltd.				
First Bangladesh Fixed Income Fund  sub Total  Central Depository Bangladesh Limited (CDBL)  Market Stabilization Fund  SWIFT  Standard Exchange Co.(UK) Ltd.  Standard Express(USA) Ltd.  SBL Capital Mgt. Ltd.	ne of the Face No of ompany Value Shares	Cost/present value of holdings	Average Quoted rate per share cost as at 31.12.15	Total market as at 31.12.15
Sub Total Sub Total  Central Depository Bangladesh Limited (CDBL)  Market Stabilization Fund  SWIFT  Standard Exchange Co.(UK) Ltd.  Standard Express(USA) Ltd.  SBL Capital Mgt. Ltd.				
Sub Total  Central Depository Bangladesh Limited (CDBL)  Market Stabilization Fund  SWIFT  Standard Exchange Co.(UK) Ltd.  Standard Express(USA) Ltd.  SBL Capital Mgt. Ltd.		150,000,000	7.74 6.30	122,089,036
Central Depository Bangladesh Limited (CDBL) Market Stabilization Fund SWIFT Standard Exchange Co.(UK) Ltd. Standard Express(USA) Ltd. SBL Capital Mgt. Ltd.		150,000,000		122,089,036
Central Depository Bangladesh Limited (CDBL) Market Stabilization Fund SWIFT Standard Exchange Co.(UK) Ltd. Standard Express(USA) Ltd. SBL Capital Mgt. Ltd.				
		156,548,164		156,548,164
	on Fund	2,000,000		2,000,000
		3,003,185		3,003,185
	ge Co.(UK) Ltd.	34,394,370		34,394,370
	(USA) Ltd.	109,200,000		109,200,000
	.td.	1,499,950,000		1,499,950,000
7 SBL Securities Ltd.		799,945,000		799,945,000
Sub Total		2,608,040,719		2,608,040,719
Total		2,758,040,719		2,730,129,755



#### Standard Bank Ltd. Name of Directors and their Shareholdings as on 31st December, 2015

		as on 31st December,	2015	
SL.	Name of Directors	Designation	Closing Share balance as on 31.12.2014	Closing Share balance as on 31.12.2015
1	Mr. Kazi Akram Uddin Ahmed	Chairman	1,34,26,817 Shares of Tk. 10/- Each Tk.13,42,68,170/-	1,54,40,839 Shares of Tk. 10/- Each Tk.15,44,08,390/-
2	Mr. Ferozur Rahman	Vice Chairman	1,18,14,856 Shares of Tk. 10/- Each Tk. 11,81,48,560/-	1,35,87,084 Shares of Tk. 10/- Each Tk. 13,58,70,840/-
3	Mr.Kamal Mostafa Chowdhury	Director	1,37,56,616 Shares of Tk. 10/- Each Tk. 13,75,66,160/-	1,58,20,108 Shares of Tk. 10/– Each Tk. 15,82,01,080/–
4	Mr. Ashok Kumar Saha	Director	1,14,60,992 Shares of Tk. 10/- Each Tk. 11,46,09,920/-	1,31,80,140 Shares of Tk. 10/- Each Tk. 13,18,01,400/-
5	Mr. Mohammad Monzurul Alam	Director	1,14,04,888 Shares of Tk. 10/- Each Tk. 11,40,48,880/-	1,31,15,620 Shares of Tk. 10/- Each Tk. 13,11,56,200/-
6	Mr. Serajul Anowar Mohammad Hossain	Director	1,55,27,285 Shares of Tk. 10/- Each Tk. 15,52,72,850/-	1,78,56,377 Shares of Tk. 10/- Each Tk. 17,85,63,770/-
7	Mr. Mohammed Abdul Aziz	Director	1,61,39,850 Shares of Tk. 10/- Each Tk. 16,13,98,500/-	1,85,60,827 Shares of Tk. 10/- Each Tk. 18,56,08,270/-
8	Al-Haj Mohammed Shamsul Alam	Director	1,48,69,370 Shares of Tk. 10/- Each Tk. 14,86,93,700/-	1,70,99,775 Shares of Tk. 10/- Each Tk. 17,09,97,750/-
9	Mr. Gulzar Ahmed	Director	1,14,15,750 Shares of Tk. 10/- Each Tk. 11,41,57,500/-	1,31,28,112 Shares of Tk. 10/- Each Tk. 13,12,81,120/-
10	Mr. Mohammad Zahedul Hoque	Director	1,30,11,338 Shares of Tk. 10/- Each Tk. 13,01,13,380/-	1,49,63,038 Shares of Tk. 10/- Each Tk. 14,96,30,380/-
11	Al-Haj Moammad Yousuf Chowdhury	Director	1,14,04,411Shares of Tk. 10/- Each Tk. 11,40,44,110/-	1,31,15,071 Shares of Tk. 10/- Each Tk. 13,11,50,710/-
12	Investment Corporation of Bangladesh (ICB) represented by it's Managing Director Mr. Md. Iftikhar-Ur-Zaman	Director	1,47,61,493 Shares of Tk. 10/- Each Tk.14,76,14,930/-	1,69,75,716 Shares of Tk. 10/- Each Tk.16,97,57,160/-
13	Mr. Sahazada Syed Nizamuddin Ahmed	Indipendent Director	1,72,748 Shares of Tk. 10/- Each Tk. 17,27,480/-	1,98,660 Shares of Tk. 10/- Each Tk. 19,86,600/-
14	Mr. Najmul Huq Chaudhury	Indipendent Director	Nil	Nil
15	Mr. Md. Nazmus Salehin	Ex-Officio Director	Nil	Nil



## Standard Bank Limited Highlights

SI.	Particulars	31.12.2015	31.12.2014
1	Paid up capital	6,557,407,850	5,702,093,780
2	Total capital	14,245,493,696	11,013,069,566
3	Capital surplus/(deficit)	2,551,851,127	1,050,789,566
4	Total assets	132,369,757,712	119,931,688,830
5	Total deposits	106,931,731,986	97,302,338,337
6	Total loans and advances	91,486,624,607	80,448,578,152
7	Total contingent liabilities and commitments	29,196,095,476	27,251,254,953
8	Credit deposit ratio	85.56%	82.68%
9	Percentage of classified loans against total loans and advances	3.23%	3.55%
10	Profit after tax and provision	1,596,425,236	1,213,395,240
11	Amount of classified loans during the year	2,958,782,375	2,852,619,914
12	Provisions kept against classified loan	1,576,604,262	1,550,636,184
13	Provision surplus/(deficit)	0	12
14	Cost of fund	9.75%	11.03%
15	Interest earning assets	110,940,335,842	99,435,832,496
16	Non-interest earning assets	21,429,421,870	20,495,856,334
17	Return on investment (ROI)	9.71%	9.27%
18	Return on assets (ROA)	1.27%	1.06%
19	Return on Equity (ROE)	13.91%	12.27%
20	Net Interest Margin (NIM)	2.65%	3.27%
21	Incomes from investment	1,891,335,401	1,807,896,485
22	Earning per share (Taka)	2.43	1.85
23	Price earning ratio (times)	3.78	6.86





### **Standard Bank Limited** Islami Banking Wing Statement of Financial Position (Balance Sheet) As At December 31, 2015

Particulars	Notes	31.12.2015 BDT	31.12.2014 BDT
PROPERTY AND ASSETS Cash Cash In Hand (Including Foreign Currencies) Balance with Bangladesh Bank and its agent Bank(s) (including foreign correncies)	1 1.1 1.2	<b>20,175,218</b> 636,255 19,538,963	<b>19,998,209</b> 940,452 19,057,757
<b>Balance with other Banks and Financial Institutions</b> In Bangladesh Outside Bangladesh	2	<b>372,300,000</b> 372,300,000 -	<b>453,640,041</b> 453,640,041
<b>Investments in Shares and Securities</b> Government Others	3	<b>16,000,000</b> 16,000,000 -	<b>15,000,000</b> 15,000,000 -
Investments General Investment Bills Purchased & Discounted	4	<b>187,406,641</b> 187,406,641	<b>61,271,432</b> 61,271,432 -
Fixed Assets Including Premises, Furniture & Fixtures Other Assets Non-Banking Assets	5 6	262,400 5,097,852 -	401,575 8,902,370 -
TOTAL ASSETS		601,242,111	559,213,627
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing From Banks & Other Financial Institutions	7		117,000,000
<b>Deposits and other Accounts:</b> Current/Al-Wadeeah Deposits & Other Deposits Bills Payable Savings Bank/Mudaraba Savings Deposits	8	265,359,290 15,717,286 937,578 21,077,525	271,092,570 11,455,678 431,555 18,968,018
Short Term Deposits/ Mudaraba Short Term Deposits Fixed Deposits/ Mudaraba Term Deposits Diposits Under Schemes/ Mudaraba Deposit schemes	9	1,520,344 219,550,094 6,556,463	464,178 230,203,556 9,569,585
OTHER LIABILITIES	10	334,912,405	168,202,696
TOTAL LIABILITIES Capital / Shareholder's Equity		600,271,695	556,295,266
Paid Up Capital Statutory Reserve General Reserve		- - -	-
Revaluation Reserve on Investment Surplus In Profit and Loss Account/Retained Earnings		970,416	2,918,361
Total Shareholders' Equity			
Total Liabilities and Shareholders' Equity		601,242,111	559,213,627



#### STANDARD BANK LIMITED **Islami Banking Wing** Statement of Financial Position (Balance Sheet) As at December 31, 2015

Particulars	Notes	31.12.2015 BDT	31.12.2014 BDT
OFF-BALANCE SHEET EXPOSURE			
Contingent Liabilities Acceptance and Endorsements Letters of Guarantee Irrevocable Letter of Credit Bills For Collection Other Contingent Liabilities Total		13,102,000 - - - 13,102,000	4,353,916 - - - - - 4,353,916
Other Comments Documentary Credits And Short Term Trade -Related Transactions Forward Assets Purchased And Forward Deposits Placed Undrawn Note Issuance And Revolving Underwriting Facilities Undrawn Formal Standby Facilities, Credit Lines And Other commitments		-	- - - -
TOTAL OFF-BALANCE SHEET ITEMS		13,102,000	4,353,916

**Managing Director** 

Director

Chairman

See annexed auditors' report to the Shareholders of the date.

SHAFIQ BASAK & CO.

**Chartered Accountants** 



#### STANDARD BANK LIMITED **Islami Banking Wing**

#### Statement of Comprehensive Income (Profit & Loss Account) for the year ended on 31st December, 2015

131 1112 / 3111 1111		24 42 2245	24.40.0044
Particulars	Notes	31.12.2015 BDT	31.12.2014 BDT
Profit on General Investment	11	42,187,549	55,543,143
Profit Paid on Deposits & Borrowings etc.	12	(21,351,426)	(34,368,211)
Net Profit on Investment		20,836,123	21,174,932
Investment Income	13	18,867	402,709
Commission, Exchange Earnings and Brokerage	14	221,272	147,250
Other Operating Income	15	581,002	977,366
Total Operating Profit(A)		21,657,264	22,702,257
Salaries and Allowances	16	12,044,503	11,486,606
Rent, Taxes, Insurance, Electricity etc	17	288,754	341,284
Legal Expenses Postage, Stamp, Telecommunication etc	18	64,507	60,209
Stationary, Printing, Advertisement etc	19	167,643	173,941
Directors' Fee & Other Benefits	20	128,183	94,617
Managing Director's Salary & Allowances Audit Fees		-	-
Depreciation And Repair of Bank's Assets	21	644,850	274215
Other Expenses	22	1,925,894	1,309,953
Total Operating Expenses(B) Profit/(Loss) Before Provision		15,264,334 6,392,930	13,740,825 8,961,432
,			, .
Specific Provision		732,168	1,736,172
General Provision		2,005,928	545361
Provision For Diminution In Value of Investments Provision For Off-Balance Sheet Items		- 131,020	43,539
Total Provision(D)		2,869,116	2,325,072
Total Profit/(Loss ) Before Taxes(E)=(C-D) Provision for Tax expenses		3,523,814	6,636,360
Current Tax	23	2553398	3717999
Deferred Tax		-	
Net Profit/(Loss) after Taxation		970,416	2,918,361

**Managing Director** 

Chairman

See annexed auditors' report to the Shareholders of the date.

Chartered Accountants SHAFIQ BASAK & CO.



	•	31.12.2015 BDT	31.12.2014 BDT
1	Cash		
1.1	Cash In hand		
	In Local Currency	636,255	940,452
	In Foreign Currency Sub Total	636,255	940,452
1.2	Balance with Bangladesh Bank & its agent Bank(s)		
	(including foreign currency) In local Currency	19,538,963	19,057,757
	In Foreign Currency	19,556,905	19,037,737
	Sub Total	19,538,963	19,057,757
	Total	20,175,218	19,998,209
2	Balance with Other Banks & Finanacial Institutes		
	Placement as MTDR(Mudaraba Term Deposit) Hajj Finance Company Ltd	273,700,000	215,000,000
	Islamic Finance and Investment Ltd	98,600,000	75,000,000
	Al-Arafah Islami Bank Ltd	-	163,640,041
	Total	372,300,000	453,640,041
3	Investment in Shares & Securities Bangladesh Govt. Islami Investment Bond [renure(Yrs) Maturity Dt.		
	2 28.08.2016	5,000,000	5,000,000
	1 21.04.2016 <b>Total</b>	11,000,000 <b>16,000,000</b>	10,000,000 <b>15,000,000</b>
		.0,000,000	.5,000,000
4	General Investment		
	Bai Murabaha Tr	1 6 40 406	4,657,844
	SME Bai Muajjal Bai Muajjal & Bai MuajjalTerm	1,640,406 147,160,035	1,733,170 33,183,527
	HPSM(Hire Purchase shirkatul Melk)	25,899,275	10,525,164
	HPSM Staff Investment & Car Staff	4,685,925	5,426,757
	Quard against MTDR/Schemes	8,021,000	5,744,970
	Total	187,406,641	61,271,432
4.1	Classification of Investments Unclassified:	186,668,070	49,696,948
	Standard including staff Investments	182,914,307	44,607,156
	Special Mention Account (SMA)	3,753,763	5,089,792
	Classified:	738,571	11,574,484
	Sub standard	-	-
	Doubtful Bad/Loss	- 738,571	- 11,574,484
	Total	187,406,641	61,271,432
5	Fixed Assets Including Premises, Furniture & Fixtures		U1,Z/1,TJZ
	Furniture & Fixture	262,400	401,575
	Total	262,400	401,575

**Managing Director** 

Director

Director

Amprop

Chairman

See annexed auditors' report to the Shareholders of the date.

Chartered Accountants

SHAFIQ BASAK & CO.



		31.12.2015 BDT	31.12.2014 BDT
6	Other Assets		
U	Profit Receivable on MTDR With other FI	5,091,202	8,809,700
	Profit Receivable on Bond With B.Bank	5,031,202	80,000
	Excise Duty Adjustment(MTDR)	6,650	11,160
	Stamp in Hand	0,030 -	1,510
	Total	5,097,852	8,902,370
7	Bangladesh Govt. Islami Investment Bond Funds	3,037,032	0,302,370
•	buildings dove islam investment bond runus	_	70000000
		_	47000000
	Total	_	117,000,000
8	Current/Al-Wadeah Deposits & other deposits		117,000,000
Ū	Al-Wadiah Current Deposit	10,298,569	4,456,222
	Sundry Deposit(Notes-8.1)	5,418,717	6,999,456
	Total	15,717,286	11,455,678
8.1	Sundry deposits	.5,,255	,,
•••	Sundry creditors	4,636	150
	Margin on letter of Guarantee	200,000	235,000
	Profit payable on Mudaraba Deposits	4,809,311	6,177,352
	VAT, Excise duty & Income Tax	404,770	586,954
		5,418,717	6,999,456
9	Mudaraba Term Deposits		• •
	Client Deposit	219,550,094	230,203,556
	Bank Deposit	-	_
	Total	219,550,094	230,203,556
10	Other liabilities		
	Conventional Settlerment A/C	315,827,025	157,706,841
	Lfc payable	88,800	92,800
	Profit receivable on Bai-Murabaha Tr	-	318,489
	Profit receivable on SME Bai-Muajjal	213,205	247,346
	Profit receivable on Bai-Muajjal	13,314,011	1,742,085
	Bai-Murabaha Compensation Realized A/c	-	24,941
	Compensation Suspense A/c	6,403	1,771,438
	Accured Expenses	10,000	50,000
	Bai-Murabaha Compensation Realizable A/c	30,447	205,685
	Provision for Tax	2,553,398	3,717,999
	Specific Provision	732,168	1,736,172
	General Provision	2,005,928	545,361
	Provision for Off-Balance Sheet Items	131,020	43,539
	Total	334,912,405	168,202,696

**Managing Director** 

Chairman

See annexed auditors' report to the Shareholders of the date.

Chartered Accountants **SHAFIQ BASAK & CO.** 



		31.12.2015 BDT	31.12.2014 BDT
11	Profit received from Investment	551	331
•••	Profit on Investment	6,954,816	5,370,614
	Rent on Investment	2,636,820	2,007,935
	nent of presented	9,591,636	7,378,549
	Profit received from Other Banks & Fls	3,331,030	, ,5, 6,5 15
	Profit on MTDR with other FIs	32,595,913	48,164,594
		32,595,913	48,164,594
	Total	42,187,549	55,543,143
12	Profit paid on Deposits, Borrowing etc		
	Profit paid on Mudaraba Savings A/c.	555,909	478,027
	Profit paid on Mudaraba Term Deposits	19,709,551	21,620,522
	Profit paid on Mudaraba Special Notice Deposit	243,886	34,055
	Profit paid on Mudaraba Deposits scheme	82,055	47,585
	Profit paid on Mudaraba Hajj Savings Scheme	252,628	764,166
	Profit paid on Mudaraba Bond Fund	507,397	11,423,856
	Total	21,351,426	34,368,211
13	Profit on Investment against Islami		
	Bond with other Banks/NBFI		
	Profit on Islami Inv. Bond with B.Bank	18,867	402,709
		18,867	402,709
14	Commission, Exchange Earnings & Brokerage	42.027	4.4.720
	Commssion Earned- PO & Remittance etc	13,937	14,738
	Exchange Gain	648	7 200
	Handling Commission	51,877	7,200
	LC Advising Commission(Local) Bank Guarantee Commission	11,250 143,560	125 212
	Total	221,272	125,312 147,250
	lotal	221,272	147,230
15	Other Operating Income		
15	Account Service Charge	503,913	348,877
	Postage Charges Recoveries	8050	6,800
	Stationary Charges Recoveries	7935	6,780
	Charges on Clearing	13,944	-
	Other Income	47,160	614,909
	Total	581,002	977,366
			2,2.23

**Managing Director** 

Director

Director

Chairman

See annexed auditors' report to the Shareholders of the date.

Chartered Accountants **SHAFIQ BASAK & CO.** 



			31.12.2015	31.12.2014
16	Salaries & Allowances Basic salary		<b>BDT</b> 5,496,310	<b>BDT</b> 5,178,300
	House Rent Allownce		2,748,155	2,577,900
	Medical Allownce		874,134	895,000
	Conveyance Allownce House Maintenance & Utility		464,133 169,900	465,000 180,400
	Leave Fare Compensation		272,540	278,900
	Charge allowance		2,000	
	Remuneration For Probationers		158,500	67,500
	Bonus Provident Fund(Bank Contribution)		959,200 549,631	939,276 515,580
	Casual Wages		350,000	388,750
	Total	12,044,503	11,486,606	
17	Rent, Taxes, insurance, Electricity	etc etc		
	Insurance(on Deposit)		175,254	161,284
	Excise duty on MTDR with other Fin. Inst Total		113,500 <b>288,754</b>	180,000 <b>341,284</b>
			200,/34	341,204
18	Postage, Stamp, Telecommunicat Postage	cion etc	192	_
	Telecommunication		64,315	60,209
	Total		64,507	60,209
19	Stationary, printing, advertiseme	ent etc		
	Supplies And Stationeries		124,599	16,383
	Publicity & advertisement Computer Stationary		43,044	136,848 20,710
	Total		167,643	173,941
20	Directors fees & meeting expense	2S		
	Directors fees with VAT		88,550	46,000
	Traveling and haltage Refreshment & dinner		30,000 9,633	28,800 19,817
			128,183	94,617
21	Depreciation and repair of Bank's	s Assets	144.200	(7.215
	Depreciation on Furniture & Fixture Repair on Software & Hardware Mainter	nance	144,350 455,050	67,215 200,000
	Repair on Office appliance & equipment		45,450	7,000
	Total		644,850	274,215
22	Other Expenses			
	Local Conveyance Traveling		11,004	5,241
	Entertainment (office)		34,650 11,615	34,000 17,259
	Car Expenses		884,855	858,788
	Fuel And Lubricants		350,000	360,000
	Discomfort Allowance		19,200	21,400
	Newspaper and periodicals Membership Don. To Central Shariah Bo	pard	3,430 600,000	3,820
	Miscellaneous	out d	11,140	9,445
	Total		1,925,894	1,309,953
23	Current Tax	31.12.2015 31.12.2014		
		18867*20% 402709*20%	3773	80,542
		6374063*40% 8558723*42.5%	2,549,625 <b>2,553,398</b>	3,637,457 <b>3,717,999</b>
	\		2,333,390	3,717,999

**Managing Director** 

Director

Director

Andrew

Chairman

See annexed auditors' report to the Shareholders of the date.

Chartered Accountants

SHAFIQ BASAK & CO.



## Islami Banking Wing Fixed Assests as at 31st December, 2015 **Standard Bank Limited**

			בכל אסעון	INCH ASSESTS AS AL SISC DECEMBEL, EVIS	וזר שרירוווו	2017			Annexure-"1"
			Cost				Depreciation		
Description	Balance at 1st January 2015	Addition during the year	Adjustment for disposal	Balance at 31st December 2015	Balance at 1st January 2015	Balance at 1st Addition during Adjustment for January 2015 the year disposal	Adjustment for disposal	Balance at 31st December 2015	Written down value at 31st December 2015
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Furniture & Fixture	541495	ı		541495	139920	145318	1	285238	256257
Office Appliances	6143			6143	'	,		,	6143
Total 31.12.2015	547638	0	0	547638	139920	145318	0	285238	262400
Total 31.12.2014	541495	•		541495	72705	67215		139920	401575

Chairman

**Managing Director** 

Chartered Accountants SHAFIQ BASAK & CO.

Housey Director

See annexed auditors' report to the Shareholders of the date.



#### Standard Bank Limited Islami Banking Wing MTDRs with other Bank / NBFI

as at 31st December 2015

Annexure-"2"

							Annexure-"2"
SI.	Bank / NBFI	MTDR NO	lssuing Date	Renew Date	Amount (Tk.)	Rate (%)	Expiry Date
1	Hajj Finance Company Limited, Principal Branch, Dhaka	0037	30.12.2009	30.12.2015	19,000,000.00	9.00%	30.06.2016
2	Hajj Finance Company Limited, Principal Branch, Dhaka	0064	22.05.2011	22.11.2015	20,000,000.00	9.00%	22.05.2016
3	Hajj Finance Company Limited, Principal Branch, Dhaka	00810	09.09.2014	09.09.2015	10,000,000.00	9.50%	09.03.2016
4	Hajj Finance Company Limited, Principal Branch, Dhaka	00823	25.09.2014	25.09.2015	25,000,000.00	9.50%	25.03.2016
5	Hajj Finance Company Limited, Principal Branch, Dhaka	00824	25.09.2014	25.09.2015	20,000,000.00	9.50%	25.03.2016
6	Hajj Finance Company Limited, Principal Branch, Dhaka	00841	29.10.2014	29.10.2015	30,000,000.00	9.50%	29.04.2016
7	Hajj Finance Company Limited, Principal Branch, Dhaka	00842	29.10.2014	29.10.2015	16,000,000.00	9.50%	29.04.2016
8	Hajj Finance Company Limited, BMMC Branch, Dhaka	0165	18.08.2011	18.08.2015	10,000,000.00	9.50%	18.02.2016
9	Hajj Finance Company Limited, Principal Branch, Dhaka	00862	08.12.2014	08.12.2015	50,000,000.00	9.00%	08.06.2016
10	Hajj Finance Company Limited, Principal Branch, Dhaka	00864	09.12.2014	09.12.2015	15,000,000.00	9.00%	09.06.2016
11	Hajj Finance Company Limited, Principal Branch, Dhaka	00896	26.01.2015	26.07.2015	25,000,000.00	9.50%	26.01.2016
12	Hajj Finance Company Limited, Principal Branch, Dhaka	00899	01.02.2015	01.08.2015	6,000,000.00	9.50%	01.02.2016
13	Hajj Finance Company Limited, Principal Branch, Dhaka	00938	25.03.2015	25.09.2015	3,800,000.00	9.50%	25.03.2016
14	Hajj Finance Company Limited, Principal Branch, Dhaka	01027	02.08.2015		4,000,000.00	9.50%	02.02.2016
15	Hajj Finance Company Limited, Principal Branch, Dhaka	01067	28.09.2015		4,400,000.00	9.50%	28.03.2016
16	Hajj Finance Company Limited, Principal Branch, Dhaka	01083	01.11.2015		9,000,000.00	9.25%	01.05.2016
17	Hajj Finance Company Limited, Principal Branch, Dhaka	01224	13.12.2015		6,500,000.00	9.00%	13.06.2016
	Sub Total				273,700,000.00		
1	Islamic Finance & Investment Limited, Principal Br., Dhaka	4902/245/13	10.09.2013	10.09.2015	20,000,000.00	8.00%	10.03.2016
2	Islamic Finance & Investment Limited, Principal Br., Dhaka	4905/248/13	12.09.2013	12.09.2015	20,000,000.00	8.00%	12.03.2016
3	Islamic Finance & Investment Limited, Principal Br., Dhaka	4975/314/13	13.11.2013	13.11.2015	5,000,000.00	8.00%	13.05.2016
4	Islamic Finance & Investment Limited, Principal Br., Dhaka	7237/555/14	16.11.2014	16.11.2015	30,000,000.00	8.00%	16.05.2016
5	Islamic Finance & Investment Limited, Principal Br., Dhaka	7320/29/15	25.01.2015	25.07.2015	20,000,000.00	8.00%	25.01.2016
6	Islamic Finance & Investment Limited, Principal Br., Dhaka	7540/248/15	25.05.2015	25.11.2015	3,600,000.00	8.00%	25.05.2016
	Sub Total				98,600,000.00		
	Grand Total (23 MTDRs)				372,300,000.00		

**Managing Director** 

Director

Director

Chairman

See annexed auditors' report to the Shareholders of the date.

Chartered Accountants

SHAFIQ BASAK & CO.





## AUDITORS' REPORT TO THE SHAREHOLDERS OF STANDARD BANK SECURITIES LIMITED

We have audited the accompanying Financial Statement of Standard Bank Securities Ltd. namely Statement of Financial Position as at 31st December, 2015 and the related Statement of Comprehensive income, Statement of Cash Flows and Statement of Changes in Equity and Notes thereto for the year ended 31st December, 2015 and a summary of significant accounting policies and other explanatory information.

#### Respective responsibilities of management and auditors:

Management is responsible for the preparation and fair presentation of these financial statement in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Our responsibility is to express an independent opinion on this financial statements based on our audit.

#### Basis of our audit opinion

We conducted our audit in accordance with International Standards on Auditing as applicable in Bangladesh. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

#### **Opinion:**

In our opinion, the financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of Standard Bank Securities Ltd. as at 31st December, 2015 and their financial performance and cash flows for the year then ended prepared in accordance with Bangladesh Financial Reporting Standards.

#### We also report that:

- i. we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii. in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books; and
- iii. the statement of financial position and statement of comprehensive income along with the notes thereto deal with by this report are in agreement with the books of account; and
- iv. the expenditure incurred and payments made were for the purpose of the company's business for the period.

Dhaka: 9th February, 2016

SHAFIQ BASAK & CO.
Chartered Accountants



### STANDARD BANK SECURITIES LIMITED Statement of Financial Position

As at 31 December, 2015

Particulars	Notes	31.12.2015 BDT	31.12.2014 BDT
ASSETS:		551	551
Non-Current Assets:		326,125,418	326,844,518
Property, plant and equipment	4.00	5,925,418	6,644,518
Membership at Cost	5.00	320,200,000	320,200,000
Current Assets:		636,631,805	625,250,206
Advances, deposits and prepayments	6.00	3,616,990	4,204,990
Advance income tax	7.00	47,113,885	30,386,379
Receivable from DSE	8.00	259,462	37,751,940
Other receivable	9.00	6,919,122	5,045,567
Margin loan to Clients	10.00	114,831,495	106,854,542
Investment in shares	11.00	205,064,459	59,504,495
Cash and cash equivalents	12.00	258,826,392	381,502,293
Total Assets:		962,757,223	952,094,724
EQUITY & LIABILITIES:			
Shareholders' Equity:		835,746,718	871,032,568
Share capital	13.00	800,000,000	800,000,000
Retained earnings	14.00	35,746,718	71,032,568
Current Liabilities:		127,010,505	81,062,156
Payable to clients	15.00	8,213,964	29,138,570
Payable to DSE	16.00	6,071	5,483,930
Short term loan	17.00	50,549,627	-
Provision for expenses	18.00	211,320	304,897
Provision for diminution in value of Investment	19.00	13,183,894	5,450,020
Provision for Clients' margin loan	20.00	1,444,402	1,068,545
Provision for income Tax	21.00	53,401,227	39,616,194
Total Equity and Liabilities		962,757,223	952,094,724
Not Asset Value (NAV) Doy Shave		10.45	10.00
Net Asset Value (NAV) Per Share		10.45	10.89

Chief Executive Officer

Director

Chairman

Subject to our separate report of even date

**Shafiq Basak & Co.** Chartered Accountants



#### **STANDARD BANK SECURITIES LIMITED** Statement of Comprehensive Income For the year ended 31 December, 2015

	Particulars	Notes	31.12.2015 BDT	31.12.2014 BDT
A.	Operating Income: Brokerage commission Income from Investment Interest income Other operating income	22.00 23.00 24.00	65,189,877 12,741,212 11,924,091 40,393,923 130,651	105,450,660 18,610,090 41,608,918 45,101,992 129,660
В.	Less: Operating Expenses: Direct Expenses Administrative Expenses Financial Expenses	25.00 26.00 27.00	14,580,963 1,719,308 12,211,854 649,801	<b>14,514,124</b> 2,446,242 11,953,817 114,065
C.	Total Profit before Provision (A-B):		50,608,914	90,936,536
D.	<b>Provisions:</b> Provision for diminution in value of Investment Provision for clients margin loan	19.00 20.00	<b>8,109,731</b> 7,733,874 375,857	<b>5,628,939</b> 5,449,638 179,301
E. F.	Total Profit before Taxation (C-D): Less: Provision for taxation Net profit after Tax	21.00	<b>42,499,183</b> 13,785,033 <b>28,714,150</b>	<b>85,307,597</b> 19,279,648 <b>66,027,949</b>
G.	Earnings Per Share (EPS):	28.00	0.36	0.83

Chief Executive Officer

Chairman

Subject to our separate report of even date

Dhaka, February 9, 2016

**Shafiq Basak & Co.** Chartered Accountants



#### STANDARD BANK SECURITIES LIMITED Statement of Changes in Shareholder's Equity For the year ended 31 December, 2015

Particulars	Share capital	Retained earnings	Total (BDT)
Balance at 01 January 2015	800,000,000	71,032,568	871,032,568
Declaration of Dividend for the year 2014	-	(64,000,000)	(64,000,000)
	800,000,000	7,032,568	807,032,568
Net profit for the year 2015	-	28,714,150	28,714,150
Balance at 31 December 2015	800,000,000	35,746,718	835,746,718

#### STANDARD BANK SECURITIES LIMITED Statement of Changes in Shareholder's Equity For the year ended 31 December 2014

Particulars	Share capital	Retained earnings	Total (BDT)
Balance at 01 January 2014	800,000,000	33,004,619	833,004,619
Declaration of Dividend for the year 2013		(28,000,000)	(28,000,000)
	800,000,000	5,004,619	805,004,619
Net profit for the year 2014	-	66,027,949	66,027,949
Balance at 31 December, 2014	800,000,000	71,032,568	871,032,568

Chief Executive Officer

Chairman

Subject to our separate report of even date



#### STANDARD BANK SECURITIES LIMITED **Statement of Cash Flows**

For the year ended 31 December, 2015

	Particulars	31.12.2015 BDT	31.12.2014 BDT
A.	Cash Flow from Operating Activities Brokerage commission Other operating income Operating expenses Interest income on bank deposits Interest income on margin loan Capital gain on investment in securities Dividend on investment in securities Advance income tax Advances, deposits and prepayments Operating assets Payable to Standard Bank Limited Operating liabilities Net Cash flow from / (used in) Operating Activities	12,741,212 130,651 (13,493,523) 24,583,971 15,809,952 7,704,091 4,220,000 (16,727,506) 588,000 27,641,970 - (26,496,042) <b>36,702,776</b>	18,610,090 129,660 (13,265,958) 30,027,817 15,074,175 39,923,434 1,685,484 (24,966,566) 88,000 (42,790,384) (1,039,025) 18,610,368 <b>42,087,095</b>
В.	Cash Flow from Investing Activities Investment in Securities Acquisition of property, plant and equipment Net Cash flow from Investing Activities	(145,559,964) (368,340) <b>(145,928,304)</b>	(59,364,485) (305,441) <b>(59,669,926)</b>
C.	Cash Flow from Financing Activities: Share Capital Short Term Loan Dividend Paid Net Cash flow from Financing Activities	50,549,627 (64,000,000) (13,450,373)	(28,000,000) (28,000,000)
D.	Net Cash Inflow/(Outflow) in Cash and Cash Equivalents (A+B+C)	(122,675,901)	(45,582,831)
E.	Cash and Cash equivalents at beginning of the year	381,502,293	427,085,124
F.	Cash and Cash Equivalents at end of the year (D+E)	258,826,392	381,502,293
G.	Net Operating Cash Flow (NOCF) Per Share	0.46	0.53

Chief Executive Officer

Subject to our separate report of even date

Chairman

**Shafiq Basak & Co.** Chartered Accountants



## STANDARD BANK SECURITIES LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2015

#### 1.00 THE COMPANY AND ITS ACTIVITIES:

Standard Bank Securities Ltd. a subsidiary company of Standard Bank Limited was incorporated as a public limited company in Bangladesh on 22 November 2012 under the Companies Act 1994 bearing certificate of Commence of Business no. C-105752/12 having its Head Office at 2. DIT Avenue, Motijheel Commercial Area, Dhaka 1000.

#### 2.00 NATURE OF BUSINESS:

The main objectives of the Company is to carry on the business of Stock broker/ stock dealer and other related business in connection with the dealing of listed securities. Other objectives of the company are to buy, sell, hold or otherwise acquire or invest the capital of the company in shares, stocks and fixed income securities, etc. The company is the member of Dhaka Stock Exchange Limited.

#### 3.00 SIGNIFICANT ACCOUNTING POLICIES:

#### 3.01 Basis of presentation of financial statements:

The financial statements of the Company are prepared on a going concern basis under historical cost convention in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS), the Companies Act 1994, the Bangladesh Securities and Exchange commission (BSEC) Rules 1987 and other applicable laws and regulations applicable in Bangladesh.

#### 3.02 Components of Financial Statements:

Following are the components of these financial statements:

- (i) Statement of Financial Position
- (ii) Statement of Comprehensive Income
- (iii) Statement of Changes in Equity
- (IV) Statements of Cash Flows Statement
- (v) Accounting policies and explanatory notes

#### 3.03 Fixed Assets and Depreciation:

Fixed assets are stated at cost less accumulated depreciation. Cost represents cost of acquisition that includes purchase price and other directly attributable cost of bringing the assets to working conditions for its intended use. Depreciation is calculated on the cost of fixed assets in order to write off such amounts over the estimated useful life of such assets. Depreciation has been charged at the following rates on reducing balance from the date of acquisition.

Category of Assets	Rate of Depreciation
Office equipment	20%
Office renovation & Decoration	10%
Furniture & Fixture	10%
Computer & Server	20%
Software	20%

#### 3.04 Reporting Period:

These financial statements covers from 1st January 2015 to 31st December 2015 and followed consistently.

#### 3.05 Cash and Cash Equivalents:

Cash and Cash Equivalents comprise cash in hand and cash at Bank and Investment in FDR which are held and available for use by



the company without any restriction and are readily convertible to a known amount of cash and that, are subject to an insignificant risk of change in value.

#### 3.06 Investments:

Investment in Shares have been recognized at cost valued on aggregate basis. 20% provision for diminution in value of shares has been made as per BSEC guidelines on each quarter for the next five quarters starting from December 2015 and Stock dividend (Bonus Shares) are added with existing shares with at zero cost which results decrease in per unit cost price of the existing shares.

#### 3.07 Advance, Deposits and Prepayments:

Advance are initially measured at cost. After initial recognition advance are carried at cost less deduction, adjustments or charges to the account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to income statement.

#### 3.08 Accounting for provisions:

The company recognizes provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

#### 3.09 Provision for Taxation:

Current tax has been made on the basis of the Finance Act 2015. Income tax withheld from the transactions of traded securities in accordance with section 53BBB @ 0.05% is the final tax liability of the company under section 82C of Income Tax Ordinance (ITO) 1984.

#### 3.10 Revenue recognition:

Revenue comprises of brokerage commission, Interest on margin loan, Interest on deposit & other income. Details of revenue recognition policy are given below:

- 1) Brokerage commission is recognized as income when selling or buying orders are executed.
- 2) Interest on margin loan recognized on accrual basis. Such income is calculated considering daily margin loan balance of the respectable clients.
- 3) Capital gains/ (loss) are recognized when right to receive payment is established whereas profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and is realized or loss in incurred.
- 4) Cash dividend income is recognized on the declaration of dividend and subsequent receipt of such dividend.
- 5) Other income represents BO Account opening fees & IPO Application fee.

#### 3.11 Margin loan to clients:

Standard Bank Securities Limited extends margin loan to the portfolio investors at an agreed ratio (between investors deposit and loan amount) of purchased securities against the respective investor account. The investors are to maintain the margin as per set rules and regulations. The margin is monitored on daily basis as it changes due to change in market price of shares. If the margin falls below the minimum requirement, the investors are required to deposit additional fund to maintain margin as per rules otherwise the securities are sold to bring the margin to the required level.

#### 3.12 Cash flow Statement:

Statement of Cash Flows is prepared principally in accordance with IAS-7 "Cash Flow Statement" and the cash flows from operating activities have been presented under direct method as required by the Securities and Exchange Rules 1987.

#### 3.13 General:

- 1) The financial statements are presented in Bangladeshi Taka (BDT) Currency, which is the company's functional currency.
- 2) Figures in these notes and annexed financial statements have been rounded off to the nearest Taka
- 3) Figures and account titles of previous year have been rearranged whenever considered necessary to conform with current year's presentation.



		Amount in Taka	
		31.12.2015	31.12.2014
4.00	PROPERTY, PLANT & EQUIPMENT: This is made up as follows:		
	Opening balance	8,409,640	8,104,199
	Add: Additions during the year	368,340	305,441
	Closing balance (A)	8,777,980	8,409,640
	Depreciation :		
	Opening balance	1,765,122	516,956
	Add: Charges during the year	1,087,440	1,248,166
	Closing balance (B)	2,852,562	1,765,122
	Written down value (A-B)	5,925,418	6,644,518
	The details of the above balance have been Shown in Annexure-1.		
5.00	MEMBERSHIP AT COST:		
	This is as follows:		
	Dhaka Stock Exchange Ltd.	320,200,000	320,200,000

Membership of Dhaka Stock Exchange Limited as shown above is based on purchasing cost. After demutualization DSE Allotted 72,15,106 number of ordinary shares ( of which 43,29,064 shares blocked with DSE Demutualization Block Accounts). The membership issue of DSE (At Cost) above will settle in due course getting future guidelines and advice from the regulator.

6.00	ADVANCES, DEPOSITS AND PREPAYMENTS This is made up as follows:		
A.	Advance:	3,412,000	4,000,000
	Office Rent (Head Office)	1,862,000	2,450,000
	Advance to Ada Soft Bangladesh	500,000	500,000
	Office Space at DSE Tower, Nikunja	1,050,000	1,050,000
В.	Deposits:	204,990	204,990
	Central Depository Bangladesh Ltd (CDBL)	200,000	200,000
	BTCL	4,990	4,990
	Total (A+B):	3,616,990	4,204,990
	Total (ATD).	3,010,990	4,204,330
7.00	ADVANCE INCOME TAX: This is made up as follows:		
	Opening balance	30,386,379	5,419,813
	Add: Advance paid During the year (Note 07.01)	16,727,506	24,966,566
	Total:	47,113,885	30,386,379
	<b>07.01 Advance income tax paid during the year</b> This is made up as follows:		
	AIT on Interest income	2,567,173	4,142,609
	Advance Corporate Tax	11,167,993	16,649,686
	AIT on dividend	251,980	325,198
	AIT on Traded securities *	2,740,360	3,849,073
	Total:	16,727,506	24,966,566

<sup>\*</sup> The above amount represents tax deducted from the transactions of traded securities @ 0.05% which is the final tax liability of the Company under section 82C of the IT Ordinance 1984.



8 00	DECEIVARI	F FROM DSF.

This is made up as follows: Stock Broker Stock Dealer

Total:

#### 9.00 OTHER RECEIVABLE:

This is made up as follows: Accrued interest on FDR Dividend on Investment in shares

Total:

#### 10.00 MARGIN LOAN TO CLIENTS:

This is made up as follows: Portfolio Margin Loan to Clients

Total:

Amount in Taka			
31.12.2015	31.12.2014		
259,462	15,247,253		
-	22,504,687		
259,462	37,751,940		
3,899,622	4,986,167		
3,019,500	59,400		
6,919,122	5,045,567		
114,831,495	106,854,542		
114,831,495	106,854,542		

The above amount represents loan entitled to clients for trading of shares on the secondary capital market in Bangladesh. Margin loans extended on ratio based on the equity invested by individual customers.

#### 11.00 INVESTMENT IN SHARES:

This is made up as follows:

Investment in quoted securities ( Note:11.01)

205,064,459	59,504,495

11.01 This represents investment in quoted securities at a cost value. Details of investment in quoted securities as of 31 December 2015 are as under:

SI. No.	Name of Securities	Cost Value	Market Price	<b>Provision Required</b>
1	Aman Feed Ltd.	2,421,034	2,279,970	(141,064)
2	Baraka Power Ltd.	115,921	122,800	6,879
3	Delta Life Insurance	10,638,318	7,332,000	(3,306,318)
4	Dhaka Electric Supply Company Ltd.	1,757,167	1,554,000	(203,167)
5	Generation Next Fashion Ltd.	4,153,341	3,080,000	(1,073,341)
6	Grameen Phone Ltd.	13,635,026	12,650,000	(985,026)
7	Heidelberg Cement BD. Ltd.	8,612,097	8,431,500	(180,597)
8	ICB	12,787,236	10,903,800	(1,883,436)
9	Jamuna Oil Company Ltd.	27,551,684	21,994,000	(5,557,684)
10	Lafarge Surma Cement Ltd.	57,551,215	37,300,000	(20,251,215)
11	MJL Bangladesh Ltd.	12,971,015	11,316,000	(1,655,015)
12	Meghna Petroleum Ltd.	11,808,738	9,156,000	(2,652,738)
13	Power Grid Company of Bangladesh Ltd.	17,167,956	16,065,000	(1,102,956)
14	Titas Gas Transmission & Dist. Co. Ltd.	5,656,796	4,740,000	(916,796)
15	United Power Generation & Dist. Co. Ltd.	18,236,915	14,020,000	(4,216,915)
	Total	205,064,459	160,945,070	(44,119,388)

#### 12.00 CASH AND CASH EQUIVALENTS:

This is made up as follows: Cash in hand Investment in FDR with Standard Bank Ltd. (Note:12.01)

Cash at Bank (Note:12.02)

Total:

258.826.392	381.502.293
54,776,392	115,611,236
204,050,000	265,891,057
-	-



					Amo	ount in Taka
					31.12.2015	31.12.2014
2.01		ent in FDR with St le up as follows:	andard Bank Ltd:			
	Sl. No.	FDR No.	<u>A/c. No.</u>			
	1 2 3 4 5	141335 141334 157744 157746 157745	255030200 255030199 255030709 255030711 255030710		102,025,000 102,025,000 - - -	107,363,154 107,363,154 30,636,250 10,264,249 10,264,250
	Total :				204,050,000	265,891,057
2.02	Cash at B This is mad	a <b>nk:</b> le up as follows:	A/C No:			
	Al-Arafah Is		236001852 236001884 21220004023 21220004067 21220004473		3,022,886 1,664,679 28,242,965 21,813,768 32,094	4,540,802 - 50,672,580 60,099,929 297,925
	Total :				54,776,392	115,611,236
13.00	SHARE CA	APITAL:				
		<b>ithorized</b> 0,000,000 ordinary sl	hares of Taka 10 each		2,000,000,000	2,000,000,000
	13.2 ls:	sued, subscribed	and paid-up capital			
	80				800,000,000	800,000,000
		,000,000 ordinary sh	ares of Taka 10 each fully poof the Company are as und		800,000,000	800,000,000
SI.		,000,000 ordinary sh areholding position c	ares of Taka 10 each fu <b>ll</b> y pa		800,000,000 Total Taka	800,000,000 % of Share Holding
2 2 3 4 6 6 7 1 1	Sh No.  1 2 3 4 5 6 7 8 9 0 1 2 3 3	,000,000 ordinary sh. areholding position of Standard Bank Li Rep: Mr. Md. Na Mr. Kazi Akramuc Al-haj Mohd. You Mr. S.A.M Hossa Mr. Ashok Kumai Mr. Md. Zahedul Ms.Bedowra Ahr Mr.Tanveer Mosi Mr. A.K.M Abdul Mr. Azad Ahmed Mr. Mohammed Mr. Md. Shahed	ares of Taka 10 each fully por of the Company are as und f Shareholder imited zmus Salehin) ddin Ahmed isuf Chowdhury in r Saha Hoque ned Salam tafa Chowdhury Alim	er:		
2 2 3 3 4 8 9 9 1 1 1 1	No.  1 2 3 4 5 6 7 8 9 0 1 2 3  RETAINED This is mad Opening be Less: Issual	,000,000 ordinary shareholding position of Standard Bank Li Rep: Mr. Md. Na Mr. Kazi Akramud Al-haj Mohd. You Mr. S.A.M Hossa Mr. Ashok Kumai Mr. Md. Zahedul Ms. Bedowra Ahr Mr. Tanveer Mosi Mr. Ak.M Abdul Mr. Azad Ahmed Mr. Md. Shahed ICB (Rep; Mr. Md. Total:  D EARNINGS: le up as follows:	ares of Taka 10 each fully poor the Company are as und  f Shareholder  Imited Imited Issuf Chowdhury In Issuf Chowdhury In Issuf Chowdhury Iss	No. of Shares 79,994,000 500 500 500 500 500 500 500 500 500	Total Taka 799,940,000 5,000 5,000 5,000 5,000 5,000 5,000 5,000 5,000 5,000 5,000 5,000 5,000 5,000 5,000 5,000 5,000	99.9928  0.0006 0.0006 0.0006 0.0006 0.0006 0.0006 0.0006 0.0006 0.0006 0.0006 0.0006 0.0006 0.0006



		Amount in Taka	
		31.12.2015	31.12.2014
15.00	PAYABLE TO CLIENTS: This is made up as follows:		
	Other Clients	6,724,956	13,936,119
	SBL Capital Management Ltd.	1,489,008	15,202,451
	Total:	8,213,964	29,138,570

This represents clients' un-invested amount which is being held for buy of marketable securities or refund to the clients as per their instructions.

16.00	PAYABLE TO DSE: This is made up as follows:		
	Stock Broker	6,071	5,483,930
	Stock Dealer Total:	6,071	5,483,930
		5,07.1	5/105/255
17.00	SHORT TERM LOAN:		
	This is made up as follows:		
	Opening Balance	-	-
	Add: Addition during the year	50,549,627	-
		50,549,627	-
	Less: Refund during the year	-	-
	Closing Balance	50,549,627	-

The above loan was taken from Standard Bank Limited, Principal Branch at an Interest rate of 10% per annum Vide reference No. SBL/PB/CR/SOD(FO)/2015, dated November 22, 2015

18.00	<b>PROVISION FOR EXPENSES:</b> This is made up as follows:		
	CDBL charges	39,731	100,997
	Audit fee	25,000	50,000
	LFC Payable	142,839	146,400
	VAT Payable	3,750	7,500
	Total:	211,320	304,897
19.00	<b>PROVISION FOR DIMINUTION IN VALUE OF INVESTMENT:</b> This is made up as follows:		
	Opening balance	5,450,020	382
	Add: Provision made during the year*	7,733,874	5,449,638
	Total:	13,183,894	5,450,020

<sup>\*</sup> As per Directives of Bangladesh Securities and Exchange Commission dated 08 December 2015 (Circular # SEC/CMRRCD/2009-193/181, the required provisions for the year 2015 on unrealized loss of dealer account can be kept 20% on each quarter for the next five quarters starting from December 2015.

#### 20.00 PROVISION FOR CLIENTS MARGIN LOAN: This is made up as follows: Opening balance 1,068,545 889,244

Add: Provision made during the year\* 1,444,402 Total:

* As per Directives of Bangladesh Securities and Exchange Commission dated 08 December 2015 (Circular # SEC/CMRRCD/2009-193/181, the required	
provisions for the year 2015 on unrealized loss of margin loan account can be kept 20% on each quarter for the next five quarters starting from December 2015.	

375,857

21.00	<b>PROVISION FOR INCOME TAX:</b> This is made up as follows:			
	Opening balance	39,616,194		20,336,546
	Add: Provision made during the year	13,785,033		19,279,648
	Total:	53,401,227	Ī	39,616,194

179,301

1,068,545



		Amount	t in Taka
		31.12.2015	31.12.2014
2.00	INCOME FROM INVESTMENT:		
	This is made up as follows:		
	Capital gain on investment in securities	7,704,091	39,923,434
	Dividend on investment in securities	4,220,000	1,685,484
	Total:	11,924,091	41,608,918
.00	INTEREST INCOME:		
	This is made up as follows:		
	Interest on bank deposit (Note- 23.01)	24,583,971	30,027,817
	Interest income on margin loan	15,809,952	15,074,175
	Total:	40,393,923	45,101,992
3.01	INTEREST ON BANK DEPOSIT:		
	This is made up as follows:		
	SND account on Standard Bank Limited	320,878	389,768
	SND account on Al Arafah Islami Bank Ltd.	2,461,158	2,808,742
	FDR with Standard Bank Limited	21,801,935	26,829,307
	Total:	24,583,971	30,027,817
.00	OTHER OPERATING INCOME		
	This is made up as follows:		
	BO account fee	44,058	104,700
	Yearly BO maintenance fee	64,300	24,400
	IPO Application fee	22,293	560
	Total:	130,651	129,660
.00	DIRECT EXPENSES:		
	This is made up as follows:		
	Laga charges	1,370,144	1,560,113
	Hawla charges	350	200,494
	CDBL charges	348,814	685,635
	Total:	1,719,308	2,446,242

cribed by DSE. CDBL Charge paid against CDS charge to CDBL.

#### 26.00 ADMINISTRATIVE EXPENSES:

This is made up as follows:
Salary and Allowances (Note:26.01)
Rent, Taxes, Insurance, Electricity etc. (Note:26.02)
Board Meeting Expenses (Note:26.03)
Stationery, Printing, Advertisements etc. (Note:26.04)
Audit & Consultancy fees (Note:26.05)
Postage, Stamp, Telecommunication etc. (Note:26.06
Repair and Maintenance (Note:26.07)
Registration & Renewal fees (Note:26.08)
Depreciation on Fixed Assets (Note:26.09)
Other Expenses (Note:26.10)
Total:

7,520,007	7,331,790
1,607,059	1,618,149
534,220	436,126
96,150	133,819
57,500	65,550
304,789	277,066
45,301	112,245
136,010	105,010
1,087,440	1,248,166
823,378	625,896
12,211,854	11,953,817



		Amour	nt in Taka
		31.12.2015	31.12.2014
26.01	SALARIES AND ALLOWANCES:		
	This is made up as follows:		
	Basic salary	3,556,240	3,408,600
	House rent allowance Conveyance allowance	1,778,120 321,871	1,704,300 330,000
	Medical allowance	465,697	471,600
	House maintenance	68,400	68,400
	Leave fare compensation (LFC)	142,839	146,400
	Washing allowance	7,500	6,000
	Company's contribution to provident fund	355,624	340,860
	Casual wages Festival bonus	221,966 601,750	267,720 587,910
	Total:	7,520,007	7,331,790
26.02	RENT, TAXES, INSURANCE, ELECTRICITY, ETC: This is made up as follows:		
	Office Rent	1,281,840	1,281,840
	Sharing of Infrastructure charge	120,000	110,000
	WASA charge	28,092	31,947
	Lift charge	30,000 147,127	30,000 164,362
	Electricity bill  Total:	1,607,059	1,618,149
		, ,	
26.03	BOARD MEETING EXPENSES: This is made up as follows:		
	Director's Honorarium	211,600	184,000
	Director's Traveling Expenses	209,975	173,600
	Lunch & Refreshment and Misc exp.	112,645	78,526
	Total:	534,220	436,126
26.04	STATIONERY, PRINTING, ADVERTISEMENTS, ETC:		
	This is made up as follows:		
	Printing and stationery Computer accessories	61,050	95,564
	Advertisement & publicity	10,350 19,320	12,200 25,875
	Cutleries & Cookeries	5,430	180
	Total:	96,150	133,819
26.05	AUDIT & CONSULTANCY FEES:		
	This is made up as follows:		
	Audit fees	28,750	57,500
	Legal & Professional fees	28,750	8,050
	Total:	57,500	65,550
26.06	POSTAGE, STAMPS, TELECOMMUNICATION, ETC:		
	This is made up as follows:	105.000	162,000
	Wan Connectivity charges Telephone, fax and dish expenses	185,900 25,359	162,800 21,019
	Mobile expenses	76,000	78,000
	Wimax charge	12,115	11,842
	Stamp charges	4,360	3,045
	Postage & courier	1,055	360
	Total:	304,789	277,066



26.07 REPAIR AND MAINTENANCE: This is made up as follows: Cleaning expenses Vehicle maintenance (CNG) Office maintenance Total:  31.12.2015 31. 25,100 25,100 20,201 45,301	27,000 63,200 22,045 <b>112,245</b>
This is made up as follows:  Cleaning expenses  Vehide maintenance (CNG)  Office maintenance  20,201	63,200 22,045
Cleaning expenses 25,100 Vehicle maintenance (CNG) - Office maintenance 20,201	63,200 22,045
Office maintenance 20,201	22,045
10000	
26.08 REGISTRATION & RENEWAL FEES:	
This is made up as follows: Stock Broker & Stock Dealer cert. Renewal fee 20,000	20,000
Trade License fee 20,010 DP Registration Renewal fee 4,000	14,510 4,000
TC Reg. Renewal fee 40,000	-
Authorized Reg. Renewal fee 2,000 Training course Reg. fee -	12,500 4,000
TREC Reg. Renewal fee 50,000 <b>Total:</b> 136,010	50,000 <b>105,010</b>
26.09 DEPRECIATION ON FIXED ASSETS:	
This is made up as follows: Furniture & Fixture  50,962	56,161
Office equipment 143,058 Office renovation & decoration 203,460	164,945 226,066
Computer & Server 661,188 Software 28,772	798,556 2,438
Total: 1,087,440	1,248,166
26.10 OTHER OPERATING EXPENSES: This is made up as follows:	
Traveling & Conveyance 42,562 DSE charges 21,832	15,290 4,409
Petrol, Oil & Lubricant's	120,000
Car Expenses 285,996 TWS Set up fees 10,000	265,163 5,000
Newspaper & Periodicals Entertainment 6,654 87,902	5,711 92,344
Misc. Expenses 2,090 Uniform and liveries 5,954	1,170 6,500
Internship Allowance 15,000 RJSC Expenses 80,488	1,750
Business Development Cost -	3,000 105,559
Security Service         144,900           Total:         823,378	625,896
27.00 FINANCIAL EXPENSES: This is made up as follows:	
Bank Charges 108,134	114,065
Interest Expenses on Short Term Loan 541,667  Total: 649,801	114,065
28.00 EARNING PER SHARE (EPS): This is made up as follows:	
Net profit after tax 28,714,150	66,027,949
Number of Ordinary Share 80,000,000 Earnings Per Share 0.36	80,000,000 <b>0.83</b>



## Schedule of Property, Plant & Equipments For the year ended 31 December, 2015 STANDARD BANK SECURITIES LIMITED

Annexure-1

(Figures in BDT)

		Cost				Depreciation		
Particulars	Balance as at 01.01.2015	Additions	Total as at 31.12.2015	Rate %	Balance as at 01.01.2015	Charged for the year	Total as at 31.12.2015	Written Down Value as at 31.12.2015
Furniture & Fixture	578,185	85,000	663,185	10	72,736	296'05	123,698	539,487
Office equipment	903,923	222,040	1,125,963	20	244,144	143,058	387,202	738,761
Office renovation & Decoration	2,337,615	1	2,337,615	10	303,018	203,460	506,478	1,831,137
Computer & Server	4,443,617	61,300	4,504,917	20	1,142,786	661,188	1,803,974	2,700,943
Software	146,300	ı	146,300	20	2,438	28,772	31,210	115,090
Total:	8,409,640	368,340	8,777,980		1,765,122	1,087,440	2,852,562	5,925,418

Chief Executive Officer

Chairman

**Shafiq Basak & Co.** Chartered Accountants

Subject to our separate report of even date

Dhaka, February 9, 2016





#### AUDITORS' REPORT TO THE SHAREHOLDERS OF SBL Capital Management Limited

We have audited the accompanying Financial Statement of SBL Capital Management Limited namely Statement of Financial Position (Balance Sheet) as at 31st December, 2015 and the related Statement of profit or loss and other comprehensive income (Income and Expenditure Statement), Statement of Cash Flows and Statement of Changes in Equity and Notes thereto for the year ended 31st December, 2015 and a summary of significant accounting policies and other explanatory information.

#### Respective responsibilities of management and auditors

The preparation of these financial statements is the responsibility of the management of the Company in accordance with General Accounting Principles and International Accounting Standards / International Financial Reporting Standards so far as adopted by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards /Bangladesh Financial Reporting Standards and for such internal control as management determine is necessary to enable the preparation of financial statements that were free from material misstatement, whether due to fraud or error. Our responsibility is to express an independent opinion on these financial statements based on our audit.

#### Basis of our audit opinion

We conducted our audit in accordance with International Standards on Auditing as applicable in Bangladesh. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

#### **Opinion:**

In our opinion, the financial statements present fairly, in all material respect (or give a true and fair view of) the financial position of SBL Capital Management Limited as at 31st December, 2015 and their financial performance and cash flows for the year then ended and prepared in accordance with Bangladesh Financial Reporting Standards.

#### We further report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books.
- c) the Statement of Financial Position and the Statement of profit or loss and other comprehensive income along with the notes thereto dealt with by this report are in agreement with the books of account; and
- d) the expenditure incurred and payments made were for the purpose of the Company's business.

SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS

Dhaka, March 21, 2016



#### **SBL CAPITAL MANAGEMENT LIMITED** (A Subsidiary Company of Standard Bank Limited) **Statement of Financial Position**

As at 31st December, 2014

	.,		
Particulars	Notes	31.12.2015 BDT	31.12.2014 BDT
ASSETS:			
Non-Current Assets:		3,793,341	4,219,024
Property, Plant & Equipment	2.00	3,793,341	4,219,024
Current Assets:		4,071,088,878	3,800,104,734
Advances, Deposits & Prepayments	3.00	2,066,990	2,654,990
Investment in Shares	4.00	1,760,723,528	1,595,581,457
Margin Loan to Clients	5.00	2,142,209,731	1,893,308,756
Accounts Receivable	6.00	4,728,888	19,246,973
Advance Income Tax	7.00	119,647,334	98,252,271
Stock of Stationery	0.00	47,390	20,390
Cash & Bank Balances	8.00	41,665,017	191,039,897
TOTAL ASSETS		4,074,882,221	3,804,323,758
EQUITY AND LIABILITIES:			
Capital and Reserve:		1,633,019,420	1,642,523,849
Share Capital	9.00	1,500,000,000	1,500,000,000
Retained Earnings	10.00	133,019,420	142,523,849
Current Liabilities:		1,723,729,290	1,583,366,340
Loan facilities from Standard Bank Limited	11.00	1,614,638,050	1,560,429,327
Loan from ICB for ASI-2011	12.00	80,180,401	-
Provision for Expenses	13.00	333,079	205,898
Sundry Deposit	14.00	27,147,640	21,722,095
Liability for withholding LFC & others	15.00 16.00	162,400	209,020 800,000
Accounts Payable	16.00	1,267,719	800,000
Other Liabilities:		718,133,509	578,433,570
Provision for Taxation	17.00	143,772,904	118,158,418
Provision for diminution in value of investment	18.00	415,277,439	351,752,422
Provision for Margin Loan	19.00	158,594,101	108,033,666
Provision for interest waiver to Affected Small Investors	20.00	489,064	489,064
TOTAL EQUITY AND LIABILITIES		4,074,882,220	3,804,323,758
NAV per share	32.00	108.87	109.50

The accompanying notes form an integral part of these financial statements.

Subject to our separate report of even date



#### **SBL CAPITAL MANAGEMENT LIMITED** (A subsidiary Company of Standard Bank Limited) Statement of Profit or Loss and Other Comprehensive Income for the year ended 31st December, 2015

Tor the year ended 3 ist be	tellibel, 2013		
Particulars	Notes	31.12.2015 BDT	31.12.2014 BDT
INCOME:			
Interest Income		284,614,262	291,886,194
Transaction /Settlement fees		13,163,596	22,737,741
Management fee		9,085,565	10,946,726
Gain on Sale of Shares		139,553,033	158,325,657
Dividend on Investment in Shares		36,518,979	34,135,256
Underwriting Commission		286,667	-
Interest on SND Accounts		5,366,923	11,183,702
Other Income	21.00	1,333,075	1,443,798
Total Income (A)		489,922,100	530,659,074
EXPENDITURE:			
Interest Expense	22.00	166,345,919	214,505,106
Salary & Allowances	23.00	7,372,964	7,568,157
Rent, Taxes, Insurance & Electricity	24.00	1,782,910	1,734,753
Postage, Stamp & Telecommunication	25.00	32,838	24,902
Stationery, Printing & Advertisement	26.00	171,034	154,265
Directors' Fee & Other benefits	27.00	465,234	391,673
Audit & Consultancy Fees	28.00	273,100	166,750
Depreciation		425,683	496,254
Other Expenses	29.00	1,902,842	2,565,137
Total Expenditure (B)		178,772,524	227,606,997
Profit before Provision (C=A-B)		311,149,575	303,052,077
Less: Provision for diminution in value of investments	18.00	63,525,018	19,489,085
Less: Provision for margin loan	19.00	50,560,435	82,678,166
Less: Provision for interest waiver to Affected Small Investors	20.00	-	<u>-</u>
Total Provision (D)		114,085,453	102,167,251
Profit/(Loss) before tax (E=C-D)		197,064,122	200,884,826
Less: Provision for Taxation	17.00	72,162,636	64,345,278
Profit/(Loss) after tax		124,901,486	136,539,548
Retained earnings brought forward from previous year		7,523,849	5,984,301
Retained earnings carried forward		132,425,335	142,523,849
Earnings per share	30.00	8.33	9.10

The accompanying notes form an integral part of these financial statements.

Chief Executive Officer

Dhaka, March 21, 2016



## SBL CAPITAL MANAGEMENT LIMITED (A subsidiary Company of Standard Bank Limited) Statement of Cash Flows

for the year ended 31st December, 2015

A   Cash Flow from Operating Activities: Net Profit after tax		Tor the year ended 5 1st Dece	111001, 2013		
Net Profit after tax		Particulars	Notes		
Increase / Decrease in Lability for withholding LFC Increase / Decrease in Lability for withholding LFC Increase in Provision for investment in securities Increase/Decrease in Over Provision for Tax for the Financial year 2013 Depreciation	A		10.00	124,901,486	136,539,548
Increase/Decrease in Liability for withholding LFC Increase in Provision for investment in securities Increase/Decrease in Corporate Income Tax Increase/Decrease in Advance Provision for Tax for the Financial year 2013 Depreciation  14.00 15.00 25.614.486 64.345.278  194.085 425.683 496.254  15.00 16.00 17.00 18.00 1		Add: Non Cash Transaction		90,239,834	84,219,058
Increase/Decrease in Sundry Deposit   14,000   5,425,545   (18,230,993)   Decrease/Increase in Advance Income Tax   7.00   14,518,085   (10,818,783)   Increase/Decrease in Advance deposit   16.00   16.00   18,950,633   (71,978,236)   16.00   16.00   16,719   16,000   16,		Increase/Decrease in Liability for withholding LFC Increase in Provision for investment in securities Increase/Decrease in Corporate Income Tax Increase/Decrease in Over Provision for Tax for the Financial year 2013	15.00 18.00 17.00	(46,620) 63,525,018 25,614,486 594,086	(26,787) 19,489,085 64,345,278 -
Increase/decrease in Investment in Shares Increase/decrease in Loan to Client Net cash flow from Investing Activities  C. Cash Used by Financing Activities: Increase/Decrease in Loan from SBL Increase/Decrease in Loan from SBL Increase/Decrease in Loan from ICB for ASI-2011 Dividend paid Net cash flow from financing activities  D. Net Increase in cash and cash equivalents D=(A+B+C) E. Opening cash and cash equivalents (D+E)  Cash & Cash Equivalents: Name of the Bank Account: SBL Capital Mgt. Ltd Investors A/c# 1807 SBL Capital Mgt. Ltd Own Portfolio A/c# 1810 SBL Capital Mgt. Ltd Own Portfolio A/c# 1810 SBL Capital Mgt. Ltd Own Portfolio A/c# 1810 Public Issue Application A/c# 1876  Increase/Decrease in Loan to Client (11.00 54,208,724 (260,491,994) 11.00 54,208,724 (120,000,000) (120,000,		Decrease/Increase in Accounts Receivable Increase/Decrease in Advance Income Tax Increase/Decrease in Advance deposit Increase/Decrease in Account Payable Increase/Decrease in Stock of Stationery Increase in Provision for Margin Loan	6.00 7.00 3.00 16.00	5,425,545 14,518,085 (21,395,063) 588,000 467,719 (27,000) 50,560,435	(18,230,993) (10,818,783) (71,978,236) 588,000 (3,021,855) 20,430 82,678,166
Increase/Decrease in Loan from SBL Increase/Decrease in Loan from ICB for ASI-2011 Dividend paid Net cash flow from financing activities  D. Net Increase in cash and cash equivalents D=(A+B+C) E. Opening cash and cash equivalents Closing cash and cash equivalents Closing cash and cash equivalents (D+E)  Cash & Cash Equivalents: Name of the Bank Account: SBL Capital Mgt. Ltd Investors A/c# 1807 SBL Capital Mgt. Ltd Own Portfolio A/c# 1810 Public Issue Application A/c# 1876  Increase in Loan from SBL (260,491,994) 12.00  S 80,180,401 (135,000,000) (120,000,000) (120,000,000) (120,000,000) (120,000,000) (149,374,880) (149,374,880) 191,039,897  84,954,525 106,085,372 191,039,897	В.	Increase/decrease in Investment in Shares Increase/decrease in Loan to Client		(248,900,975)	(30,448,894)
E. Opening cash and cash equivalents Closing cash and cash equivalents (D+E)  Cash & Cash Equivalents: Name of the Bank Account:  SBL Capital Mgt. Ltd Investors A/# 1807 SBL Capital Mgt. Ltd Own Portfolio A/c# 1810 SBL Capital Mgt. Ltd Own Portfolio A/c# 1876  SBL Capital Mgt. Ltd Own Portfolio A/c# 1876  8.00  40,514,120 8.01 8.01 881,971 8.01 859,673 8.01 3,489 41,665,017	C.	Increase/Decrease in Loan from SBL Increase/Decrease in Loan from ICB for ASI-2011 Dividend paid		80,180,401 (135,000,000)	(120,000,000)
Name of the Bank Account:       8.01         SBL Capital Mgt. Ltd Investors A/c# 1807       8.01         SBL Capital Mgt. Ltd A/c# 1808       8.01         SBL Capital Mgt. Ltd Own Portfolio A/c# 1810       8.01         Public Issue Application A/c# 1876       8.01         40,514,120       161,218,000         859,673       27,932,213         8.01       3,489         41,665,017       191,039,897		Opening cash and cash equivalents	8.00	191,039,897	106,085,372
Net Operating Cash Flow per share (Note-31) 17.69		Name of the Bank Account:  SBL Capital Mgt. Ltd Investors A/c# 1807  SBL Capital Mgt. Ltd A/c# 1808  SBL Capital Mgt. Ltd Own Portfolio A/c# 1810	8.01 8.01	881,971 265,437 3,489	859,673 27,932,213 1,030,011
		Net Operating Cash Flow per share (Note-31)		17.69	13.33

Chief Executive Officer

Dhaka, March 21, 2016

Chairman

SHAFIQ BASAK & CO



#### **SBL CAPITAL MANAGEMENT LIMITED** (A subsidiary Company of Standard Bank Limited) Statement of Changes in Shareholders Equity As at 31st December, 2015

Figures in Taka

			Retained Earnings	Total
Balance as on 01.01.2015	1,500,000,000	-	142,523,849	1,642,523,849
Dividend for the year 2014	-	-	(135,000,000)	(135,000,000)
Over Provision of income tax for the financial year 2013	-	-	594,086	594,086
Retained earnings during the year	-	-	124,901,486	124,901,486
Balance as on 31.12.2015	1,500,000,000	-	133,019,420.69	1,633,019,421
Balance as on 31.12.2014	1,500,000,000	-	142,523,849	1,642,523,849

Dhaka, March 21, 2016



## SBL CAPITAL MANAGEMENT LIMITED (A subsidiary Company of Standard Bank Limited) Notes to the financial statements as at 31st December, 2015

#### 1.00 Company and its Activities

SBL Capital Management Limited is a subsidiary company of Standard Bank Limited incorporated as a public limited company on 20th October, 2010 with the Registrar of Joint Stock Companies, Dhaka vide certificate of incorporation No. C-87663/10 dated 20 October, 2010 and commenced its business on the same date. The funtion of its were separated from Standard Bank Limited by forming a subsidiary company in terms of Bangladesh Bank's BRPD circular No. 12 dated: 14 October, 2009. Bangladesh Securities and Exchange Commission (BSEC) thereafter issued a full fledged Merchant Banking License in favour of SBL Capital Management Limited, vide letter No. SEC/Reg/MB/SUB/13/2010/529, dated: January 05, 2011 with effect from January 09, 2011.

#### 1.02 Principal Activities:

The main objectives of the Company is to carry out the business of full fledged merchant banking activities like margin loan provided to clients for the Investment in securities, issue management, portfolio management, underwriting, corporate advisory services etc.

#### 1.03 Significant Accounting policies:

#### **Statement of Compliance:**

The financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS)/ Bangladesh Accounting Standards (BAS), the Companies Act. 1994, Securities & Exchange Rules, 1987 and other applicable laws in Bangladesh.

#### **Basis of preparation of Financial Statements:**

The financial statements are prepared on a going concern basis under historical cost convention in accordance with Generally Accepted Accounting Principles. Wherever appropriate, such principles are explained in succeeding notes. The financial statements includes:

- i) Statement of Financial Position (Balance Sheet)
- ii) Statement of profit or loss and other Comprehensive Income
- iii) Statement of Cash Flows
- iv) Statement of Changes in Equity
- v) Accounting Policies and Explanatory Notes

#### 1.04 Reporting Period:

The Reporting period of the Company from 1st January, 2015 to 31st December, 2015.

#### 1.05 Statement of Cash Flows:

Statement of Cash Flow is prepared in accordance with the Bangladesh Accounting Standard (BAS)-7: Cash Flow statement has been presented under indirect method.

#### 1.06 Property, Plant and Equipments:

#### **Recognition and Measurement:**

Items of Property, Plant & Equipment (PPE) are initially measured at cost. After initial recognition, the item of PPE are carried at cost less accumulated depreciation and impairment losses. Depreciation is charged using reducing balance method as per Bangladesh Accounting Standard (BAS)

Category of Assets	Rate of Depreciation
Furniture & Fixture	10%
Office Equipment	20%
Renovation & Decoration	10%
Software	20%

#### 1.07 Cash and Cash Equivalents:

Cash and Cash Equivalents comprise cash in hand and bank balances, which were held and available for use of the Company without any restriction.

#### 1.08 Investments:

All Investment in securities are initially recognised at cost, being fair value of the consideration given, including acquisition charges associated with the investments. The valuation methods used for investments is:



**1.08.1** Investment in listed securities are acquired and held primarily as well as secondarily for the purpose of selling them in future or held for dividend income are reported at cost. Unrealised gain /(Loss) are not recognised in the statement of profit or loss and other comprehensive income.

#### 1.09 Receivables:

Receivables are recognised when there is a contractual right to receive cash of another financial assets from another entity.

#### 1.10 Share Capital

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

#### 1.11 Borrowing Funds:

Borrowing funds include borrowings from Standard Bank Limited (SBL) and Investment Corporation of Bangladesh (ICB), which is stated in the statement of financial position as Short Term Loan.

#### 1.12 Provision for Current Taxation:

Provision for current income tax has been made @ 37.50% on total income as prescribed in the Finance Act 2015 on the accounting profit made by the Company in compliance with BAS-12 "Income Taxes".

#### 1.13 Benefit to the Employees:

The retirement benefits such as Gratuity Fund, Incentive Bonus for the employees of the company as on reporting date have not yet been recongnised for in accordance with the provisions of Bangladesh Accounting Standards-19, "Employees Benefits" as the company is not yet decided for those benefits.

#### 1.14 Provision for Liabilities:

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the BAS-37 "Provisions, contingent liabilities and contingent Assets.

#### 1.15 Provision for Margin Loan:

A provision for Equity shortfall of investors in portfolios have been made as per circular of BSEC No. SEC/CMRRCD/2009-193/181 dated 08 December, 2015.

#### 1.16 Interest Income:

In terms of the provisions of BAS-18 "Revenue", interest income is recognised on accrual basis.

#### 1.17 Investment Income:

Investment Income on investment is recognised on accrual basis. Capital gains are recognised when these are realised.

#### 1.18 Fees and Commission Income:

Fees and Commission income arising on services provided by the Company are recognised on accrual basis.

#### 1.19 Dividend Income on Shares:

Dividend on shares is recognised during the period in which it is declared and ascertained i.e, establised as the right of shareholders.

#### 1.20 Events after the reporting period:

Where necessary, all the material events after the reporting date has been considered but no adjustment/disclosures is required to be made in the financial statements.

#### 1.21 Directors responsibility on Financial Statements:

The board of directors of the company is responsible for the preparation and presentation of these financial statements.



		Amount in Taka	
		2015	2014
2.00	Property, Plant & Equipments: <u>Tk. 3,793,341</u>		
	Opening Balance Add: Addition during the year Less: Adjustment Closing Balance (A)	5,735,594 - - - <b>5,735,594</b>	5,735,594 - - - - <b>5,735,594</b>
	Depreciation: Opening Balance Add: Charge for the period Less: Adjustment Closing Balance (B) Written Down Value (A-B) Details are shown in Annexure-1	1,516,569 425,683 - 1,942,253 3,793,341	1,020,316 496,254 - 1,516,569 4,219,024
3.00	Advance, Deposits & Prepayments: <u>Tk. 2,066,990</u>		
	Advance for Office Rent Advance for Custody DP-CDBL Security deposit <b>Total</b>	1,862,000 200,000 4,990 <b>2,066,990</b>	2,450,000 200,000 4,990 <b>2,654,990</b>
4.00	Investment in Shares: <u>Tk. 1,760,723,528</u>		
	Total Investments (Note-4.01) Total	1,760,723,528 <b>1,760,723,528</b>	1,595,581,457 <b>1,595,581,457</b>

4.01	Ordinary Shares	No. of Company	Cost value 31.12.2015	Cost value 31.12.2014
	Investment in Secondary Share Market (Note: 4.01.01)	61	1,760,723,528	1,595,581,457
	Total		1,760,723,528	1,595,581,457



	Amount in Taka	
	2015	2014
4.01.01 Investment in Secondary Share Market:	Cost value 31.12.2015	Cost value 31.12.2014
Banking Company	458,802,693	417,472,956
Non Banking Financial Institutions	207,153,236	208,233,255
Insurance Company	239,569,275	232,264,535
Investment Company	154,213,489	154,107,820
Fuel and Power	333,049,863	305,527,929
Mnufacturing Company and Others	367,934,970	277,974,962
Total	1,760,723,528	1,595,581,457

Investment in shares represents cost price of securities which have been invested by the company in the capital market. The details of the above balance have been shown in Annexure-2.

5.00	Margin Loan to Clients: Tk. 2,142,209,731		
	This is made up as follows:		
	Portfolio Margin Loan <b>Total</b>	2,142,209,731 <b>2,142,209,731</b>	1,893,308,756 <b>1,893,308,756</b>
6.00	Account Receivable: Tk. 4,728,888 This is made up as follows:		
	Receivable from Brokers against Investors portfolio Receivable from Brokers against Own Portfolio Underwriting Commission Receivable <b>Total</b>	2,834,128 216,759 1,678,000 <b>4,728,888</b>	3,700,948 13,518,025 2,028,000 <b>19,246,973</b>
7.00	Advance Income Tax: Tk. 119,647,334 This is made up as follows:		
	Opening Balance Add: Tax deducted at source during the year (Note: 7.01) Add: Advance Income Tax Paid during the year	98,252,271 8,138,730 59,210,397 165,601,398	26,274,035 9,751,875 62,226,361
	Less: Adjustment of Advance Income Tax for the Financial Year 2013	8,889,357	
	Less: Adjustment of demand Tax for the financial Year 2013  Closing Balance	156,712,041 37,064,707 <b>119,647,334</b>	98,252,271

Details break up of above balance have been given below:

Accounting year	Amount in Taka
2011	22,166,853
2012	10,379,479
2014	63,962,272
2015	23,138,730
	119,647,334

Income tax assessement has been completed for the financial year 2013 and advance tax paid for the year has been adjusted with demanded tax liabilities.



		Amount in Taka	
		2015	2014
7.01	Tax deducted: This is made up as follows: Tax deducted on Interest Income Tax deducted on Dividend Income & Others	805,038 7,333,692 <b>8,138,730</b>	1,677,555 8,074,320 <b>9,751,875</b>
8.00	Cash & Bank Balances: <u>Tk. 41,665,017</u>		
8.01	This is made up as follows: Cash in hand Bank Balances with SBL, Principal Branch (Note-8.01)  Total  Bank Balance with SBL, Principal Branch: SBL Capital Mgt. Ltd. Investors (A/C: 1807) SBL Capital Mgt. Ltd. (A/C: 1808) SBL Capital Mgt. Ltd. Own Portfolio (A/C: 1810) Public Issue Application (A/C: 1876)  Total	41,665,017 41,665,017 40,514,120 881,971 265,437 3,489 41,665,017	191,039,897 191,039,897 191,039,897 161,218,000 859,673 27,932,213 1,030,011 191,039,897
9.00	Share Capital:		
9.01	<b>Authorized Capital:</b> <u>Tk. 5,000,000,000</u> 50,000,000 Ordinary Shares of TK. 100/- each	5,000,000,000	5,000,000,000
9.02	<b>Issued, Subscribed and Paid Up Capital:</b> <u>Tk. 1,500,000,000</u> 15,000,000 Ordinary Shares of TK. 100/- each	1,500,000,000 <b>1,500,000,000</b>	1,500,000,000 <b>1,500,000,000</b>
9.03	Pattern of Shareholdings:	1,500,000,000	1,500,000,000

Name	No. of Shares	Amount (TK.)	% of Share
Mr. Kazi Akramuddin Ahmed	50	5,000	0.0003%
Mr. Kamal Mostafa Chowdhury	50	5,000	0.0003%
Mr. Mohammed Abdul Aziz	50	5,000	0.0003%
Mr. S.A.M. Hossain	50	5,000	0.0003%
Mr. Mohammed Zahedul Hoque	50	5,000	0.0003%
ICB represented by the Managing Director	50	5,000	0.0003%
Mr. Tazmeem Mostafa Chowdhury	50	5,000	0.0003%
Dr. Mohammed Rezaul Islam	50	5,000	0.0003%
Mr. Sheikh Omar Faruque	50	5,000	0.0003%
Mr. Md. Nizamul Alam	50	5,000	0.0003%
Mr. Md. Shahedul Alam	50	5,000	0.0003%
Standard Bank Limited represented by the			
Managing Director	14,999,450	1,499,945,000	99.9967%
Total	15,000,000	1,500,000,000	100.0000%



This is made up as follows: Opening Balance Less: Dividend paid

Add: Prior year's adjustment (Over provision of income tax) (10.01)

Add: Profit for the year

Tota

Amount in Taka			
2015	2014		
4.42.522.040	425.004.204		
142,523,848	125,984,301		
135,000,000	120,000,000		
7,523,848	5,984,301		
594,086			
8,117,934			
124,901,486	136,539,548		
133,019,420	142,523,849		

#### 10.01 Prior years Adjustment:

(Over provision of income tax)

Income tax assessment for the Financil year 2013 and assessment year 2014-2015 had been completed by tax authority demanding tax liabilities Tk. 45,954,064 whereas tax liability had been provided in the financial statement for the year 2013 Tk. 46,548,150 and the over provision Tk. 594,086 has been adjusted during the year.

#### 11.00 Loan facilities from Standard Bank Ltd.: Tk. 1,614,638,051

This is made up as follows: Opening Balance Add: Addition during the year

Less: Refund during the year Closing Balance

1,560,429,327	1,820,921,321
164,208,724	310,504,806
1,724,638,051	2,131,426,127
110,000,000	570,996,800
1,614,638,051	1,560,429,327

The above loan was taken from Standard Bank Limited bearing interest @ 10.00% per annum on quarterly basis vide referance No. SBL/HO/CR/1108/2015 dated 08.02.2015.

#### 12.00 Loan from ICB for ASI-2011 : Tk. 80,180,401

Opening Balance Add: Addition during the year Total Less: Refund during the year Closing Balance

-	-
95,398,635	-
95,398,635	-
15,218,234	-
80,180,401	-

The above loan was taken as Puji Bazare Khotigroshto Khudro Biniogkarider Shohyaota Tohobil from ICB bearing interest @ 7.00% per annum (simple) on quarterly basis.

#### 13.00 Provision for Expenses: Tk. 333,079

This is made up as follows: Accrued Expenses (Not: 13.01)

333,079	205,8
333,079	205,



**Amount in Taka** 

		Aillouil	L III Taka
		2015	2014
13.01	Accrued Expenses:		
	This is made up as follows:		
	Opening Balance	205,898	290,670
	Add: Accrued Exp. during the year	279,938	171,020
	Total	485,836	461,690
	Less: Adjustment during the year	152,757	255,792
	Closing Balance	333,079	205,898
14.00	Sundry Deposit: <u>Tk. 27,147,640</u>		
14.00	This is made up as follows:		
	Portfolio Deposit Account (Investors)	27,033,694	19,722,824
	Affected Small Investors Deposit	- -	866,888
	Public Issue Application Deposit	-	1,022,000
	Unidentfied Entries	113,946	110,383
		27,147,640	21,722,095
45.00	Linkiller formetable bling trop out one Th. 460,400		
15.00	<b>Liability for withholding LFC &amp; Others:</b> Tk. 162,400 This is made up as follows:		
	Tax deducted at source- others		4,900
	Salary Tax deducted at source		19,100
	VAT deducted at source	<u>.</u>	23,820
	LFC payable (Note-15.01)	162,400	161,200
		162,400	209,020
15.01	LFC:	161 200	225.007
	Opening Balance	161,200 152,400	235,807 161,200
	Add: Addition during the year Total	313,600	397,007
	Loss: Disbursement during the year	151,200	235,807
	Closing Balance	162,400	161,200
	•		
44.00			
16.00	Accounts Payable: Tk. 1,267,719	900.000	000 000
	Payable for Leads Software* Interest payable on ICB Loan-2011	800,000 467,719	800,000
	interest payable office Loan-2011	407,719 1 267 710	900 000

<sup>\*</sup>Merchant Bank operation and Accounting Software was purchased from Leads Corp. Ltd. amounting to TK. 16.00 Lac. 50% payment was made at the time of work order and balance 50% would payable after successful operation of Accounting Software.

467,719 1,267,719

800,000



#### 17.00 Provision for Tax : Tk. 143,772,904

Opening Balance

Add: Provision for income tax made during the year (17.01)

Less: Over Provision of Tax for the Financial year -2013.

Less: Adjustment of Advance Income Tax for the Financial year -2013.

#### **Closing Balance**

Details Break-up of the above balance has been given below:

Amount in Taka				
2015	2014			
118,158,418	53,813,140			
72,162,636	64,345,278			
190,321,054	118,158,418			
594,086	-			
189,726,968	-			
45,954,064	-			
143,772,904	118,158,418			

Deteils	Financial year 2011	Financial year 2012	Financial year 2013	Financial year 2014	Financial year 2015	Total (Tk.)
Opening Balance	1,990,574	5,274,416	46,548,150	64,345,278	-	118,158,418
Add: Provition during the year	-	-	-	-	72,162,636	72,162,636
Less: Adjustment of over provision	-	-	(594,086)	-	-	(594,086)
Less: Adjustment of TDS-2013	-	-	(8,889,357)	-	-	(8,889,357)
Less: Adjustment of Advance Income Tax for 2013	-	-	(37,064,707)	-	-	(37,064,707)
Total	1,990,574	5,274,416	-	64,345,278	72,162,636	143,772,904

Assessment for the financial year 2011 and assessment year 2012-2013 had been made by DCT and assessed tax liability. Tk. 160,916,957 against provision for tax amounting to Tk. 1,990,574 in the financial statement for the financial year 2011. The company had filed 2nd appeal against the assessment order, which is under process.

Assessment for the financial year 2012 and assessment year 2013-2014 had been made by DCT and assessed tax liability Tk. 52,196,260 against provision for tax amounting to Tk. 5,274,416 in the financial statement for the financial year 2012. The company had filed appeal against the assessment order, which is yet to be heard. Assessment for the year 2015- 2016 has not yet been completed.

#### 17.01 Provision for income tax made during the year

The computation of tax provision for the year under audit are as under:

 Tax on Capital Gain TK. 139,553,033.38 @ 10%
 13,955,303

 Tax on Dividend TK. 36,518,978.70 @ 20%
 7,303,796

 Tax on Business Income TK. 135,742,764 @ 37.50% (Including perquisities of TK. 665,200)
 50,903,537

Total Tax Provision 72,162,636



#### 18.00 Provision for diminution in value of Investment: Tk. 415,277,439

Opening Balance Add: Provision made during the year

**Closing Balance** 

Amount in Taka					
2015	2014				
351,752,422	332,263,336				
63,525,018	19,489,086				
415,277,439	351,752,422				

Based on market value prevailing on 31st December, 2015, total value of shares in different companies held by SBL Capital Management Ltd. comes to Tk. 1,091,346,017 (cost Tk. 1,760,723,528). Details are shown at Annexure-2. Thus difference between market value and cost value of total shares comes to 669,377,511. This represents diminution in investment value. Shortfall in provision are shown below:

Total diminution in investment value TK. 669,377,511

Less: Provision for diminution in investment value (January 1, 2015)

TK. 351,752,422

5,500

,166

Total shortfall in provision require to be accounted

TK. 317,625,089

Against above shortfall, sum of Tk. 63,525,017.89 had been provided in accounts which represents (as per BSEC circular No. SEC/CMRRCD/2009-193/181 dated, December 08, 2015) 20% of total unrealized loss in comprehensive income statement for the year under audit. Remaining loss in investment value amounting to Tk. 254,100,071.57 would be taken into accounts in the year 2016.

#### 19.00 Provision for Margin Loan: Tk. 158,594,101

Opening Balance Add: Provision made during the year

Closing Balance

158,594,101	108,033	3,
50,560,435	82,67	78
108,033,666	25,35	55

There arises loss/shortfall in Investors portfolio investment (except rescheduling account shortfall Tk. 204,988,701.19) amounting to Tk. 360,835,843.02 representing difference of loan balance and market value of securities on December 31, 2015 this shortfall/loss should be provided in account. However, BSEC has given a facilities to the Investors by using a circular on SEC/CMRRCD/2009-193/181 dated, December 08, 2015) that loss/shortfall in provision for investment might be amortized in five (05) equal quarterly installment. Provision made for Tk. 50,560,435.40 against shortfall of portfolio investment of Tk. 360,835,843.02 (except rescheduling account shortfall Tk. 204,988,701.19). As such, shortfall in provision stands at Tk. 202,241,741.62 which is made up as follows:

Provision for Margin Loan:

 Required Provision for Margin Loan as on 31.12.2015
 565,824,544

 Less: Rescheduling Account shortfall as on 31.12.2015
 204,988,701

 Net required provision for Margin Lon as on 31.12.2015
 360,835,843

 Less: Opening balance on 01.01.2015
 108,033,666

 252,802,177

Less: 20% of Tk. 252,802,177.02 amortized in Income Statement of current year50,560,435Net provision shortfall202,241,742

#### 20.00 Provision for Interest Waiver to A.S.I.: <u>Tk. 489,064</u>

Opening Balance Add: Provision made during the period **Closing Balance** 

#### 21.00 Other Income: Tk. 1,333,075

Documentation Charge Charge for Investment Certificate Account Closing Charges Public Issue Application Commission Sharing Infrastructure Charge

489,064 -
489,064
26,000
36,000
10,400
1,398
1,370,000
1,443,798



		Amount in	n Taka
		2015	2014
22.00	Interest Expenses: <u>Tk. 166,345,919</u>		
	Interest expenses on SBL Loan	164,208,724	214,505,106
	Interest expenses on ICB Loan-2011	2,137,195	, , , -
	Interest paid to Standard Bank Ltd. & ICB for loan facilities	166,345,919	214,505,106
23.00	Salary & Allowances: Tk. 7,372,964		
23.00	Salaries (Basic)	3,243,840	3,324,060
	House Rent Allowance	1,621,920	1,662,030
	House Maintenance & Utility	36,000	74,400
	Medical Allowance	564,000	617,000
	Conveyance Allowance	516,000	513,000
	Provident Fund (Company contribution)	324,384	332,406
	Leave Fare Compensation (LFC)	152,400	171,200
	Festival Bonus	568,700	529,460
	Washing Allowance	6,000	10,500
	Car Maintenance & Fuel	220.720	98,084
	Casual Wages Total	339,720 <b>7,372,964</b>	236,017 <b>7,568,157</b>
	iotai	7,372,964	7,308,137
24.00	Rent, Taxes, Insurance & Electricity: Tk. 1,782,910		
	Rent for Office Premises	1,281,840	1,281,840
	Electricity	183,565	174,797
	Generator Expenses	71,559	37,885
	Lift Service	30,000	30,000
	Water & Sewerage	28,046	31,631
	WAN Connectivity Expenses	187,900	178,600
	Total	1,782,910	1,734,753
25.00	Postage, Stamp & Telecommunication: <u>Tk. 32,838</u>		
25.00	Postage and Courier	6,697	6,144
	Telephone Expenses	26,141	18,758
	Total	32,838	24,902
26.00	Castianama Drinting C. Advanticement - Tr. 474 024		
20.00	<b>Stationery, Printing &amp; Advertisement : </b> <u>Tk. 171,034</u> Printing & Stationery	33,401	63,615
	Computer, Printer & Networking Accessories	83,555	90,650
	Advertisement & Publicity	54,078	- -
	Total	171,034	154,265
27.00	Director's Fee & Other Expenses: Tk. 465,234		
27.00	Director's Meeting fees	203,550	176,750
	Director's haltage expenses	2,275	-
	Entertainment for the Bord Meeting	81,809	70,123
	Director's Traveling Expenses	177,600	144,800
	Total	465,234	391,673
20 00	Audit 9. Concultancy: Tk. 272-100		
28.00	<b>Audit &amp; Consultancy: </b> <u>Tk. 273,100</u> Audit Fees	48,875	28,750
	Legal Fees	224,225	138,000
	Total	<b>273,100</b>	166,750
		275,100	.00,750



2015   2014			Amount in Taka		
Travelling & Conveyance expenses			2015	2014	
Travelling & Conveyance expenses	29.00	Other Expenses: <u>Tk. 1.902.842</u>			
Entertainment expenses (Öffice) Photocopy & Photograph Training & Interniship Training & Trai			4,370	2,820	
Training & Interniship         -         4,000           Uniform & Leverage         7,000         9,880           Rate & Taxes         4,620         1,000           Legal Charges         507,500         64,000           RJSC Fess & Charges         57,105         -           Drinking Water Expenses         23,275         23,760           CDBL Charges (Note-29.01)         968,516         2,111,220           Registration & Renewal fees         171,160         168,000           BO account maintenance fee         400         400           Miscellaneous expenses for Board Meeting         26,043         19,887           Maintenance, repair, renovation- Office Premises         26,577         50,366           Paper & Periodicals         4,463         8,161           Bank Charges (MICR cheque book, HV & RV charges)         60,743         51,224           Total         1,902,842         2,565,137           29.01         CDBL Charges: Tk. 968,516         2,111,220           Less: Cash back rebate from CDBL         281,081         -           Net charges         968,516         2,111,220           30.00         Earning Per Share (EPS): Tk. 8.33         124,901,486         136,539,548           Weighted average outs			33,101	46,804	
Uniform & Leverage   7,000   9,880   Rate & Taxes   4,620   1,000		Photocopy & Photograph	7,969	3,605	
Rate & Taxes		Training & Interniship	-	4,000	
Legal Charges   507,500   64,000     RJSC Fess & Charges   57,105       Drinking Water Expenses   23,275   23,760     CDBL Charges (Note-29,01)   968,516   2,111,220     Registration & Renewal fees   171,160   168,000     BO account maintenance fee   400   400     Miscellaneous expenses for Board Meeting   26,043   19,897     Maintenance, repair, renovation-Office Premises   26,577   50,366     Paper & Periodicals   4,463   8,161     Bank Charges (MICR cheque book, HV & RV charges)   60,743   51,224     Total   1,902,842   2,565,137      29.01 CDBL Charges: Ik. 968,516     CDBL charges from January'15 to December'15   1,249,597   2,111,220     Less: Cash back rebate from CDBL   281,081   -     Net charges   968,516   2,111,220      30.00 Earning Per Share (EPS): Ik. 8.33     Net profit after tax   124,901,486   136,539,548     Weighted average outstinding number of shares   15,000,000   15,000,000     Earning Per Share (NOPCFPS): Ik. 17.69     Net cash flow from operating activities   265,279,042   199,995,335     Number of shares   15,000,000   15,000,000     Legal Charges   15,000,000   15,000,000		Uniform & Leverage	7,000	9,880	
RJSC Fess & Charges		Rate & Taxes	4,620	1,000	
Drinking Water Expenses       23,275       23,760         CDBL Charges (Note-29.01)       968,516       2,111,220         Registration & Renewal fees       171,160       168,000         BO account maintenance fee       400       400         Miscellaneous expenses for Board Meeting       26,043       19,897         Maintenance, repair, renovation- Office Premises       26,577       50,366         Paper & Periodicals       4,463       8,161         Bank Charges (MICR cheque book, HV & RV charges)       60,743       51,224         Total       1,902,842       2,565,137         29.01       CDBL Charges: Tk. 968,516       2,111,220         CDBL charges from January'15 to December'15       1,249,597       2,111,220         Less: Cash back rebate from CDBL       281,081       -         Net charges       968,516       2,111,220         30.00       Earning Per Share (EPS): Tk. 8.33       124,901,486       136,539,548         Weighted average outstinding number of shares       15,000,000       15,000,000         Earning Per Share       8.33       9.10         31.00       Net operating cash flow per share (NOPCFPS): Tk. 17.69       Net cash flow from operating activities       265,279,042       199,995,335         Number of shares<		Legal Charges	507,500	64,000	
CDBL Charges (Note-29.01)   968,516   2,111,220     Registration & Renewal fees   171,160   168,000     BO account maintenance fee   400   400     Miscellaneous expenses for Board Meeting   26,043   19,897     Maintenance, repair, renovation- Office Premises   26,577   50,366     Paper & Periodicals   4,463   8,161     Bank Charges (MICR cheque book, HV & RV charges)   60,743   51,224     Total   1,902,842   2,565,137    29.01 CDBL Charges: Tk. 968,516		RJSC Fess & Charges	57,105	-	
Registration & Renewal fees		Drinking Water Expenses	23,275	23,760	
BO account maintenance fee			968,516	2,111,220	
Miscellaneous expenses for Board Meeting       26,043       19,897         Maintenance, repair, renovation- Office Premises       26,577       50,366         Paper & Periodicals       4,463       8,161         Bank Charges (MICR cheque book, HV & RV charges)       60,743       51,224         Total       1,902,842       2,565,137         29.01 CDBL Charges: Tk. 968,516       2,111,220         CDBL charges from January'15 to December'15       1,249,597       2,111,220         Less: Cash back rebate from CDBL       281,081       -         Net charges       968,516       2,111,220         30.00 Earning Per Share (EPS): Tk. 8.33       124,901,486       136,539,548         Weighted average outstinding number of shares       15,000,000       15,000,000         Earning Per Share       8.33       9.10         31.00 Net operating cash flow per share (NOPCFPS): Tk. 17.69       Net cash flow from operating activities       265,279,042       199,995,335         Number of shares       15,000,000       15,000,000		Registration & Renewal fees	171,160	168,000	
Maintenance, repair, renovation- Office Premises       26,577       50,366         Paper & Periodicals       4,463       8,161         Bank Charges (MICR cheque book, HV & RV charges)       60,743       51,224         Total       1,902,842       2,565,137         29.01 CDBL Charges: Ik. 968,516         CDBL charges from January '15 to December'15             1,249,597       2,111,220         Less: Cash back rebate from CDBL             281,081       -         Net charges       968,516       2,111,220         30.00 Earning Per Share (EPS): Ik. 8.33             124,901,486       136,539,548         Weighted average outstinding number of shares       15,000,000       15,000,000         Earning Per Share       8.33       9.10         31.00 Net operating cash flow per share (NOPCFPS): Ik. 17.69         Net cash flow from operating activities       265,279,042       199,995,335         Number of shares       15,000,000       15,000,000		BO account maintenance fee	400	400	
Paper & Periodicals Bank Charges (MICR cheque book, HV & RV charges) Total  29.01 CDBL Charges: Tk. 968,516 CDBL charges from January'15 to December'15 Less: Cash back rebate from CDBL Net charges  30.00 Earning Per Share (EPS): Tk. 8.33 Net profit after tax Weighted average outstinding number of shares Earning Per Share  31.00 Net operating cash flow per share (NOPCFPS): Tk. 17.69 Net cash flow from operating activities Number of shares  24,463 8,161 60,743 51,224 7,902,842 2,565,137  2,111,220 2,111		Miscellaneous expenses for Board Meeting	26,043	19,897	
Bank Charges (MICR cheque book, HV & RV charges)  Total  29.01 CDBL Charges: Ik. 968.516 CDBL charges from January'15 to December'15 Less: Cash back rebate from CDBL Net charges Net charges  30.00 Earning Per Share (EPS): Ik. 8.33 Net profit after tax Weighted average outstinding number of shares Earning Per Share  8.33  31.00 Net operating cash flow per share (NOPCFPS): Ik. 17.69 Net cash flow from operating activities Number of shares  15,000,000 15,000,000 15,000,000 15,000,000 15,000,000 15,000,000 15,000,000 15,000,000		Maintenance, repair, renovation- Office Premises	26,577	50,366	
Total   1,902,842   2,565,137					
29.01 CDBL Charges: Tk. 968,516 CDBL charges from January'15 to December'15 Less: Cash back rebate from CDBL Net charges  30.00 Earning Per Share (EPS): Tk. 8.33 Net profit after tax Weighted average outstinding number of shares Earning Per Share  31.00 Net operating cash flow per share (NOPCFPS): Tk. 17.69 Net cash flow from operating activities Number of shares  15,000,000 15,000,000 15,000,000 15,000,000 15,000,000 15,000,000		Bank Charges (MICR cheque book, HV & RV charges)			
CDBL charges from January'15 to December'15 Less: Cash back rebate from CDBL Net charges  30.00 Earning Per Share (EPS): Tk. 8.33 Net profit after tax Weighted average outstinding number of shares Earning Per Share  31.00 Net operating cash flow per share (NOPCFPS): Tk. 17.69 Net cash flow from operating activities Number of shares  1,249,597 2,111,220 281,081 - 124,901,486 136,539,548 15,000,000 15,000,000 15,000,000 15,000,000 15,000,000 15,000,000 15,000,000		Total	1,902,842	2,565,137	
CDBL charges from January'15 to December'15 Less: Cash back rebate from CDBL Net charges  30.00 Earning Per Share (EPS): Tk. 8.33 Net profit after tax Weighted average outstinding number of shares Earning Per Share  31.00 Net operating cash flow per share (NOPCFPS): Tk. 17.69 Net cash flow from operating activities Number of shares  1,249,597 2,111,220 281,081 - 124,901,486 136,539,548 15,000,000 15,000,000 15,000,000 15,000,000 15,000,000 15,000,000 15,000,000	20.01	CDPI Charges: Tk 069 F16			
Less: Cash back rebate from CDBL Net charges  30.00 Earning Per Share (EPS): Tk. 8.33 Net profit after tax Weighted average outstinding number of shares Earning Per Share  31.00 Net operating cash flow per share (NOPCFPS): Tk. 17.69 Net cash flow from operating activities Number of shares  1281,081  - 281,081 - 281,081 - 24,901,486 136,539,548 15,000,000 15,000,000 15,000,000 15,000,000 15,000,000 15,000,000 15,000,000	29.01		1 240 507	2 111 220	
Net charges         968,516         2,111,220           30.00 Earning Per Share (EPS): Tk. 8.33				2,111,220	
30.00 Earning Per Share (EPS): Tk. 8.33  Net profit after tax  Weighted average outstinding number of shares  Earning Per Share  31.00 Net operating cash flow per share (NOPCFPS): Tk. 17.69  Net cash flow from operating activities  Number of shares  30.00 Earning Per Share  124,901,486 136,539,548 15,000,000 15,000,000 15,000,000 15,000,000 15,000,000 15,000,000				2 111 220	
Net profit after tax       124,901,486       136,539,548         Weighted average outstinding number of shares       15,000,000       15,000,000         Earning Per Share       8.33       9.10         31.00 Net operating cash flow per share (NOPCFPS): Tk. 17.69         Net cash flow from operating activities         Number of shares         15,000,000         15,000,000		Net charges	900,310	2,111,220	
Weighted average outstinding number of shares Earning Per Share  8.33  9.10  Net operating cash flow per share (NOPCFPS): Tk. 17.69 Net cash flow from operating activities Number of shares  Number of shares  Number of shares	30.00	Earning Per Share (EPS): Tk. 8.33			
Earning Per Share  8.33  9.10  Net operating cash flow per share (NOPCFPS): Tk. 17.69 Net cash flow from operating activities Number of shares  265,279,042 199,995,335 15,000,000 15,000,000			124,901,486	136,539,548	
31.00 Net operating cash flow per share (NOPCFPS): <u>Tk. 17.69</u> Net cash flow from operating activities  Number of shares  265,279,042  199,995,335  15,000,000  15,000,000		Weighted average outstinding number of shares	15,000,000	15,000,000	
Net cash flow from operating activities         265,279,042         199,995,335           Number of shares         15,000,000         15,000,000		Earning Per Share	8.33	9.10	
Net cash flow from operating activities         265,279,042         199,995,335           Number of shares         15,000,000         15,000,000	21.00	Not analysting each flow new chare (NORCERS). Th. 47.60			
Number of shares 15,000,000 15,000,000	31.00		265 270 042	100 005 225	
Net operating cash now per share					
		Net operating cash flow per share	17.09	15.55	
32.00 NAV per share: <u>Tk. 108.87</u>	32.00				
Shareholder's equity 1,633,019,421 1,642,523,849		Shareholder's equity	1,633,019,421	1,642,523,849	
Number of shares 15,000,000 15,000,000			15,000,000	15,000,000	
NAV per share <b>108.87 109.50</b>		NAV per share	108.87	109.50	



# SBL Capital Management Limited (A subsidiary Company of Standard Bank Limited) Schedule of Property, Plant & Equipments As At December 31, 2015

Annexure-1

		0	Cost					Depreciation		
Description	Balance at 1st January 2014	Balance at 1st Addition during Adju January 2014 the year	Adjustment for disposal	Balance at 31st December 2015	Dep. Rate	Balance at 1st January 2015		Addition during Adjustment for the year disposal	Balance at 31st December 2015	Written down value at 31st December 2015
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	Taka
Office Equipment	1	•	•		20%	ı	•	•	•	
Computer, Printer, UPS, Server etc	1,266,411			1,266,411	20%	707,641	111,754		819,395	447,016
Office Renovation	2,815,800		ı	2,815,800	10%	366,054	244,975		611,029	2,204,771
Furniture & Fixture	200,383			200,383	10%	68,911	13,147	1	85,058	118,325
Software	1,453,000			1,453,000	20%	373,963	55,807	•	429,771	1,023,229
Total Balance as on 31.12.2015	5,735,594			5,735,594		1,516,569	425,683		1,942,252	3,793,341
Total Balance as on 31.12.2014	5,735,594	•	•	5,735,594		1,020,316	496,254		1,516,569	4,219,024



# SBL CAPITAL MANAGEMENT LIMITED (A Subsidiary Company of Standard Bank Limited) Own Portfolio Statement as on 31-12-2015

Annexure-2

SI	Company Name	Total Share	Cost Amount	Market Value	Unrea. Gain/(Loss)
1	aamra technologies	260,000	8,291,296.21	6,578,000.00	-1,713,295.89
2	Agni Systems Limited	315,000	8,112,899.66	6,741,000.00	-1,371,899.40
3	Agrani Ins. Co. Ltd.	480,000	15,497,372.28	8,160,000.00	-7,337,371.95
4	Aman Feed Limited	208,524	10,470,678.58	8,820,565.20	-1,650,112.88
5	Asia Pacific Ins. Co	63,000	2,361,366.03	1,008,000.00	-1,353,365.65
6	BD Fin & Inv Co Ltd.	551,000	19,181,339.10	6,391,600.00	-12,789,738.75
7	BD Submarine Cable	410,000	64,976,927.69	44,321,000.00	-20,655,926.11
8	BSRM Steel Limited	530,000	67,531,950.82	51,039,000.00	-16,492,949.55
9	Dhaka Bank Ltd.	1,275,000	34,484,772.24	25,117,500.00	-9,367,271.97
10	Fareast Islami Life	264,000	43,000,347.45	16,500,000.00	-26,500,345.82
11	FAS Finance Inv Ltd.	435,000	12,130,090.38	4,959,000.00	-7,171,090.10
12	First Janata Bank MF	612,000	4,376,982.33	2,631,600.00	-1,745,382.26
13	Generation Next Ltd.	215,000	2,555,925.73	1,892,000.00	-663,925.61
14	Global Insurance Ltd	830,000	32,822,134.47	10,956,000.00	-21,866,134.08
15	Golden Harvest Agro	111,000	5,076,412.12	2,541,900.00	-2,534,511.67
16	Grameen MFO:Scheme 2	1,180,000	23,069,955.86	11,446,000.00	-11,623,955.66
17	Grameenphone Ltd.	132,000	40,893,078.53	33,396,000.00	-7,497,075.43
18	IAMCL 2nd NRB MF	3,450,000	78,915,175.73	27,600,000.00	-51,315,175.51
19	ICB AMCL 2nd MF	800,000	11,038,358.89	3,520,000.00	-7,518,358.75
20	ICB Islamic Bank Ltd	980,000	15,997,603.01	4,410,000.00	-11,587,602.84
21	IFIC Bank 1st MF	2,300,000	18,793,567.92	10,120,000.00	-8,673,567.84
22	Int. Leasing And FSL	530,000	13,820,937.34	4,823,000.00	-8,997,937.07
23	Islamic Finance Inv	440,000	13,379,238.34	6,820,000.00	-6,559,238.04
24	Jamuna Bank Limited	1,780,000	36,590,969.28	21,360,000.00	-15,230,969.07
25	Jamuna Oi <b>l</b> Co. Ltd	200,000	41,120,188.49	31,420,000.00	-9,700,186.44
26	Lafarge Surma Cement	894,000	92,732,120.35	66,692,400.00	-26,039,719.31
27	LankaBangla Finance	510,000	42,103,577.74	14,790,000.00	-27,313,576.92
28	Meghna Petroleum Ltd	120,000	23,791,835.19	18,312,000.00	-5,479,833.20
29	Mercantile Bank Ltd	285,000	4,679,195.70	3,049,500.00	-1,629,695.53
	Mercantile Ins. Ltd.	510,000	16,874,824.78		



## SBL CAPITAL MANAGEMENT LIMITED (A Subsidiary Company of Standard Bank Limited) Own Portfolio Statement as on 31-12-2015

Annexure-2

SI	Company Name	Total Share	Cost Amount	Market Value	Unrea. Gain/(Loss)
31	MIDAS Financing Ltd.	810,000	47,588,562.78	13,527,000.00	-34,061,562.20
32	MJL Bangladesh Ltd.	393,000	39,336,095.51	37,059,900.00	-2,276,194.51
33	National Bank Ltd.	1,515,000	45,079,727.65	14,241,000.00	-30,838,727.35
34	National Housing	279,000	11,303,876.66	9,709,200.00	-1,594,676.26
35	NCCBL	1,510,000	23,234,033.85	13,741,000.00	-9,493,033.69
36	Nitol Insurance	289,000	14,522,566.58	6,993,800.00	<del>-</del> 7,528,766.08
37	ONE Bank Ltd.	1,855,000	33,491,421.41	28,381,500.00	-5,109,921.23
38	Padma Oil Co. Ltd	170,000	43,469,074.52	31,314,000.00	-12,155,071.97
39	Peoples Leasing	310,001	15,747,173.30	4,433,014.30	-11,314,158.49
40	Popular Life 1st MF	1,370,001	10,947,471.51	5,754,004.20	<b>-</b> 5,193,467.23
41	Popular Life Ins.	83,000	7,051,198.19	6,382,700.00	<b>-</b> 668,497.34
42	Power Grid Co. of BD	713,000	33,100,857.01	32,726,700.00	-374,156.54
43	Pragati Ins Ltd.	588,000	57,524,046.87	15,934,800.00	-41,589,245.89
44	Prime Bank Limited	1,975,000	70,448,946.02	35,747,500.00	-34,701,445.66
45	Prime Bank1st ICB MF	483,000	4,802,717.17	2,125,200.00	-2,677,517.07
46	Prime Finance	264,000	34,119,382.56	3,009,600.00	-31,109,781.27
47	Prime Islami Life	240,000	39,944,485.84	9,432,000.00	-30,512,484.17
48	Pubali Bank Ltd.	252,000	8,501,320.80	5,443,200.00	-3,058,120.46
49	Renata Limited	33,013	38,049,018.51	40,708,330.30	2,659,323.31
50	Salvo Chemical	334,000	4,939,420.22	4,275,200.00	-664,220.07
51	Social <b>I</b> slami BnkLtd	1,100,000	25,173,430.76	15,840,000.00	<b>-</b> 9,333,430.53
52	Square Pharma	267,790	32,735,261.07	67,938,323.00	35,203,063.15
53	Standard Insurance	293,477	9,970,931.13	3,844,548.70	<b>-</b> 6,126,382.09
54	Summit Power Ltd.	2,250,000	113,096,223.38	89,325,000.00	<del>-</del> 23,771,222.88
55	The Premier Bank Ltd	1,000,000	16,504,371.17	8,600,000.00	-7,904,371.00
56	Titas Gas T&D Co Ltd	551,000	39,135,589.21	26,117,400.00	-13,018,188.50
57	Trust Bank 1st MF	260,001	2,269,259.84	1,144,004.40	<b>-</b> 1,125,255.35
58	UCBL	3,200,000	88,439,480.64	68,160,000.00	-20,279,480.36
59	Union Capital Ltd	230,001	9,082,934.51	3,335,014.50	-5,747,919.62
60	Unique Hotel &Resort	300,000	21,159,182.45	15,180,000.00	<b>-</b> 5,979,181.74
61	Uttara Bank Limited	400,000	15,284,342.30	9,080,000.00	-6,204,341.92
	Total		1,760,723,528	1,091,346,017	-669,377,511

The accompanying notes form an integral part of these financial statements.

Chief Executive Officer

Subject to our separate report of even date

SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS





#### STANDARD EXCHANGE COMPANY (UK) LIMITED

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### **COMPANY INFORMATION**

#### **DIRECTORS**

MR KAZI AKRAM UDDIN AHMED MR NAZMUS SALEHIN

#### **REGISTERED OFFICE**

101 WHITECHAPEL ROAD LONDON E1 1DT

#### **COMPANY NUMBER**

6851946

#### **BANKERS**

SONALI BANK (UK) LIMITED

#### **ACCOUNTANTS**

Jahan & Co Chartered Management Accountants 22 Osborn Street London E1 6TD



# STANDARD EXCHANGE COMPANY (UK) LIMITED DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and accounts for the year ended 31 December 2015

#### PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was MONEY REMITTANCE.

#### DIRECTORS

The directors who served during the year and their interests in the share capital of the company were as follows:

	2015	2014
MR KAZI AKRAM UDDIN AHMED	0	0
MR NAZMUS SALEHIN	0	0

#### RESULTS AND DIVIDENDS

The directors are pleased to share the following information:

Remittance collection was £15,626,033 in 2004 and

Number of transactions was 29755 in 2014 and 43317 in 2015(increase by 45.6%)

Number of clients up to 2014 was 5494 and 6406 in 2015(Increased by 16.6%)

The Company's profit after taxation and exceptional items amounted to £71,223 (2014 £45,881) (increase by 55.2%)

#### DIRECTORS RESPONSIBILITIES

Company Law requires the directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The report of the directors has been prepared in accordance with the special provisions within Part 15 of the Companies Act 2006.

This report was approved by the board on 22 March 2016

Nazmus Salehin

Director

KAZI AKRAM UDDIN AHMED

Chairman



# STANDARD EXCHANGE COMPANY (UK) LIMITED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED ACCOUNTS OF STANDARD EXCHANGE COMPANY (UK) LIMITED FOR THE YEAR ENDED 31 DECEMBER 2015

In order to assist you to fulfill your duties under the Companies Act 2006, we have prepared for your approval the accounts of STANDARD EXCHANGE COMPANY (UK) LIMITED for the year ended 31 December 2015 as set out on pages 6 to 10 from the company's accounting records and from information and explanations you have given us.

As a practising member of the Chartered Institute of Management Accountants (CIMA), we are subject to its ethical and other professional requirements which are detailed on their website.

This report is made solely to the Board of Directors of STANDARD EXCHANGE COMPANY (UK) LIMITED, as a body, in accordance with the terms of our engagement letter dated. Our work has been undertaken solely to prepare for your approval the accounts of STANDARD EXCHANGE COMPANY (UK) LIMITED and state those matters that we have agreed to state to the Board of Directors of STANDARD EXCHANGE COMPANY (UK) LIMITED, as a body, in this report, in accordance with the requirements of the Chartered Institute of Management Accountants (CIMA) as detailed on their website. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than STANDARD EXCHANGE COMPANY (UK) LIMITED and its Board of Directors as a body for our work or for this report. It is your duty to ensure that STANDARD EXCHANGE COMPANY (UK) LIMITED has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profitability of STANDARD EXCHANGE COMPANY (UK) LIMITED. You consider that STANDARD EXCHANGE COMPANY (UK) LIMITED is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of STANDARD EXCHANGE COMPANY (UK) LIMITED. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Jahan & Co./ Chartered Management Accountants

22 Osborn Street London

EI 6TD

22 March 2016



## STANDARD EXCHANGE COMPANY (UK) LIMITED Profit and Loss Accounts

#### FOR THE YEAR ENDED 31 DECEMBER 2015

Particulars	Notes	Amount in £		
ratticulats		2015	2014	
TURNOVER	2	417,112	301,590	
GROSS PROFIT		417,112	301,590	
Distribution costs Administrative expenses		(6,349) (339,540)	(7,747) (247,962)	
OPERATING PROFIT	3	71,223	45,881	
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		71,223	45,881	
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		71,223	45,881	
PROFIT FOR THE FINANCIAL YEAR		71,223	45,881	



## STANDARD EXCHANGE COMPANY (UK) LIMITED Balance Sheet

as at 31st December 2015

Particulars	Notes	£			
rai ticulai s	Notes 20		115	20	14
FIXED ASSETS Tangible assets	5		30,564		33,491
<b>CURRENT ASSETS</b> Debtors (amounts falling due within one year) Cash at bank and in hand	6	184,402 31,933 216,335		8,748 45,390 54,138	
CREDITORS: Amounts falling due within one year	7	107,983		19,936	
NET CURRENT ASSETS			108,352		34,202
TOTAL ASSETS LESS CURRENT LIABILITIES			138,916		67,693
CAPITAL AND RESERVES Called up share capital Profit and loss account	8		300,000 (161,084)		300,000 (232,307)
SHAREHOLDERS' FUNDS	9		138,916		67,693

For the year ending 31 December 2015 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the board on 22 March 2016 and signed on their behalf by

KAZI AKRAM UDDIN AHMED

Chairman

Muhamma Abdul Ahad

Chief Excecutive Officer (Current In-Charge)



2015

2014

#### STANDARD EXCHANGE COMPANY (UK) LIMITED NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

#### 1. ACCOUNTING POLICIES

#### 1a. Basis Of Accounting

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

#### 1b. Cash Flow Statement

The Company is exempt from including a statement of cash flows in its accounts in accordance with Financial Reporting Standard for Smaller Entities (effective January 2015).

#### 1c. Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Short Leasehold Properties straight line 15 Plant and Machinery reducing balance 20% reducing balance 20%

Fixtures and Fittings

#### 1d. Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

#### 2. TURNOVER

The turnover and pre-tax result is attributable to MONEY REMITTANCE.

	2015	2014
	£	£
Remittance Commission	238,446	149,796
Exchange Gains	158,066	133,394
Other trading income	20,600	18,400
	417,112	301,590



# STANDARD EXCHANGE COMPANY (UK) LIMITED NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

#### 3. OPERATING PROFIT

Operating Profit is stated after charging: Depreciation

# Amount in £ 2015 2014 5,896 6,894 5,896 6,894

#### 4. TAX ON ORDINARY ACTIVITIES

#### 5. TANGIBLE FIXED ASSETS

#### Cost

At 1 January 2015 Additions At 31 December 2015

#### **Depreciation**

At 1 January 2015 For the Year At 31 December 2015

#### **Net Book Amount**

At 31 December 2015 At 31 December 2014

#### 6. DEBTORS

Amount fa**ll**ing due within the year: Trade debtors Other debtors

Other debtor includes Suspense AC balance of £126,764

Short Leasehold Properties	Plant & Machinery	Fixture & Fittings	Total
£	£	£	£
17,733.00	19,928	42,118.00	79,779.00
-	2,969	=	2,969.00
17,733.00	22,897.00	42,118.00	82,748.00
7,092.00	13,525.00	25,671.00	46,288.00
1,182.00	1,425.00	3,289.00	5,896.00
8,274.00	14,950.00	28,960.00	52,184.00
9,459.00	7,947.00	13,158.00	30,564.00
10,641.00	6,403.00	16.447.00	33,491.00

Amount in £			
2015	2014		
48,890	-		
135,512	8,748		
184,402	8,748		



# STANDARD EXCHANGE COMPANY (UK) LIMITED NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

#### 7. Creditors: AMOUNTS FALLING DUE WITHIN ONE YEAR

Taxation and social security Other creditors

#### 8. SHARE CAPITAL

#### Allotted, issued and fully paid:

300000 ORDINARY SHARES of £1 each

#### 9. PROFIT AND LOSS RESERVE

Opening balance Profit for the year

Amount in £			
2015	2014		
1	723		
107,982	19,213		
107,983	19,936		
300,000	300,000		
300,000	300,000		
(232,307)	(278,188)		
71,223	45,881		
(161,084)	(232,307)		

#### 10. TRANSACTIONS WITH DIRECTORS

No transaction were undertaken between the directors and the company.

#### 11. CONTROLLING PARTY

The company is 100% subsidiary of Standard Bank Limited (Bangladesh) and the parent company has full control over the management of the business.



# Standard Exchange Company (UK) Limited Trading and Profit and Loss Account FOR THE YEAR ENDED 31 DECEMBER 2015

Turnover
Cost of Sales: Gross Profit
Less. Distribution costs Administrative expenses
Net profit for the year before taxation
Net profit for the year after taxation
Retained losses brought forward
Retained losses carried forward

Amount in £				
20	)15	2014		
	417,112		301,590	
	417,112 417,112		301,590 301,590	
6,349 339,540	345,889	7,747 247,962	255,709	
	71,223		45,881	
	71,223		45,881	
	(232,307)		(278,188)	
	(161,084)		(232,307)	

This page does not form part of the Company's Statutory Accounts and is prepared for the information of the Directors only.



Appendix 1

## Standard Exchange Co(UK) Ltd D/B/A Profit and Loss Account Summaries

FOR THE YEAR ENDED 31 DECEMBER 2015

5 1	£	£		
Particulars Particulars	2015	2014		
Distribution Costs:				
Advertising and sales promotion	4,332	4,707		
Travel & subsistence Staff entertaining	1,617 400	3,040		
Stall effectalling	400	-		
	6,349	7,747		
Administrative Expenses:				
Rent, rates & building insurance	50,377	47,916		
Insurance	1,791	2,089		
Water, gas & electricity	3,295	2,881		
Cleaning	1,200	1,035		
Repairs and renewals	2,755	5,906		
Salaries & Wages including NIC	78,597	62,748		
Staff welfare	9,227	8,010		
Training	5,345	822		
Computer costs	2.500	1,148		
Accountancy fees	3,500	3,500		
Business Development Costs	2,000	1.004		
Legal costs (revenue)	350	1,904		
Printing, postage, stationery & office supplies	1,901	1,374		
Computer Expenses	1,253	- 0.40		
Telephone, Internet & fax	671	948		
Fees & subscriptions	773 270	590		
Security services		1,251		
Compliance Fee	6,444	00.046		
Bank charges & commissions	162,789	98,946		
Sundry expenses	1,106	-		
Depreciation and Amortisation:				
Depreciation of short leasehold properties	1,182	1,182		
Depreciation of plant and machinery	1,425	1,601		
Depreciation of fixtures and fittings	3,289	4,111		
	339,540	247,962		

The page does not form part of the company's statutory accounts and is prepared for the information of the Directors only.



Standard Co (USA) Inc

Standard Bank Limited

To

The Board of Directors and Shareholders of Standard Co (USA) inc 37-22 73 Street, 2 (Z. Kabir Tower) Jackson Heights, NY 11372

We have audited the accompanying balance sheet of STANDARD CO (USA) INC. as of December 31, 2015 and related statements of income, retained earnings and cash flows for the year then ended. These financial statements are the responsibilities of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on test basis evidence supporting the amounts. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respect, the financial position of Standard Co (USA) Inc. as at December 31, 201 5 and the results of its operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In the Budget 2015, the expenses for the year was projected as 977,682.77. The expense stands at 1,002,293.91 with a growth of 16% in comparison with the previous year 2014. For the year 2015, the expense growth was projected exactly 16%. So Standard Express was in line with the projection.

This report was approved by the Management and signed on its behalf by:

**Mohammed A Malek** 

SONSHOLD

Chief Executive Officer & Director Standard Co. (USA) Inc. 37-22 73 Street. #2B Jackson Heights, NY 11372 Md-Nazmus Salehin

Director Standard Co. (USA) Inc. 37-22 73 Street. #2B Jackson Heights, NY 11372 Kazi Akram Uddin Ahmed

Chairman Standard Co. (USA) Inc. 37-22 73 Street. #2B Jackson Heights, NY 11372



## STANDARD CO (USA) INC Balance Sheet

as of December 31, 2015

Baution Iau	Notes	Amount	t in Dollars
Particulars	Notes	\$	\$
ASSETS Current Assets: Cash in hand and bank instruments Cash at Bank Cash at Foreign Bank Total Cash in hand and Cash at Bank Accounts Receivable Other current assets Total current assets	8 9 12 10 11		202,875 815,378 51,373 <b>1,069,626</b> 3,261 50,047 <b>1,122,934</b>
Non-current Assets: Fixed assets (Schedule-2) Leasehold Improvement Less: Accumulated Amortization Office equipment & Sign Less:		227,584 60,313 77,721	167,271
Accumulated depreciation Furniture & Fixtures Less: Accumulated depreciation		52,899 26,994 18,929	24,822 8,065
Total non-current assets Other non-current assets: Preliminary expenses Less: Accumulated amortization		114,616 23,233	200,158
Total Preliminary Expenses Suspense Account Total other non-current assets	13		91,383 38,344 <b>129,727</b>
Total assets  LIABLIITES AND EQUITY: Liabilities: Current liabilities			1,452,819
Other Current Liabilities Total current liabilities Shareholders' Equity: Paid-up capitals Retained earnings	14	1,400,000 (181,299)	234,118
Total Equity  Total liabilities and equity			1,218,701 <b>1,452,819</b>

Notes to the financial statements are an integral part of balance sheet Please See Accountant's Audit Report K.M. Hasyon, CAA, PC.



# STANDARD CO (USA) INC Statement of Income and Retained Earnings

for the year ended December 31, 2015

Particulars	Notes	Amount in Dollars
Revenues		<b>\$</b>
Commission Income		195,554
Foreign exchange gain	15	976,556
Total revenue after considering foreign exchange gains		1,172,110
Operating Exchanges:		264.040
Salaries and wages Bank charges		364,918 87,109
Bond Premium-CA Branch		4,438
Rent		176,570
Depreciation		42,650
Amortization		7,641
General & administrative expenses (Schedule-1)		318,969 <b>1,002,295</b>
Total Operating Expenses Operating income/(loss)		169,815
Non-operating income	16	3,311
Income before interest and taxes		173,126
Net operating income		173,126
retained earnings at the beginning of the year		(354,425)
Net income for the year		173,126
Retained earning at the ending of the year		(181,299)

Notes to the financial statements are an integral part of balance sheet Please See Accountant's Audit Report K.M. Hasyon CAA, PC.



Please See Accountant's Audit Report

## STANDARD CO (USA) INC Statements of Cash Flow

For The Year Ended December 31, 2015

Particulars		
CASH FLOW FROM OPERATING ACTIVITIES: Net Income		173,126.00
Additions: Depreciation Alarm System Furniture IT Equipment Leasehold Office Sign	2,135.16 5,397.48 9,144.96 22,151.85 3,820.10	42,650.00
Amortization Decreased in Accounts Receivable Decrease In Suspense Account		7,641.00 630.00 19,172.04
Subtractions: Decrease In Accounts Payable Increase in Other Assets Net Cash flow From Operation		(233,704.00) (4,842.00) <b>4,673.40</b>
CASH FLOW FROM INVESTING ACTIVITIES:		
Leasehold Improvement Office Sign Depreciation Adjustment Net Change in Cash		(6,500.00) (2,400.00) (7,708.00) (11,934.96)
Cash at the Beginning of the year		1,081,561.00
Cash at the End of the year		1,069,626.04

K.M. Hasper, CAA, PC.

K.M. HAQUE, CPA, P.C. Certified Public Accountant 70-44 Broadway Jackson Feights, NY 11372 (718) 478-7071



# STANDARD CO (USA) INC NOTES TO THE FINANCIAL STATEMENTS as of December 31, 2015

#### 1.0 ORGANIZATION AND PRINCIPAL BUSINESS ACTIVITY

Standard Co (USA) Inc. is a corporation, incorporated with the State ,yf New York on February 01, 2010 and starts its operation from 1st March 2011. It is authorized to do business in New York State and California as Standard Express. Its goal is to expand operations to include all major states with demand for such services.

#### 2.0 ACCOUNTING BASIS FOR RECORDING OF INCOME

Corporation's accounts are maintained on an accrual basis. Accrual principle consider revenues and expenses to be an inflow and of all assets, not just the flow of cash in and cash out of business. The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

#### 3.0 VALUATION OF PROPERTY, PLANT AND EQUIPMENT

Property and equipment are carried out at cost. Depreciation and amorlization of property and equipment are provided on an accelerated basis as per Internal Revenue Service Guidelines. Maintenance, repairs and renewals that neither add to the value of the property not appreciably prolong its life are charged to expenses as they are incurred.

#### 4.0 ACCOUNTING POLICIES AND PRINCIPLES

Accounts are prepared based on the historical convention and in accordance with the financial reporting standard for similar entities.

#### 5.0 DEPRECIATION

Method of depreciation has been followed straight line method.

#### 6.0 PRELIMINARY EXPENSES

Preliminary expenses have been incurred for its start-up expense in New York and California which will be amortized within 15 years.

#### 7.0 FORFIGN CURRENCY CONVERSION

The company does not have any fixed rate to convert the US dollar in to Bangladeshi Taka throughout the year. During the process of remittance, they convert th€ US dollar in to foreign currency (Bangladeshi Taka) using an exchange rate set by the company calculated on the basis of the exchange rate offered by the foreign bank/payee banks. The exchange rate fluctuates from time to time during the year.

K.M. Hasyon, CAA, PC.

21,864

10,513

51,373



Dutch Bangla Bank , Dhaka, Bangladesh

Uttara Bank, Dhaka, Bangladesh

8.0	CASH IN HAND AND E	\$	202,875	
	The break-up of above balance is Bank instruments Cash in hand	consisted of as follows:		5,052 197,823 202,875
	The above balances of cash in ha	nd for \$197,823 have been lying with different branch at the end of the year.		
9.0	CASH AT BANK		\$	815,378
	The above balance has been arriv <b>Name of Bank</b> Habib Bank Habib American Bank	red at as follows:  Account Type  Checking  CD		291,438 523,940
10.0	ACCOUNTS RECEIVAB	LE	\$	815,378 3,261
11.00	4.01 DEPOSITS, ADVA Further details of above balances Rent deposits Prepaid bond premium Prepaid insurance against liability	of \$ 50,047 is given below:	\$	50,047 43,640 3,437 2,970 50,047
12.00	CASH AT FOREIGN BA	NK	\$	51,373
	e amount of dollars \$ 51,373 have b onsisted of as follows:	een lying with overseas bank in connection of day to day's operational activiti	es of the compan	y.
Agrani Bar	nk, Dhaka, Bangladesh			18,996

K.M. Hasper, CAA, PC.



13.0	OTHER NON-CURRENT ASSETS	\$	129,727
	The above non-current assets expenses have been incurred in diffe'ent period as preliminary expenses of the comp The details break up of \$ 129,727 is given below:	pany.	
	Preliminary expenses LA Less: Accumulated amortization Total Preliminary expenses -NY Less: Accumulated amortization The above expenses will be amortized in 15 years Suspense Account		69,103 (8,062) 61,041 45,514 (15,171) 30,343 38,343 129,727
14.0	OTHER CURRENT LIABILITIES	\$	234,118
	Break-up of above amount has been made of as follows: 13.01 Payable to standard bank 13.02 Salary payable to staff 13.03 Taxes payable 13.04 Payable against remittance		116,864 23,727 6,883 86,644 234,118
14.01	PAYABLE TO STANDARD BANK	\$	116,864
	The above dollar amounts payable to standard bank, Dhaka, Bang adesh for the company's regular operational acti	ivities incurre	d during the year.
14.02	SALARY PAYABLE TO STAFF	\$	23,727
	The above amount has been appeared on account of payable to various employee against their salaries at the end The details of salaries payable to staffs are as under:	of the year.	
14.03	TAXES PAYABLE	\$	6,883
	The break-up of above payable of taxes as follows: Taxes payable against withholding Taxes payable to Internal Revenue Service		4,536 2,347 6,883

The above withholding against payroll taxes included federal, Medicare, NYC, and social security administration withholding taxes during the end of the year.

K.M. Hasper, CAA, PC.



#### 14.04 PAYABLE AGAINST REMITTANCE

\$

86,644

The above amount have been payable to customers' against remit ances at the end of the year under regular operation of the company's business, Remittance Payable-LA
Remittance Payable-NY
81,904

86,644

#### 15.0 EXCHANGE GAIN

976,556

Details of above amount have been out lined below:

Exchange gains with: Agrani Bank Dutch Bangla Bank Standard Bank Uttara Bank

11,131
20,155
929,804
15,466
976,556

The above foreign exchange gains have been earned from foreign :urrency transactions between two countries of Bangladesh and USA during the year.

#### 16.0 NON-OPERATING INCOME

\$

3,311

The above non-operating income have been comprises of as under: Interest income
Other income

2,613
698
3,311

#### 17.0 CASH IN HAND

It appears that the cash in hand balance in some branches is very ugh. Management should establish a policy/procedure to limit maximum amount of cash in hand in different branches in order to protect the assets of the corporatin.

#### 18.0 PAYROLL

It is recommended that all employees should be under payroll rather than issuing 1099-MISC to them.

K.M. Hasyae, CAA, PC.



# STANDARD CO (USA) INC SCHEDULE OF GENERAL & ADMINISTRATIVE EXPENSES

For the year ended December 31, 2015

Schedule-1

General & administrative expenses:	Amount in Dollars
1 Advertisement & Publicity	21,495
2 Armored Services	32,831
3 Assessment fee to CA DBO	2,708
4 Assessment fee to NYS DFS	19,794
5 CA Employment Tax	884
6 Cleaning	8,697
7 Examination fee	14,175
8 Honorarium & Festival bonus	12,400
9 Hotel & Accommodation	2,931
10 Incidental loss	19,881
11 Insurance	22,606
12 Meals and Entertainment	7275
13 Office expenses	1,892
14 Office supplies	19,974
15 Payee Service Fee- Agrani Bank	4,097
16 Payroll taxes	33,536
17 Postage and delivery	641
18 Printing	1,285
19 Professional fees	17,710
20 Promotional & flier distribution	413
21 Repair & maintenance	6,111
22 Security expenses	7 570
23 Software lease expenses	2,210
24 Corporate taxes	5,178
25 Telephone & Internet	18,851
26 Travelling & conveyance	13,083
27 Utilities	9,949
28 Loss on Asset Disposal	10,792
Total other administrative expenses:	318,969

K.M. Hasyae, CAA, PC



## STANDARD CO (USA) INC SCHEDULE OF FIXED ASSETS

For the year ended December 31, 2015

#### **Schedule-2**

					Depreciation				
Name of Assets	Cost	Addition/ Adjustment	Useful Life (Years)	Total	Opening	Adjustment	Charged for the year	Accumulated Depreciation	Written Down Value (WDV)
Leasehold property	221,084	6,500	10	227,584	45,869	(7,708)	22,151.85	60,313.10	167,270.90
Office equipment	56,413	-	5	56,413	28,462		11,280.12	39,741.63	16,671.37
Office Signs	18,908	2,400	5	21,308	9,338		3,820.10	13,157.76	8,149.76
Furniture & Fixtures	26,994	0	5	26,994	13,531		5,397.48	18,928.48	8,065.69
Total	323,399	8,900		332,299	97,199		42,649.55	132,141.00	200,157.72

**Please See Accountant's Audit Report** 

K.M. Hasyer, CPA, PC.







# **BRANCH NETWORK**

## **DHAKA ZONE**

Metropolitan Chamber & Commerce Building

(Ground floor), 122-124 Motijheel C/A., Dhaka-1000.

(M) 01711 425402

(2nd Man) 01819 262898 9560299, 9559044, 9570893 pbmanager@standardbankbd.com principal@standardbankbd.com

2 Imamgonj Branch Bellal Market

79, Moulvibazar, Dhaka-1100.

(M) 01711648615, 01911093132 (2nd Man) 01819434858 7316820, 7342525, 7311243 imgmanager@standardbankbd.com

3 Topkhana Road Branch

1 Principal Branch

36, Crescent Center, 1st Floor Topkhana Road, Dhaka-1000.

(M) 01552376594, 01713062699 (2nd Man) 01972184161, 01715228818

02-9582060, 02-7125683

topmanager@standardbankbd.com

4 Gulshan Branch

32 Shezad Palace (1st & 2nd Floor)

Gulshan Avenue, North Commercial Area,

Dhaka-1212.

(M) 01940301114, 01714136686 (2nd Man) 01730000437 9881015, 8852679, 8861232, 9880452, 9885164

gulmanager@standardbankbd.com gulshan@standardbankbd.com

5 Munshikhola Branch

Dhaka-Nararangonj Road, Pagla, Munshikhola, Shampur, Dhaka 1204.

(M) 01714096158, 01957793859 (2nd Man) 01721637554

02-7448979

munmanager@standardbankbd.com munshikhola@standardbankbd.com 6 Foreign Exchange Branch NIK Tower, 55, Dilkusha C/A.

NIK Tower, 55, Dilkusha C/A. (2nd & 3rd Floor), Dhaka-1000.

(M) 01714090778

02-9571933, 9574356, (Fax) 9586864 fexmanager@standardbankbd.com foreignexchange@standardbankbd.com

7 Dhanmondi Branch

Renema Garden (2nd Floor) Shahid Sheikh Kamal Sarani House # 275/K (Old), 32 (New) Road # 27(Old), 16 (New), Dhanmondi R/A, Dhaka-1209.

(M) 01811483830 (2nd Man) 01680-552811 58156621, 9145737

dhnmanager@standardbankbd.comdhanmondi@standardbankbd.com

8 Uttara Model Town Branch Plot #113/C, Road-7, Sector-4

Plot #113/C, Road-/, Sector-4 Uttara Model Town, Dhaka 1230.

(M) 01755500237

8955171, 8955172, 58955349, 58955351

(Fax) 7911469

suruj@standardbankbd.com uttara@standardbankbd.com

9 Takerhat Branch

UP Road, Takerhat Bazar, Rajoir, Madaripur

(M) 01712-599795

(2nd Man) 01720093904, 01712757967 tkhmanager@standardbankbd.com

10 Panthapath Branch

77, Bir Uttam C.R. Dutta Road Free School Street, Hatirpool, Dhaka.

9667125(M),9667126(Br.),

01818 182196, 01730015104 (M), 9666521 panthopath@standardbankbd.com

11 Gulshan-1 Branch

Uday Tower, 57 & 57A Gulshan Avenue (South) Circle-1, Gulshan, Dhaka

(M) 01817506293 (2nd Man) 01817630133 9862111, 9840907, 9840906 gul1manager@standardbankbd.com gulshan1@standardbankbd.com



12	Narayanganj Branch	Khan Super Market, 47/9 BB Road DIT, Narayangonj	19	Kotalipara Branch	K.M. Super Market (1st Floor) Ghagor Bazar, Kotalipara, Gopalgonj.
		(M) 01716708042 (2nd Man) 01765588575 027646153, 027647082 nrgmanager@standardbankbd.com			(M) 01719-816944 (2nd Man) 01721-097008 02-6651277 kotmanager@standardbankbd.com kotalipara@standardbankbd.com
13	Ekoria (Keranigonj) Br.	(Near at China BD Friendship Bridge-1), Hasnabad, Ekoria, South Keranigonj, Dhaka (M) 01711-462440, 01926-301665	20	Pragoti Sarani Branch	KA-70, Hazi Ahmed Plaza (1st Floor) Pragati Sharani, Kuril, PO-Khilkhet, PS-Vatara, Dhaka 1229.
1 /	Canalgani Dranch	(2nd Man) 01914-393139, 01974-393139 02-7761100, 02- 7763712 ekomanager@standardbankbd.com			(M) 01733629472, 01676989587 028410225, 028410227, Fax: 028410226 pramanager@standardbankbd.com
14	Gopalganj Branch	City Square Shopping Mall College Road, Gopalgnoj			progotisharani@standardbankbd.com
		6681570-1, 01718-502269 (M), 01554237840 (2nd Man)	21	Nawabpur Road Branch	Shahi Bhaban (1st floor), 106 BCC Road,Thatari Bazar, Dhaka 1203.
15	Banani Branch	gopalgonj@standardbankbd.com Plot # 98, Road-11, Bloc-C, Banani, Dhaka.			(M) 01715 364865 (2nd Man) 01675694785 02-9512138, 02-9512140, 02-9512139 nbpmanager@standardbankbd.com
		9889545(M),8829022, 01711675320(M), 01712288608 (2nd Man), 9820304			nawabpur@standardbankbd.com
		banani@standardbankbd.com	22	Shafipur Branch	Shapna Joy Tower (1st Floor) Shafipur Bazar, Kaliakair, Gazipur.
16	Dakkhinkhan Branch	57, Dakkhin Khan Bazar, Sultan Market P.O + P.S- Dakkhin Khan, Dhaka-1230.			(M) 01717095055 (2nd Man) 01716004886
		(M) 01713 078155 (2nd Man) 01914626760 8956056, 8999559.			0682251058, 0682251059 shafipur@standardbankbd.com
		mgrahman1230@gmail.com dkbmanager@standardbankbd.com	23	Kamarpara Branch	A. R. Complex, 75 Kamarpara Uttara, Turag, Dhaka.
17	Mirpur Branch	Northern Lion's R.P. Tower (1st Floor) Plot-4, Block-D, Section-2, Chiriakhana Road, Mirpur, (Near Sony Ha <b>ll</b> ) Dhaka 1216.			(M) 01712248234 8981591-2 kammanager@standardbankbd.com kanmanager@standardbankbd.com
		(M) 01726176601 (2nd Man) 01971850130 9014059, 9014060 mirmanager@standardbankbd.com	24	Gazipur SME/Krishi Branch	Sahabuddin Complex (1st floor) 168, Joydebpur Bazar, Gazipur 1700.
		mirpur@standardbankbd.com			(M) 01713585638 (2nd Man) 01921-855625
18	Matuail Branch	Momenbagh Chowrasta, Paradogair, Konapara, Matuail, Demra, Dhaka-1362			9264263, 9264155 joydevmanager@standardbankbd.com
		(M) 01912 965887 (2nd Man) 01710513862 02 7559147	25	Green Road Branch	Castle Green (1st floor) 142 Green Road, Dhaka.
		matmanager@standardbankbd.com			(M) 01755 569088 (2nd Man) 01711403639, 01718646006, 9102770, 9102771, 9120366 gremanager@standardbankbd.com green@standardbankbd.com



26	Savar SME/Krishi Branch	B-66, Bazar Road, Savar-1340, Dhaka (M) 01762120185	32	Mohammadpur Branch	Manama Turag (1st Floor) 14/23 Shahjahan Road, Block-A, Mohammadpur, Dhaka-1207.
27	Mymensingh Branch	(2nd Man) 01911768833 7745991-2 savarmanager@standardbankbd.com savar@standardbankbd.com 27, Rambabu Road Canada Square Shopping Complex, Mymensingh.			(M) 01912 110778 (2nd Man) 01710 609961 02-9110630, 9110705 mohdmanager@standardbankbd.com mohammadpur@standardbankbd.com
		(M) 01712000663 (2nd Man) 01918-916683 091- 63530(M) & 63532(Br.), mymensingh@standardbankbd.com	33	Nawabgonj Branch	Nawabgonj Adhunik Biponi Zilla Parishad Market, Nawabgonj, Dhaka. (M) 01716-339111 (2nd Man) 01732 997850
20	Dhairah Danar CME ///righi	Duo a ala			nbgmanager@standardbankbd.com
28	Bhairab Bazar SME /Krishi	Branch Bismi <b>ll</b> ah (NET) Tower Holding No. 806, Ranir Bazar, Bhairab, Kishorgonj.	34	Malibagh Branch	"Faith Tower" (1st Floor & 2nd Floor), 476/A, DIT Road, Malibagh, Dhaka-1217
		(M) 01711 245471 (2nd Man) 01711315715, 01712087900 02-9471301-2 bhairabmanager@standardbankbd.com bhairab@standardbankbd.com			(M) 01714204450 (2nd Man) 01717-053070 880-2-9331929, 9331790, 9335293 malimanager@standardbankbd.com malibag@standardbankbd.com
29	Faridpur Branch	R.K. Plaza (1st floor), 244 Goalchamot, Hazralota, Faridpur Sadar, Faridpur	35	Ashkona Branch	Ashkona Branch 247 Dana Plaza, Ashkona Dakkhinkhan, Dhaka 1230.
		(M) 01716-346036 (2nd Man) 01911 530605, 01911530685 0631-61875, 61877 frdpmanager@standardbankbd.com faridpur@stadndardbankbd.com			(M) 01715 366786 (2nd Man) 01715298460 02-8961823, 025-8951540, 025-8961830 sultanasbl@gmail.com ashkmanager@standardbankbd.com
30	Ring Road Branch, Dhaka	Probal Tower, 45-49 Ring Road (1st floor), Adabor-Shamoly, Dhaka.	36	Kanchpur Branch	Jamir Khan Complex (1st Floor) Kanchpur Bus Stand, Kanchpur Sonargoan, Narayangonj.
		01674524987(M) 01674992926 (2nd Man) 9103413- 4(M) ringroad@standardbankbd.com			(M) 01711008137, 01676989587 (2nd Man) 01839948576, 01715173791 nurulsbl72@yahoo.com kanchpur@standardbankbd.com
31	Shibchar Branch	286 Iman Gomosta Market (1st floor), Guatola, Shibchar, Madaripur. (M ) 01715888866	37	Tangail Branch	Khan Super Market Holding -533,Ward-13 Tangail Pouroshova,Tangail
		(2nd Man) 01914-166578, 01718-344149, 01712502562 0662456500 shibcmanager@standardbankbd.com shibchar@standardbankbd.com		(M) 01988 287742 (2nd Man) 01727700925, 01743601641 0921-61774, 61746 tanmanager@standardbankbd.com tangail@standardbankbd.com	



38 Mohakhali Branch Green Delta Aims Tower (GF), 51-52 45 Ashulia Branch Bhai Bhai Plaza (1st floor), Bogabari, Baipail Mohakhali C/A., Mohakhali, Dhaka Ashulia, Savar, Dhaka. (M) 01716-224310 (M) 01929-764524, 01731-630094, (2nd Man) 01712-352377, 01948-340766, (2nd Man) 01716 222146 9855478, 9855480, 9855487, 9855476 7790004, 7790005 ashuliamanager@standardbankbd.com mohamanager@standardbankbd.com mohakhali@standardbankbd.com ashulia@standardbankbd.com 39 Bakshigonj Branch Sawdagor Shopping Complex (1st floor) 46 Banti Bazar Branch Hazi Musa Plaza (1st Floor) Old Bus Stand Road, Bakshigonj, Jamalpur Banti Adarsha Bazar, Araihazar, Narayangani (M) 01734498448, 01620519209 (M) 01552486359, 09822-56136-37 01818246542 bakshmanager@standardbankbd.com bantiadarshabazar@standardbankbd.com bakshigonj@standardbankbd.com adarshamanager@standardbankbd.com 40 Bhojeshwar Branch Shahnoor Shopping Complex (1st floor) 47 Kawran Bazar Branch Hasney Tower (1st Floor) Bhojeshwar Bazar, College Road 3/A, Kawran Bazar C/A Dhaka-1215 Naria, Shariatpur. (M) 01732656677, 01676989587 (M) 01759-142432 (2nd Man) 01913 362545 01733629472 bhojeswar@standardbankbd.com (2nd Man) 01712352377, 01948340766 +88-02-55013234, +88-02-55013235 41 Tungipara Branch (Patgati Bazar) kawranbazar@standardbankbd.com Rahima-Rangu Plaza (1st Floor) kawranmanager@standardbankbd.com Patgati Bazar, Tungipara, Gopalgoni 48 Kholamora Branch Aziz Super Market (1st Floor) (M) 01916481111 Kholamora Launch Ghat, Samaruddin Nagor (2nd Man) 01911785635, 01711230039 Ward- 2, Kholamora, South Keranigonj Dhaka-1312 6656253, 6656254 tungimanager@standardbankbd.com (M) 01716591439 42 New Eskaton Branch 129, New Eskaton Road, Eskaton Tower kholamora@standardbankbd.com Mogbazar, Ramna.Dhaka-1000 CHITTAGONG ZONE (M) 01711 934385 (2nd Man) 01710411727 9341993, 9341984, 9341867 49 Khatungonj Branch Khatungonj Trade Centre (1st Floor) eskatonmanager@standardbankbd.com Ramjoy Mohajan Lane (Post Office Goli) neweskaton@standardbankbd.com Khatungonj, Chittagong 43 Sonargaon Janapath Branch Muktijoddha K.S. Tower (1st Floor) (M) 01819328491, (2nd Man) 01819611444 Sonargaon Janapath Avenue, House-01 639594, 628424, 2857811, 2857812, Road-17/B, Sector-12, Uttara 2852590, PABX: 610192, 639593, Fax-610192 Dhaka-1230 ktgmanager@standardbankbd.com khatungonj@standardbankbd.com (M) 01719988424 ktgit@standardbankbd.com 28955158, 55085398 sipmanager@standardbankbd.com Fatehabad, Chikondandi, Hathazari 50 Chowdhuryhat Branch Chittagong. 44 Aganagar Branch Haji Alim Ullah Complex, East Aganagar South Keranigonj, Dhaka 683225 (M) 683342, (M) 01819-331290, 01819332303 (M) 01922755875, 01746660008 (2nd Man) 01719212565 (2nd Man) 01716286245, 01834166795 031683225, 031683300 02-7762380, 7762370 chwmanager@standardbankbd.com aganagar@standardbankbd.com chowduryhat@standardbankbd.com



51 Agrabad Branch	Hossen Chamber (G/F), 105, Agrabad C/A Chittagong	57 Pahartali Branch	Abul Khair Bhaban, 20/44, D.T. Road CDA Market, Pahartali, Chittagong
	2513857 (Br.), 2513856 (2nd), 2512515 (M) 2512598 (credit), 2512599 (IBW), 2512530 01789373469 (M) 01777 888408 (2nd Man) 01819 380277 (RM), 01817-030246 (RM) agrabad@standardbankbd.com		(M) 01817700484 (2nd Man) 01815-672575 031 2771931-3 phrmanager@standardbankbd.com pahartali@standardbankbd.com
52 Jubilee Road Branch	Jubilee Road Branch Aziz Chamber (1st Floor) 6 Noor Ahmed Road Jubilee Road, Chittagong	58 Cox's Bazar Branch	Hefazat Market (1st Floor) 103, Main Road, East Bazar Ghata Cox's Bazar (M) 01817205441
	(M) 01970805251 (2nd Man) 01819643648 031-610356, 031-612188, 031-627811,		(2nd Man) 01711064154 0341-51377, 0341-51378 coxmanager@standardbankbd.com
	031-621874, 031-621875 jubmanager@standardbankbd.com jubilee@standardbankbd.com	59 Nanglemora SME /k	ƙrishi Branch Nangalmora High School Market (1st floor) Nangalmora Bazar, Hathazari, Chittagong.
53 CDA Avenue Barnch	1000/A, Hosneara Villa (1st floor) Nasirabad CDA Avenue, Chittagong 4000 (M) 01819 626399		(M) 01729094379, 01710999912 (2nd Man) 01711978810 nmoramanager@standardbankbd.com nangolmora@standardbankbd.com
	(2nd Man) 01812101840 031-656662, 031-656263 031-610029 (Fax) cdamanager@standardbankbd.com cdaavenue@standardbankbd.com	60 Sadarghat Branch, C	itg. 291,Hourbourage Dream Sadarghat Road,Chittagong (M) 01714131383
54 Brahmanbaria Branch	Peara Miah Tower (1st Floor) 1034, Court Road, Brahmanbaria		(Mr) 61714131363 (2nd Man) 01811857161 031-619960, 619950, Fax: 619970 sadarghat@standardbankbd.com
	(M) 01726-264854 (2nd Man) 01712 087900, 01924679184 0851-61788 kayumkhadembd@gmail.com brahmanbaria@standardbankbd.com	61 Comilla Branch	4/4 Kapariapatti (1st floor), Comilla (M) 01819645815, 01911062119, 01913314881, 081-72489, 081-72490 commanager@standardbankbd.com comilla@standardbankbd.com
55 Chittagong EPZ Branch	Gazi Complex (1st Floor), Airport Road EPZ Gate, Bandar, Chittagong	62 Basurhat Branch	Rupali Plaza (1st floor), Rupali Chattar Bashurhat, Companigonj, Noakhali.
56 Bahaddarhat Branch	(M) 01675767653 (2nd Man) 01819-621232 031-740912, 031-800868, 031-800168 cepzmanager@standardbankbd.com cepz@standardbankbd.com Manila Tower (1st Floor) 4544, Bahaddarhat Moor, Chittagong		(M) 01711712503 (2nd Man) 01817707342 03223-56093, 03223-56019 basumanager@standardbankbd.com basurhat@standardbankbd.com
	(M) 01713108800, 01873108800 (2nd Man) 01819031426 031-2552512 & 031-2552513 bdhatmanager@standardbankbd.com manjur1964@gmail.com bahadderhat@standardbankbd.com	63 Oxygen More Brancl	Ali Noor Complex (1st floor) Oxygen More, Chittagong  (M) 01196011143 (2nd Man) 01612186486 031-2584461, 031-2584462 halim01190@yahoo.com oxznmanager@standardbankbd.com



64	Chaktai Branch	330, Chaulpotti, Natun Chaktai Bakalia, Chittagong	71	Nimsar Branch	Insaf Super Market (1st Floor), Nimsar Burichong, Comilla	
		(M) 01817753266 (2nd Man) 01712914100 031-626794, 031-626796, 031-626766 chaktai@standardbankbd.com			(M) 01718 302344 (2nd Man) 01913314881, 01703875439 nimsarmanager@standardbankbd.com	
65	Gunagori Branch	S. M. Chowdhury Super Market, Khasmohol Gunagari, Kalipur, Banskhali, Chittagong	72	Feni Branch	Sayed Ambia Tower (1st & 2nd floor) 74-75, Trank Road, Rajbari Gate, Feni 3900	
		(M) 01717-161469, 01617-161469 (2nd Man) 01818-354826, 01673-155888 03037-56308, 03037-56309 gunamanager@standardbankbd.com gunagari@standardbankbd.com	73	Kumira Branch	(M) 01817 757511 (2nd Man) 01923-136030 0331-61080 fenimanager@standardbankbd.com	
66	Patherhat Branch, Raojan	School Market (1st Floor), Noapara	, 5		Sitakunda, Chittagong	
		Raozan, Chittagong (M ) 01819948117			(M) 01818900105 0304251044 kumira@standardbankbd.com	
		(2nd Man) 01711114085 031-2572188, 031-2572199 patherhatmanager@standardbankbd.com patherhat@standardbankbd.com	74	Kadamtoli Branch	Rahat Centre, 295 D. T. Road Kadamto <b>l</b> i, Chittagong	
67	Panchlaish Branch	S.F.A. Tower (Ground Floor) Probortak More, 132 Panchlaish, Chittagong			01819380277, 01814816797 kadamtoli@standardbankbd.com	
		(M) 01714 852438 (2nd Man) 01711307543		KHULNA ZONE		
		031-2558640, 2558642, 2558643 panchmanager@standardbankbd.com panchlaish@standardbankbd.com	75	Khulna Branch	Chamber Building 5, K.D.A. C/A (Ground Floor), Khulna-9100	
68	Ramchandrapur Branch	NGS Bhaban (1st Floor) Ramchandrapur Bazar, Muradnagor			(M) 01825922462 (2nd Man) 01711432638	
		(M) 01919739791 (2nd) 01711 344366 ramchadrapur@standardbankbd.com			(RM) 01711896589 +88041732633,+88041732655 khlmanager@standardbankbd.com	
69	Bakalia Branch	Hossain Tower (1st Floor) 3615/A, Shah Amanat Bridge Connecting Road, Kalamia Bazar,Bakalia ,Chittagong	76	Benapole Branch	Nahar Tower, Benapole Bazar Benapole, Jessore	
		(M) 01815947792 (2nd Man) 01815197738 031-2866171, 031-2866172			(M) 01711159073 (2nd Man) 01712036996 04228-76076 benapole@Standardbankbd.com	
		bakalia@standardbankbd.com	77	Jessore Branch	Utshab Bhaban, 6/D, R.N. Road P.SKatwali, DistJessore	
70	Karnaphuli Branch	Haji Jafor Ahmed market (2nd & 3rd floor) Moizzartek, Chorpathorghata, Karnaphuli Chittagong			(M) 01711159073, 01913845828 (2nd Man) 01718462150	
		(M) 01711111269 (2nd Man) 01817-205441 031-2855002, 2855003 karnaphulimanager@standardbankbd.com karnaphuli@standardbankbd.com			+88042168394, +88042168395 jesmanager@standardbankbd.com	



78 Barisal Branch Mannan Plaza, 84, Sadar Road, Barisal 85 | Ihenaidah Branch Mokbul Hossain Plaza (1st Floor) 250 H.S.S. Road, Jhenaidah Sadar (M) 01720510474 Jhenaidah (2nd Man) 01717221460 0431-61274, 0431-61273 (M) 01742997974 (2nd Man) 01718455152, 01742273017 barmanager@standardbankbd.com barisal@standardbankbd.com jhenaidah@standardbankbd.com jhenaidahmanager@standardbankbd.com 79 Kushtia Branch 43, N.S. Road (1st floor), Amlapara, Kushtia. RANGPUR 70NF (M) 01711380390 (2nd Man) 01966-768972 071-72458, 071-71298 kushmanager@standardbankbd.com 86 Rajshahi Branch M K Tower, 28 Gonokpara, Ward No.-12 kushtia@standardbankbd.com P.S.-Boalia, Rajshahi 6100 80 Patuakhali Branch Gazi Plaza (1st floor), 02 Sadar Road (M) 01715249880 Patuakhali (2nd Man) 01712137978 0721-811981, (Fax) 0721-811982 (M) 01711-001734 rajmanager@standardbankbd.com (2nd Man) 01786445566, 01713506181 rajshahi@standardbankbd.com 0441-62359, 0441-65059 patuamanager@standardbankbd.com 87 Bogra Branch Helal Mansion (1st Floor), Sherpur Road patuakhali@standardbankbd.com Sutrapur, Bogra Sadar, Bogra 81 Satkhira Branch Islam Tower, Holding No.-5043, Ward No.-8 (M) 01711284141 Pourashava Satkhira, Thana-Satkhira Sadar (2nd Man) 01716-063116 District-Satkhira. 051-67508, 051-67507 bogmanager@standardbankbd.com (M) 01711-133083, bogra@standardbankbd.com (2nd Man) 01717-456835 047162405 88 Rangpur Branch Shah Jamal Market (1st Floor) satkhmanager@standardbankbd.com Station Road, Rangpur-5400 satkhira@standardbankbd.com (M) 01712370815 82 Bagerhat Branch 119/2 K, Ali Road (1st floor), Mithapukurpar (2nd Man) 01912527544 Amlapara, Bagerhat 0521-52127.51795 rangpur@standardbankbd.com (M) 01711 942668 rangpur@standardbankbd.com (2nd Man) 01711-417175 +88 0468-64202 89 Saidpur SME/Krishi Branch Khaled Market (1st floor) loginpintu@gmail.com Shahed Dr. Zhikrul Haque Road bagermanager@standardbankbd.com Saidpur, Nilphamari. 83 Alamdanga Branch 640/A, London Tower (1st floor) (M) 01976625242 Alif Uddin Road, Alamdanga, Chuadanga (2nd Man) 01710522624 0552-671454-5 (M) 01974084637, 01798225565 saidpurmanager@standardbankbd.com (2nd Man) 01712023442 saidpur@standardbankbd.com 0762256353, 07622-56253 mondal.shubir@gmail.com 90 Dinajpur Branch Northern Plaza, Goneshtala Dinajpur sadar, Dinajpur 84 Khan Janah Ali Branch Haji Hanif Complex (2nd & 3rd floor) 12-13, Khan Jahan Ali Road, Khulna (M) 01717-000538 (2nd man) 01751-916427 (M) 01711 352757 0531-63979,0531-63211 (2nd Man) 01917-099177, 041-731312 dinmanager@standardbankbd.com khanjahanalimanager@standardbankbd.com dinajpurbm@standardbankbd.com, dinajpur@standardbankbd.com



91 Nilphamari Branch Nilphamari Chamber of Commerce & 97 Chapainawabgoni Branch Shaleha Sadan, 30 Islampur Industry Bhaban (1st floor) (Boro Indara More), Chapainawabgonj Hazi Mohsin Sarak, Nilphamari Bazar (M) 01712739244, 01730962444 Ni**l**phamari (2nd Man) 01715181813 (M) 01781672626, 01717134211 chapainawabgonj@standardbankbd.com (2nd Man) 01915-984974 chapaimanager@standardbankbd.com 0551 62590, 0551 62591 nilmanager@standardbankbd.com 98 Pirgonj Branch Muktijoddha Complex nilphamari@standardbankbd.com Thana Road, Pirgonj, Rangpur (M) 01711383278 92 Rohanpur Branch Alhaz Abdul Latib Super Market (1st Floor) 05227-56047 Rohanpur Boro Bazar, Rohanpur 05227-56048 Gomostapur, Chapai Nawabgonj pirgonj@standardbankbd.com (M) 01761-646963 SYLHET ZONE (2nd Man) 01710-437558 07823-74228, 07823-74217 rohanmanager@standardbankbd.com 99 Sylhet Branch Thikana Tower (1st Floor), Nayasarak, Sylhet Shila Plaza (1st floor), 211/1 93 Gobindagoni Branch Gobindagoni, Dhaka-Rangpur Highway (M) 01727 579630 Gaibandha (2nd Man) 01716929400 0821-710434, 0821-721842, 0821-728785 (M) 01716872870 sylmanager@standardbankbd.com (2nd Man) 01716872870, 01713063116 +880542375108, +880542375134 Holding no 1803, Word no 03 100 Beanibazar Branch gobinmanager@standardbankbd.com Zaman Plaza (1st floor) gobindagonj@standardbankbd.com Beanibazar Pourashava, Sylhet 94 Hatikumrul Branch Sabuj Bilab Super Market (1st floor) (M) 01717871082 Hatikumrul Goal Chattar, Ullapara, Sirajgonj (2nd Man) 01712658105 08223-56097-8 (M) 01730300730 kahmed73@hotmail.com (2nd Man) 01818267237 bianimanager@standardbd.com 07532-51292 / 51293 hatimanager@standardbankbd.com 101 Moulvi Bazar Branch Kusumbag Shopping City, Sylhet Road hatikumrul@standardbankbd.com Kusumbag, Moulvibazar 95 Pabna Branch BGC Complex (1st Floor) (M) 01715082198 Opposite to Central Girls High School (2nd Man) 01716-023769 Thana Road, Pabna Sadar, Pabna-6600 0861-63451, 0861-63452 moulvimanager@standardbankbd.com (M) 01736423640 moulvibazar@standardbankbd.com (2nd Man) 01711383278 0731-63182, 0731-63185 102 Bishwnath SME/Krishi Branch pabmmanager@standardbankbd.com Aasmot Ali Complex, College Road pabna@standardbankbd.com Biswanath, Sylhet 96 Kansat Branch Idris Plaza Super Market (2nd floor) (M) 01710 186046 Kansatmore, Sona Mosjid Road, Shibgonj (2nd Man) 01819-655556 Chapainawabgonj 08222-456207,08222-456208 sujit 4033@yahoo.com (M) 01717 559660 biswanath@standardbankbd.com (2nd Man) 01911535124, 01746186819 rabi846@yahoo.com kansatdmanager@standardbankbd.com



103 Goalabazar SME/Krishi Branch

Plaza Market (2nd Floor), Sylhet Road Goalabazar, Osmani Nagar, Sylhet

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104 Sunamgonj Branch

Nasir Plaza, Station Road, Sunamgonj

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#### ISLAMI BANKING WINDOW

- 01. Islami Banking Window, Dhaka 36 Topkhana Road, (1st floor), Dhaka-1000 9513515-6, 01713-062699, 01730-015106
- 02. Islami Banking Window, Chittagong Hossen Chamber (G/F), 105, Agrabad C/A, Chittagong 711808, 713432, 01711-809177

#### SBL CAPITAL MANAGEMENT

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#### STANDARD BANK SECURITIES LTD.

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# FORFIGN CURRENCY FXCHANGE **BOOTH**

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## OVERSEAS EXCHANGE HOUSE

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kamrul@standardexchangeuk.com, maahad@standardexchangeuk.com, husen@standardexchangeuk.com, info@standardexchangeuk.com

**B.1 Standard Express** 

Main Branch

37-22 73rd Street, Suite#2B, Jackson Heights, NY 11372, U.S.A.

Cell: +1-646-3318255, +1-347-944-9476, Tel: +1-347-507-0242, Fax: +1-347-507-0243

operation@standardmoneytransfer.com, ceo@standardmoneytransfer.com

standardusa@gmail.com, malek\_966@yahoo.com

**B.2 Standard Express** 

Jamaica Branch

167-15 Hillside Avenue, Jamaica, NY 11432, U.S.A. Tel: +1-718-526-2868, Fax: +1-718-526-2978

standardjamaica@gmail.com

**B.3** Standard Express

Ozone Park Branch

74 19 101 Avenue, Ozone Park, NY 11416, U.S.A.

Tel: +1-917-300-6048, Fax: +1-917-300-6049

**B.4 Standard Express** 

Brooklyn Branch

490 McDonald Avenue, Brooklyn, NY 11218, U.S.A.

Tel: +1-347-627-9666, Fax: +1-347-627-9667

standardbkln@gmail.com

**B.5 Standard Express** 

Bronx Branch

2156 Starling Avenue, Bronx, NY 10462, U.S.A.

Tel: +1-718-684-3466, Fax: +1-718-684-3467

standardbronx@gmail.com

**B.6 Standard Express** 

Jackson Heights Branch

37-22 73rd Street, Suite#A2, Jackson Heights, NY 11372, U.S.A.

Tel: +1-347-507-0242, Fax: +1-347-507-0243

B.7 Standard Express

Los Angeles Branch

4151 West Third Street, Unit A, Los Angeles, California 90020, U.S.A.

Tel: +1-213-330-1810, Fax: 1-213-330-1810

standardlaca@gmail.com




Standard Bank Limited



Registered Office

Metropolitan Chamber Building (3rd Floor) 122-124 Motijheel CA, Dhaka 1000

Phone: 88-02-9577913, 9578385, 9558375

Fax : 88-02-9577898

Web : www.standardbankbd.com

Revenue Stamp Taka 20/-

# **Proxy Form**

I/we			
0f			
being a member of Stand	ard Bank Limited, do hereby ap	ppoint Mr./Ms	
of			
as my/our proxy, to atten	d and vote for me/us on my/ou	ır behalf at the 17th Annual General I	Meeting of the Company to be held on Thursday, the 19th May 2016
at 10:30 a.m. at the Police	e Convention Ha <b>ll</b> , Eskaton Gard	len Road, Ramna, Dhaka and or at an	y adjournment thereof.
In witness my hand this		day of .	2016.
(Signature of the Membe	er)	No. of Share Held	Notes:  i. A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The Proxy Form duly completed must be deposited at the registered Office of the Company not later than 48 hours
Member's BO/Folio No.			before the time fixed for the meeting.
Standard setting a new	d Bank Limited v standard in banking		
	ice Chamber Building (3rd Floor) heel CA, Dhaka 1000		
N	ote: Please complete th	ne attendance slip and hand	it over at the entrance of the hall.
		<u>Attendance Slip</u>	
	endance at the 17th Annual Hall, Eskaton Garden Road,		being held on Thursday, the 19th May 2016 at 10.30 a.m. at
Name of the Member/Pro	ху		
Member's BO/Folio No.			

Signature of Member/Proxy and Date

N.B. : No gift/Gift Coupon/Food Box etc. will be distributed/offered to the shareholders at 17th AGM to be held at Police Convention Hall as per instruction of Bangladesh Securities and Exchange Commission's (shareholders) Circular No. SEC/CMRRCD/2009-193/154 dated 24 October, 2013.

